

## A STUDY ON IMPACT OF MAHTMA GANDHI NATIONAL RURAL EMPLOYMENT GUARANTEE SCHEME (MGNREGS) IN ANNAGRAM BLOCK, CUDDALORE DISTRICT, TAMILNADU

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### Abstract

*The impacts of the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) in the study area are discussed in the present study. A development programme, when implemented properly and promptly, ought to have certain impact on the beneficiaries and society as well. An attempt was made in the present investigation to analyze the changes brought about by the Scheme in terms of supplementing employment and livelihood opportunities, economic and social empowerment of women through equal wages and greater work Opportunities, income and wages, inclusive growth particularly among disadvantaged groups, namely, Below Poverty Line/Scheduled Castes/Scheduled Tribes/Differently-disabled, financial inclusion, creation of durable and productive public assets, effective convergence practices, regeneration of natural resource base through water conservation and other activities, stemming of migration, strengthening of Panchayati Raj Institutions, and building social capital in the study area. In order to determine the influencing factors of the MGNREGS as perceived by the sample households, Multiple Regression Analysis test has been employed in the respective tables. In other words Multiple Regression Analysis has been employed to find the influence of the independent variables considered on the dependent variable. Perhaps the most important of all, and of lasting impact, is that a process for the empowerment of the poor is merging around the MGNREGA 2005. This process has commenced in several parts of the country where poor families have been able to assert themselves and demand the payment of minimum wages, Seek and obtain employment allowance from the administration. In fact, the programme has provided the stimulus for the mobilization of the poor across the country, possibly for first time in the recent history in some of the states in India.*

**Keywords:** *financial inclusion, MGNREGS, social empowerment, Multiple Regression Analysis, unemployment, eradication of poverty*

### Statement of the Problem

India, since its independence, has been trying to reduce the level and rate of unemployment in rural areas by initiating development measures and strategic options for the eradication of poverty. However, the fruits of all those measures were very meager. It has been estimated variously that about 25 percent of any such programmes' money actually reaches the intended beneficiaries because the actual money meant for the targeted group had been leaked out. In this context, the MGNREGS, though it has got hard and stringent guidelines, is to be implemented by the State Governments and expected that, they are going to take absolute interest on their own interest. Apart from this, irregularities are usually reported when money is involved and the transaction is between officials who have the power to control over the Scheme, and the poor unemployed labourer who would be willing to accept whatever is due to them. However, if the Scheme is implemented efficiently and effectively, it ensures the following outcomes namely: (i), that the employment guarantee would not merely provide relief at the times of distress, it would also be a move towards long-term drought and flood-proofing of Indian agriculture; (ii), this would be a more effective instrument for reducing poverty because the impact of growth on poverty is higher in areas where social infrastructure is more developed; (iii) the number of people depending on the Scheme would steadily decline over time. As the conditions of their farms improves, people will no longer to look for work under MGNREGS; (iv) the expenditure incurred on

the employment guarantee would be non-inflationary because it will spur agricultural growth upon whose foundation a whole range of sustainable livelihoods could be built; and (v) by fuelling successive rounds of private investment, it will also set up a multiplier of secondary employment opportunities. Hence, the present study is geared towards an in-depth assessment of the impact of the scheme and identification of some of the lacunae associated with the implementation process and guidelines of the MGNREGS.

### Objectives of the Study

1. Study the socio-economic status of the sample beneficiaries
2. Evaluate the impact of the MGNREGS
3. Offers suggestions for strengthening the scheme

### Review of Literature

**Amita Sharma (2010)**, has found (i) Women's new found identity and economic empowerment, (ii) Taking the wages directly through their accounts, (iii) Increased spending of earnings from MGNREGS on food, consumer goods, education of children and offsetting debts, (iv) Work availability in Villages increased post MGNREGS, (v) Decision-making power for women increased post MGNREGS with additional income, (vi) Fixed working hours. an incentive, (vii) work easily available, (viii) Breaking caste and community issues, (ix) Socio-economic benefits and, (x) Easy access to credits, could be attributed to MGNREGS.

