

IMPLICATION OF MGNREGA ACTIVITIES IN RURAL EMPLOYMENT OPPORTUNITIES - A MICRO LEVEL ANALYSIS

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Abstract

The National Rural Employment Guarantee Act later it was renamed as Mahatma Gandhi National Rural Employment Guarantee(MGNREGA)2005 states that its main objective is to provide enhancement of livelihood security of the households in rural areas of the country by providing at least 100 days later 150 days in drought hit districts(2012) guaranteed wage employment to every household in unskilled manual work (Ministry of Law and Justice,2005) event in the history of rural development policies in India as well as in the history of poverty reduction strategies in the World. The Government of India has already launched anti-poverty programmes like Integrated Rural Development Programmes (IRDP and Jawahar Rojgar Yojana (JRY) to increase the level of employment, income, asset creation and thereby enhance the standard of living of the rural poor particularly the agrarian farming community. These programmes, strive hard to reduce the rural poverty in some extent in the rural areas. These programmes of the government are, no doubt, important but the size of the problem is simply too large as compared to the size of the anti-poverty programmes. There is sustained attention is needed to raise the economic status of the rural poor particularly the rural agricultural labourers by the planners and policy makers. As a matter of fact, the vicious circle of present day stagnation in the economic field begins from drastic fall in down of yield per hectare that leads to low agriculture production that directly hit the entire economy growth path. While it is true that the development of the agricultural sector is linked with the development of the non-agricultural sector, as no economy can be isolated from the rest of the national economy, no increase agriculture production can be possible and effective, even though there may be technological improvement without an active and efficient participation of the agricultural labour. And the social and economic disabilities and disparities of agricultural labourers, while in themselves are no small part of the problem, stand in the way of agriculture labour for active and efficient participation. This is the main research problem discovered in the present study. The present study is focused on Implication of MGNREGA Activities in Rural Employment Opportunities - A Micro Level Analysis by taking a case study of Thethupatti village of Dindigul district of Tamil Nadu should take necessary steps to provide employment opportunities through MGNREGA and thereby enhance purchasing power of the landless agricultural labour household in the study area.

Key words: MGNREGA, labour force participation, Efficiency

Introduction

The National Rural Employment Guarantee Act (NREGA) 2005 later it was renamed as Mahatma Gandhi National Rural Employment Guarantee Act in the year 2012 states that its main objective is to provide enhancement of livelihood security of the households in the rural areas of the country by providing at least 100 days of guaranteed wage employment to

every household in unskilled manual work (Ministry of Law and Justice, 2005) this commitment is clearly a landmark event in the history of rural development policies in India as well as in the history of poverty reduction strategies in the world. The Act has two major implications for the Indian Economy firstly, it will address the rural crisis and consequent demand deficiency that has emerged in the post economic reform periods since the early 90s and secondly it will use in the process, the surplus manpower for generating asset that expand in the labour absorption capacity of the mainstream economy to raise the rate of growth of sustainable employment in the typical Nurksian sense (Nurkse 1957). Both these implications are inter related and together, they are capable of promoting pro-poor growth in the economy. This act has been renamed as Mahatma Gandhi National Rural Employment Guarantee Act on 2nd October 2009 (Indira Hirway, 2005).

The reality of poverty and human deprivation in rural India, employment Guarantee as it is now conceived is unlikely to make a perceptible dent on the conditions of living of the working poor in rural India. This is borne out by the fact that the incidence of income poverty in rural areas is, at the least, four times the incidence of unemployment 7.2 percent as per the Current Daily Status (CDS) in 1999-2000. There may at least two reasons for this disjunction between rates of unemployment and the rates of income poverty and human deprivation. These may due to (a) the existing methods of estimation of unemployment/under-employment poorly capture the true magnitude of the problem especially with regard to its seasonal nature; and (b) the quality of employment is so low that the wage rate is inadequate to take care of even the limited notion of income-poverty let alone the need to take care of basic human development such as health and education. "If properly planned and implemented the rural employment guarantee programme will create favourable conditions for much needed rural regeneration. But it is also important that the scheme be considered as part of a larger package linked to the objective of improving human development" (K. P. Kannan, 2005).

The Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA) indicates that the programme can have a positive impact on the social and economic well-being of rural labourers and their families. In particular, it holds the powerful prospect of bringing major changes in the lives of women (Sudha Narayanan, 2008).

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) needs to be viewed in this historical backdrop. In the backward regions of India, returns to private investment are low. A major reason for this is that many "Public goods", such as healthy watersheds or basic infrastructure, that governs this rate of return, are missing in these areas. Without these, development of such regions will always prove difficult. Since critical issues of ecological balance like forest protection and groundwater levels and quality deeply affect lives of people here, there is a greater risk in leaving the development of these regions to short-term profit maximisers. In any case, very few corporate entities have shown the interest to revive watersheds or build infrastructure here.

These considerations underscore the need for public investment, it will go so far as to suggest that the backward regions of India suffer from, what in development economics used to be called, a "low-level equilibrium trap". And to get out this trap a truly "Big-push" is needed (Rosenstein-Rodan 1943). The big-push describes a situation of market failure, where there may not be enough incentive for any individual to undertake an activity, even though it would be in the interest of every one. The MGNREGA is best seen as an attempt to provide a big push in India's regions of distress. For it promises the largest ever employment programme in human history (Mihir Shah, 2007).

Features of MGNREGAct

Features of the Act are summarised below

- i. Adult members of a rural household, willing to do unskilled manual work, may apply for registration in writing or orally to the local gram panchayat.
- ii. The gram panchayat will issue a dated receipt of the written application for employment, against which the guarantee of providing employment within 15 days operates.
- iii. Employment will be given within 15 days of application for work, if it is not, then daily unemployment allowance as per the Act, has to be paid. Liability of payment of unemployment allowance is of the states.
- iv. Wages are to be paid according to the Minimum Wages Act of 1948 for agricultural labourers in the state, unless the centre notified a wage rate which will not be less than Rs.148 as on 1.04.2013. Equal wages will be provided to both men and women.
- v. Each district has to prepare a shelf of projects. The works are to be selected from the list of permissible works with the different categories of permissible works are as follows:
 - Water conservation
 - Drought Proofing (including plantation and afforestation)
 - Flood Protection
 - Land Development

The constitution of India referred the “Right to Work” under directive principles of state policy. Article 43 of the constitution of India requires, over all, the elected Government of the State to secure for all its citizens work, a living wage, conditions of work ensuring a decent standard of life.

The causes of poverty have been traced to lack of adequate employment opportunities and limited access to markets of the poor with the expansion of economy poverty in India has declined from 54.9 per cent in 1973-74 to 26.5 percent in 2012-13. But the absolute number of the poor continues to remain high. MGNREGA is the most flagship programme of UPA government is striving hard to reach the needy and unemployed people in general and women in particular.

The Status of Women Labour force in MGNREGA

The women agricultural labour population has increased from 16.8 million in 1961 to 27.6 million in 2000. The size of labour force of women was 5.26 million in 2006: of this agriculture has the largest share of 67 per cent¹. Female agricultural workers are generally forced to work harder and are paid less than their male counterparts. Such bias against female workers exists in most of the dry land areas². As the level of income of the agricultural labourers are very poor, thus they are seeking loan from village moneylenders continuously. The institutional agencies are reluctant to provide loans to them. Accordingly, they have to seek credit from non-institutional sources like private moneylenders who charge a high rate of interest and exploit them in a number of other ways as well. In fact, the debt of agricultural labourers passes from generation to generation and is never fully paid up³. One of the experiences of planned economic development in India has been that while it has led to a continuous increase in the gross domestic product, the fruits of this increase, contrary to the expectations, have not percolated to the bottom strata of this society. This has resulted in a rise in the number of

people living below the poverty line on the one hand and increased affluence of a limited number on the other. The realization of the fact that in a mixed economy, a mere increase in the tempo of economic development may not itself be sufficient to reduce the number of poor, is responsible for devoting more time and attention by economist and policy makers in the study of the problem of poverty. Since a vast majority of the population in rural areas lives in poverty. It is well known that landless agricultural labourers are among the poorest segments of rural economy of India. The problem of agricultural labourers is not only a pressing but also a puzzling problem for India when one thinks of providing living wages to the vast multitudes of Indian and the dreams evolving a socialistic pattern of society; one has to primarily think of millions of people involved in agricultural operations. The pattern of this sector of the society is not simply its number but the provision of gainful employment is the basic need.