**Ratna M. Sudarshan (2009)**, examined the MGNREGS and women's participation in Kerala, Himachal Pradesh and Rajasthan States and found that (i) Wider impacts on market wages, supply of women's labour, Savings, intra household allocation of responsibilities, was observed in varying degrees. (ii) Choice of works reflected standard choices (roads and connectivity; water bodies and irrigation). (iii) Clear evidence of 'strong developmental state' in both Kerala and Himachal States.

**National Federation of Indian Women (NFIW) (2008)** made a study 911, 'Socio-economic empowerment of women under National Rural Employment Guarantee Act in Rajnandgaon District of Chhattisgarh, Jhabua District of Madhya Pradesh, Mayurbhanj District of Orissa and Cuddalore District of Tamil Nadu' and came out with the findings that (i) Women, in general, were taking MGNREGS with pride. They were able to substantially contribute to family expenditure which was seen to have brought a marked change in the traditional women's role and place in their family. When women were asked about the importance of MGNREGS for them, majority of them said to have felt the importance because of employment opportunities, growing spending capacity and creation of community assets. (ii) In Cuddalore it was 81 per cent and 96 per cent in Rajnandgaon who said to have spent for food and consumer goods. On the whole there were good number of workers who were found to be spending on children's education and very few workers who claimed to have spent on clearing small debts.

**In the Editorial Column in the Hindu (2007)** it was pointed out that; currently there was a lot of unevenness in implementation across States. While failures and disasters tend to bog media attention, there were several success stories. Tamil Nadu shows the largest participation of women at 81 per cent. In Rajasthan, where public awareness of MGNREGS was quite high, the Programme generated as many as 77 days of employment per rural household in 2006-07.

### Selection of the Study Area

Cuddalore district was selected for the present study. Cuddalore District is one of the six districts in Tamil Nadu and among the 200 districts at the national level in the first phase selected by the Government of India for implementation of the Scheme. In addition, the district has received 'Rozgar Jagrookta Puraskar' award from the central government in the year 2009 for implementing this scheme successfully. Hence, the above district was purposefully selected for the present research.

### Impact of MGNREGS on Economic and Social Women Empowerment

The MGNREGA 2005 gives special provision to women by reserving one third of the workers at the worksite to be women. Further the Act states that in case of every employment under the

Scheme, there shall be no discrimination solely on the ground of gender and the provisions of the Equal Remuneration Act, 1976 (25 of 1976), shall be complied with. Hence, the perceptions of the respondents were sought and their responses are presented in Table 1.1 When people participate more in public affairs and becomes more aware of the environment, definitely they will have more voice in the society. If a woman has more voice in the society it is a symbol of women empowerment. Though the majority of beneficiaries (78 percent) were women in the study area, only 30.3 percent, 18.1 percent, and 24.6 percent of the respondents in Annagramam block, Cuddalore Block and Panruti Block respectively stated that women have now gained more voice in the society.

It is not surprising to learn that all the respondents in 18 sample Panchayats stated that women were paid equal wage rate on par with men. But, almost all of them (97.7 percent) informed that women were not consulted while choosing worksites under MGNREGS. The reason as stated by 2.3 percent respondents that women were consulted in locating the worksite of the Scheme was that, in Karamanikuppam village Panchayats, in Cuddalore Block, the village Gram Panchayat President is a woman. Women participation under the Scheme was much more than the men participation in the entire 18 sample Gram Panchayats (78 percent). Hence, the impact of the Scheme on their income level was very high in 13 sample Gram Panchayats which has received 100 days of employment in a year.

Consequently, more than 58 percent stated that the income level of women has increased after the implementation of the Scheme. But respondents in a few Gram Panchayats answered differently stating that the income was very meager (10.4-20.8 Percent). This is due to the fact that in these five Gram Panchayats only 25-30 days of employment were received in a year. Viewed at the overall level, it was encouraging because 50.8 percent of respondents stated that the income level of the women has increased after the implementation of the Scheme. An inter-block comparative analysis showed that Panruti Block (Least Developed Group) ranked first with 62.9 percent followed by Cuddalore Block (Moderately Developed Group) with 45.8 percent and Annagramam Block (More Developed Group) with 41.5 percent respectively.

When one starts earning by himself/herself, it is a kind of gaining more responsibility and attaining economic independence. The responses elicited from the sample respondents on the participation of the women in decision making in the family regarding expenditure and savings indicated that in spite of the income level having increased among the women beneficiaries, the percentage of respondents were very low as only 18.5 percent participated in decision making process connected with economic matters. As per the responses of the sample respondents, the Scheme has brought about a new phenomenon indicating an increase in women's workforce participation to the extent of 70 percent at the overall level.

The Scheme has brought more workforce participation from the women's side. An inter-block level comparative analysis showed that the participation of women workforce under the Scheme was higher in Panruti Block (73.7 percent) than the other two, Cuddalore Block with 69.5 percent and Annagramam Block with 66.4 percent. According to Sub-Sections (2) and (3) of Section 17 of the Act regarding Social Audit, the provisions direct the Gram Panchayats to regularly conduct social audit of all the projects under the Scheme and also give equal opportunities to everyone willing to participate in the accounting exercise under the Scheme. Though the Act has given equal opportunities to all the clients for participation in the audit of the projects under the Scheme, the study revealed that none of the respondents has participated in the social audit in the entire surveyed Gram Panchayats. The reason for not having participated was in some cases they were not aware of such a provision, in certain cases no social audit has been conducted since the implementation of the Scheme.

Further, respondents revealed that though they were aware of the social auditing system under the Scheme they were afraid (fear factor) to demand for Such an exercise due to the fear that their cards will be cancelled by the Gram Panchayat President as the President has threatened them that, if any complaint is made their Job Card will be immediately cancelled. Opinion was sought from the sample respondents with regard to separate Gram Sabha meeting (usually being held two times in a year) for women and their responses are presented in Table 1.1

The study revealed that about less than 40 percent were in support of a Separate Gram Sabha meeting for women in the sample Gram Panchayats except in Thirumanikuzhi Gram Panchayat where 50 percent supported and again 50 percent supporting it in Siruvathur. The reason for 50 percent support in Siruvathur Gram Panchayat was that, men and women works at separate worksites and so it is worth knowing what work was to be carried out under the Scheme. On the maintenance of 1/3 reservation for women in employment, cent percent of the respondents in the entire surveyed Gram Panchayats answered in the affirmative. Moreover, 1/3 reservation for women was maintained at all the worksites they have worked. Some even said that in the Gram Panchayats like Panikankuppam and Semakottai, in Panruti Block hardly 4-5 men used to come for work and the rest 50-60 workers were women. The reason for this thin representation from the men's side was that men go for other work including agricultural work as they earn higher wages working elsewhere than in the present Scheme. Also, they wanted to provide chance to women within the village to work under the present Scheme.

1. Women have now more voice in the society because of the scheme.
2. Women Receives equal wages on par with men under the scheme.
3. Women were consulted while choosing the worksites under the MGNREGS.
4. Income level of the schemes beneficiary women has increased after the implementation of MGNREGS.
5. With the implementation of the scheme, participations of women has increased in the decision making of the family in regard to expenditure and saving.
6. With the implementation of the scheme, participation of women in the work force has increased.
7. Women Participates in the social auditing under the MGNREGS.
8. Wants separate Gram Sabha meeting for women for selecting worksites under the scheme.
9. Maintenance of 1/3 reservation for women under the scheme enhances women empowerment.
10. Women were monitored by men at the worksites of the scheme.
11. Recognizably MGNREGS has enhanced women empowerment.

Table 1.1 Respondent's perception on the impact of the scheme on economic and social women empowerment