Statement of the Problem

The agricultural labourers are poverty stricken because they do not get employment throughout the year. Agriculture is the major source of employment to them, but they are subject to unemployment and underemployment during off seasonal employment. The wage rates paid to them are also at a very low level which is not affordable and not matching with the existing level of price of the basic needs. Since it is a seasonal in character their incomes automatically at low level, which leads to the consumption expenditure very high than their income. Hence most of them are indebted. This leads to a poor standard of living. The problems of agricultural labourers are likely to vary from region to region and state to state, low productivity, excessive supply in relation to demand, absence of labour unions, except in few areas, lack of alternative employment opportunities, ignorance and illiteracy have all contributed to their low incomes and the consequent poverty.

The Government of India has already launched anti-poverty programmes like Integrated Rural Development Programmes (IRDP), Mahatma Gandhi National Rural Employment Guarantee Act and Jawahar Rojgar Yojana (JRY) to increase the level of employment, income and standard of living of agricultural labourers. These programmes, tried to reduce only very certain level of rural poverty of rural people. These programmes of the government are, no doubt, important but the size of the problem is simply too large as compared to the size of the anti-poverty programmes.

The need to raise the economic status of the agricultural labourers has continuously been engaging the attention of the planners. But the demand has increased, instead of lessening. As a matter of fact, the vicious circle of present day stagnation in economic field begins from low agriculture production. While it is true that the development of the agricultural sector is linked with the development of the non-agricultural sector, as no economy can be isolated from the rest of the national economy, no increase agriculture production can be possible and effective, even though there may be technological improvement without an active and efficient participation of the agricultural labour. And the social and economic disabilities and disparities of agricultural labourers, while in they are no small part of the problem, stand in the way of agriculture labour for active and efficient participation. This is the main research problem discovered in the present study. The present study area is Thethupatti revenue village of Attur taluk where the MGNREGA is being intensively implementing under the jurisdiction of Dindigul district administration. The researchers have made an attempt to find out the impact of MGNREGA on the people

living in Thethupatti village and also focussed on whether the act has enhance their living status through providing employment opportunities under the scheme of MGNREGA.

Profile of Study Area

Table No.1 Community wise classification of Population and Households in the Study Area

Community	Male	Female	Total Population	Total Household
BC	674	658	1332	230
SC	228	202	430	128
MBC	223	228	451	122
Total	1125	1088	2213	480

Source: Village Administrative Office

The study area of Thethupatti village is situated in northern side of 25 km away from Dindigul and 8 km far from Reddiyarchatram, 14 km distance from Oddanchatram and 12 km

from Athoortaluk. This village falls on the main road of Palani to Madurai highways. Thus it was came to know that there are well connected transport facilities and easy access to all neighbouring districts. The following table provides the community wise classification of the deprived section in the study area.

The above table reveals that both the backward community which include most backward and scheduled community were equally distributed in the study area. Around 73 percent of them are Backward communities including most backward in the remaining 27 percent were covered by scheduled caste. It was found that most of the beneficiaries under MGNREGA in the study area are belongs to backward and most backward communities. The scheduled caste are minorities confined only to 27 percent. Though this area situated in the spur of Kodaikanal hills it was surprised that none of the ST population living in this village.

This table also infers that there was 480 households located in the study area. In this revenue village the total population is 2213, in which male population are outnumbered than the female population and it is controlled by the T.Pannaipatti Panchayat, which is mother village. Most of the lands in the village are fertile lands depending on the bore well is the main source of irrigation. Coconut and banana cultivation are prime crops in the study area. The paddy cultivation and some extend of area under cultivation of vegetables are as main cropping pattern in the study area. Ottanchatram is the nearest marketing place for their agriculture produce. With this background of this study area the following objectives are framed to pursue the present research paper.

Objectives of the Study

1. To study about the existing availability and engaging of working days by the respondent in both agriculture and non agricultural activities in the study area.
2. To analyse the additional employment opportunities provided by MGNREGA to the various categories of the beneficiaries in the study area.
3. To get feedback, the study focussed on perception of the beneficiaries about the implementation and execution of MGNREGA activities in the study area.