| Proportion of respondents who responded that; | Annagramam Block       |            |                       |              |                      |            | Sub Total (1) | Cuddalore Block        |           |                       |             |                      |                | Sub Total (2) | Panruti Block          |             |                       |           |                      |            | Sub Total (3) | Grand Total (1+2+3) |
|---|------------------------|------------|-----------------------|--------------|----------------------|------------|---------------|------------------------|-----------|-----------------------|-------------|----------------------|----------------|---------------|------------------------|-------------|-----------------------|-----------|----------------------|------------|---------------|---------------------|
|   | Highest two Panchayats |            | Middle two Panchayats |              | Least two Panchayats |            |               | Highest two Panchayats |           | Middle two Panchayats |             | Least two Panchayats |                |               | Highest two Panchayats |             | Middle two Panchayats |           | Least two Panchayats |            |               |                     |
|   | Keezh Arungnam         | Palur      | Keezh Kavarpattu      | kozhippakkam | Kongarayano or       | Malgaimedu |               | Karamanikupam          | Kondur    | Vellappakka m         | Varakalattu | Thiruvanthipuram     | Thirumanikuzhi |               | Anguchettipalayam      | Kadampullur | Panikankuppam         | Vallam    | Semakottai           | Siruvathur |               |                     |
|   | No.                    | No.        | No.                   | No.          | No.                  | No.        |               | No.                    | No.       | No.                   | No.         | No.                  | No.            |               | No.                    | No.         | No.                   | No.       | No.                  | No.        |               |                     |
| A*  | 24(25)                 | 09 (11.5)  | 18 (52.9)             | 17 (51.5)    | 09 (45)              | 07 (43.7)  | 84 (30.3)     | 10 (11.6)              | 11 (13.6) | 08 (24.2)             | 05 (16.1)   | 07 (38.8)            | 06 (50)        | 46 (18.1)     | 10 (9.6)               | 08 (10)     | 23 (50)               | 15 (33.3) | 12 (57.1)            | 10 (50)    | 78 (24.6)     | 208 (24.5)          |
| B*  | 96 (100)               | 78 (100)   | 34 (100)              | 33 (100)     | 20 (100)             | 16 (100)   | 277 (100)     | 86 (100)               | 73 (100)  | 33 (100)              | 31 (100)    | 18 (100)             | 12 (100)       | 253 (100)     | 104 (100)              | 80 (100)    | 46 (100)              | 45 (100)  | 21 (100)             | 20 (100)   | 316 (100)     | 846 (100)           |
| C*  | 00 (00)                | 00 (00)    | 00 (00)               | 00 (00)      | 00 (00)              | 00 (00)    | 00 (00)       | 00 (23.2)              | 00 (00)   | 00 (00)               | 00 (00)     | 00 (00)              | 00 (00)        | 20 (7.8)      | 00 (00)                | 00 (00)     | 00 (00)               | 00 (00)   | 00 (00)              | 00 (00)    | 00 (00)       | 00 (2.3)            |
| D*  | 20 (20.8)              | 14 (17.9)  | 22 (64.7)             | 23 (69.6)    | 20 (100)             | 16 (100)   | 115 (41.5)    | 09 (10.4)              | 40 (54.7) | 06 (33.3)             | 31 (100)    | 18 (100)             | 12 (100)       | 116 (45.8)    | 80 (76.9)              | 10 (12.5)   | 27 (58.6)             | 45 (100)  | 17 (80.9)            | 20 (100)   | 199 (62.9)    | 430 (50.8)          |
| E*  | 15 (15.6)              | 10 (12.8)  | 13 (38.2)             | 11 (33.3)    | 08 (40)              | 06 (37.5)  | 63 (22.7)     | 02 (23)                | 03 (4.1)  | 04 (12.1)             | 08 (25.8)   | 06 (33.3)            | 05 (41.6)      | 28 (11)       | 20 (19.2)              | 02 (2.5)    | 15 (32.6)             | 15 (33.3) | 08 (38)              | 06 (30)    | 66 (20.8)     | 157 (18.5)          |
| F*  | 60 (62.50)             | 47 (60.20) | 22 (64.7)             | 23 (69.6)    | 18 (90)              | 14 (87.5)  | 184 (66.4)    | 57 (66.2)              | 51 (69.8) | 20 (60.6)             | 25 (80.6)   | 15 (83.3)            | 08 (66.6)      | 176 (69.5)    | 81 (77.8)              | 49 (61.2)   | 32 (69.5)             | 40 (88.8) | 15 (71.4)            | 16 (80)    | 233 (73.7)    | 593 (70)            |
| G*  | 00 (00)                | 00 (00)    | 00 (00)               | 00 (00)      | 00 (00)              | 00 (00)    | 00 (00)       | 00 (23.2)              | 00 (00)   | 00 (00)               | 00 (00)     | 00 (00)              | 00 (00)        | 00 (00)       | 00 (00)                | 00 (00)     | 00 (00)               | 00 (00)   | 00 (00)              | 00 (00)    | 00 (00)       | 00 (00)             |
| H*  | 16 (16.6)              | 18 (23)    | 11 (32.30)            | 10 (30.3)    | 06 (30)              | 04 (25)    | 65 (23.4)     | 15 (17.4)              | 14 (17.4) | 11 (33.3)             | 11 (35.4)   | 05 (27.7)            | 06 (50)        | 62 (24.5)     | 10 (9.6)               | 12 (15)     | 17 (36.9)             | 17 (37.7) | 07 (33.3)            | 10 (50)    | 73 (23.1)     | 200 (23.6)          |
| I*  | 96 (100)               | 78 (100)   | 34 (100)              | 33 (100)     | 20 (100)             | 16 (100)   | 277 (100)     | 86 (100)               | 73 (100)  | 33 (100)              | 31 (100)    | 18 (100)             | 12 (100)       | 253 (100)     | 104 (100)              | 80 (100)    | 46 (100)              | 45 (100)  | 21 (100)             | 20 (100)   | 316 (100)     | 846 (100)           |