Hypothesis of the Study

"There is no Association between the Annual Income and the Number of Working Days per Year employed through MGNREGA in the Study Area".

Sample Size

In order to analyse the above stated objectives the researchers were selected 120 sample respondents as they are beneficiaries under MGNREGA in the study area of Thethupatti village. Based on simple random sampling method the 120 beneficiaries were selected which is one fourth of total household in the study area. They are equally distributed for male and female beneficiaries to pursue this research. The detailed analysis, findings and discussions are given below.

Findings and Discussions

Distribution of the respondents according to their working days in agriculture per month its explain in below the table.

Table No.2 Details of Engaging Number of Working Days Per Month in Agricultural Activities by the MGNREGA Beneficiaries

SL.NO	Working days	Male	Female	Total	Percentage
1	Below 5	12	20	32	26.7
2	6-10	22	32	54	45
3	11-15	17	5	22	18.3
4	16-20	8	2	10	8.3
5	21-25	1	1	2	1.7
6	Above 26	0	0	0	0
Total		60	60	120	100

Source: Primary data

The above table depicts that out of 120 total MGNREGA beneficiaries more than 71 per cent of them are engaging less than 10 days as they are working days per month in the study area. On the other hand only less than 2 per cent were engaged 21 to 25 days in agricultural activities by the

respondents. It infer that an average of 5 to 10 days are the major working days engaged with agricultural activities by the MGNREGA beneficiaries in the study area. It also found that none of the beneficiaries were getting full month engagement with their agriculture activities in the study area.

Engaged with Non Agricultural Activities

The researcher were also explored that whether the MGNREGA beneficiaries were depend on non agriculture activities in the study area. The following table reveals that number of working days engaged with non agricultural activities such as construction, petty shops, cottage industry works, etc.

Table No. 3 Details of Engaging Number of Working Days per Month in Non-Agricultural Activities by the MGNREGA Beneficiaries

Sl.No.	Working days	Male	Female	Total	Percentage
1	Below 5	42	43	85	70
2	6-10	15	13	28	23.17
3	11-15	3	4	7	5.83
4	Above 16	0	0	0	0
Total		60	60	120	100

Source: Primary data

The above table reveals number of days engaged by the MGNREGA beneficiaries per month in the study area. It was found that around 70 percent of the respondents were engaged

with the non-agricultural activities by less than 5 days per month. Moreover 28 percent of them are engaged in non-agricultural activities in between 6 and 15 days per month. It is quite interesting to note that none of them were engaged with non -agricultural activities more than 15 days in the study area. It infers that the role of non-agricultural activities among the MGNREGA beneficiaries in the study area is very less.

Engaged with MGNREGA Activities

Since the MGNREGA is giving assurance for 150 days (recently revised) job guaranteed for rural population, the researchers were eagerly analysed the number of days engaged by the respondents exclusively the MGNREGA activities in the study area. The outcome of this variable is presented in the following table.

Table No. 4 Details of Engaging Number of Working Days per Month in MGNREGA Activities by the Beneficiaries

Sl. No.	Working days	Male	Female	Total	Percentage
1	Below 5	53	21	74	61.66
2	6-10	7	31	38	31.66
3	11-15	0	0	8	6.68
4	Above 16	0	0	0	0
	Total	60	60	120	100

Source: Primary data

The above table reveals the respondent who are engaged with MGNREGA exclusively in the study area. It was found that around 62 percent of the beneficiaries getting employment less than 5 days per month and nearly 32 percent were getting employment under this act was 6 to 10 days

per month and only 6 percent are engaged MGNREGA activities around 11 to 15 days per month in the study area. It infers that more than 92 percent are getting employment only less than 10 days per month.

Details of Cardholders

Though the MGNREG Act clearly stated that one person from the family living below the poverty line is being identified as the beneficiary of MGNREGA, the number of beneficiaries per family is more than one in most of the MGNREGA implementing districts. The researchers were enquired about number of MGNREGA cardholders per family in the study area, the results are presented in the following table.

Table No. 5 Household wise Number of MGNREGA Cardholders in the Study Area

Sl. No.	Number of Cards	Number of Respondents		Total	Percentage
		Male	Female		
1	One Card	11	9	20	16.7
2	Two Cards	49	51	100	83.3
	Total	60	60	120	100

Source: Primary data

From the above table it was learned that there was one and two cards were distributed to the households in the study area. Out of

120 beneficiaries more than 16 percent of them are having only one MGNREGA card and remaining 83.3 percent were having two cards from each household in the study area. It also found that the female workers are hired in two cardholders family than the single cardholder family.

Perception about the MGNREGA Activities

In order to analyse the impact of MGNREGA activities in the study area, the researchers were used different variables and seeking perception about various activities of MGNREGA implemented in the selected study area of Thethupatti village in Dindigul district. The activities are listed out and probed the responds from the beneficiaries the outcomes are listed out in the following table.

Table No. 6 Perception about Various Activities of MGNREGA by the Beneficiaries

Sl. No.	MGNREGA activity	Perception of the Respondents			Total
		Satisfied	Not Satisfied	No Comments	
1.	No. of Working Days	72	46	2	120
2.	MGNREGA Wage Rate	26	94	0	120
3.	Working Hours	84	33	3	120
4.	Employment Generated	62	56	2	120
5.	Wage Distribution	22	98	0	120
6.	Working Condition	75	40	5	120
7.	Distribution of Job Card	110	10	0	120
8.	Type of Employments	36	80	4	120
9.	Structure of Wages	55	40	25	120
10.	Job Security	24	94	2	120
11.	Safety Measures	52	55	13	120
12.	Unemployment Allowance	18	90	12	120
13.	Location of Work	75	42	3	120
14.	Performance of Panchayat Officials	28	86	6	120

Source: Primary data

The above table clearly stated that the perception of MGNREGA activities revealed by the selected respondents in the study area. The overall analysis stated that majority of them were not at all satisfied with most of the MGNREGA activities implemented in the study area. In which Wage Rate, Wage Distribution, Type of Employments, Job Security, Unemployment Allowance and Performance of Panchayat Officials are highly dissatisfied by the respondents in the study area. On the other hand the respondents satisfied with distribution of job card and allocation of working hours to the beneficiaries.

Testing of Hypothesis:

“There is no association between the number of days employed under Mahatma Gandhi National Rural Employment guarantee Act and annual income level of agricultural labourers”.

Table No.8 Association Between Number of Days Per Annum in MGNREGA and Annual Income of the Respondents

Day of Working Days Per Year	Annual Income (in Rs.)			Total
	Below 40000	40000-60000	Above 60000	
Below 60	8 (8.7)	12 (12.9)	6 (4.6)	26 (21.8)
60-80	15 (15.7)	25 (23.1)	7 (8.2)	47 (39.1)
Above 80	17 (15.7)	22 (23.1)	8 (8.2)	47 (39.1)
Total	40 (33.3)	59 (49.2)	21 (17.5)	120 (100.00)

Source: Primary data

Note: Figures within the paranthesis indicates percentage to the total

From the above analysis it understood that there is no correlation between the number of days engaged in MGNREGA activities and the annual income of MGNREGA beneficiaries in the study area, since the calculated χ^2 value (1.098) is less than the tabulated χ^2 value. Thus it was found that there is no association of any anti poverty programme like MGNREGA and their total annual income generated through various activities in the study area.

Suggestions for Policy Implication

A study on Implication of MGNREGA Activities in Rural Employment Opportunities - A Micro Level Analysis was undertaken and based on the findings the researchers are given the following suggestion to overcome the constraints faced by the beneficiaries in connection with MGNREGA activities in the study area.

1. MGNREGA would help to the agricultural labourers in the off season but wages and number of days of employment provided very low. So, it necessary to increase the wage and number of days of employment.
2. Since the agricultural labourers are not able to get employment throughout the year, government institutions and social organisations should come forward to establish rural based industries like coir and cottage industries to provide employment to agricultural labourers throughout the year.
3. The wage distribution system should be streamlined by the district administration to easy reach to the beneficiaries.
4. The influence of government officials particularly at block level must be controlled and monitored by the local level committee which consists of various members from revenue department, rural development department, members of the constituency and the village panchayat.

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