|    |              |              |              |              |            |              |               |              |              |              |              |              |              |               |              |              |            |              |              |            |               |               |
|----|--------------|--------------|--------------|--------------|------------|--------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|--------------|--------------|------------|--------------|--------------|------------|---------------|---------------|
| J* | 00<br>(00)   | 00<br>(00)   | 00<br>(00)   | 00<br>(00)   | 00<br>(00) | 00<br>(00)   | 00<br>(00)    | 00<br>(23.2) | 00<br>(00)   | 00<br>(00)   | 00<br>(00)   | 00<br>(00)   | 00<br>(00)   | 00<br>(00)    | 00<br>(00)   | 00<br>(00)   | 00<br>(00) | 00<br>(00)   | 00<br>(00)   | 00<br>(00) | 00<br>(00)    |               |
| K* | 75<br>(78.1) | 72<br>(92.3) | 18<br>(52.9) | 17<br>(51.5) | 12<br>(60) | 09<br>(56.2) | 203<br>(73.2) | 69<br>(80.2) | 59<br>(80.8) | 25<br>(75.5) | 25<br>(80.6) | 10<br>(55.5) | 10<br>(83.3) | 198<br>(78.2) | 85<br>(81.7) | 70<br>(87.5) | 27<br>(58) | 25<br>(55.5) | 11<br>(52.3) | 17<br>(85) | 235<br>(92.8) | 638<br>(75.1) |

Source: computed from the sample survey. No.: number of respondents. Note: figures in parenthesis represent the percentage to their respective total sample respondent.

**Multiple Regression Model Table 1.1**

Factors influencing social; and economic women empowerment in the study area because of the implementation of the MGNREGS

| Independent Variable  | Co-efficient | Standard Error | t      | Level of Significant |
|---|--------------|----------------|--------|----------------------|
| Women have now more voice in the society because of the scheme (x <sub>1</sub> )  | .478         | .023           | 21.924 | ###                  |
| Women were consulted while choosing the worksites under the MGNREGS (x <sub>2</sub> )   | .063         | .039           | 4.718  | ###                  |
| Income level of the schemes beneficiary women has increase after the implementation of MGNREGS (x <sub>3</sub> )  | .127         | .015           | 7.608  | ###                  |
| With the implementation of the scheme, participations of women has increased in the decision making of the family in regard to expenditure and saving (x <sub>4</sub> ) | .114         | .024           | 5.458  | ##                   |
| With the implementation of the scheme, participation of women in the work force has increased (x <sub>5</sub> )   | -.025        | .018           | -1.383 | ##                   |
| Wants separate Gram Sabha meeting for women for selecting worksites under the scheme.   | .317         | .023           | 14.573 | ##                   |
| Recognizably MGNREGS has enhanced women empowerment   | .055         | .017           | 3.424  | ##                   |

Respondents agreeing that the Scheme has enhanced women empowerment were more than half of the respondents (between 51.5-92.3 percent) in the entire sample Gram Panchayats. At the overall level, it comes to 74.2 percent as 628 respondents out of the total 846 respondents agreed that the scheme has enhanced women empowerment.

N = 846, R<sup>2</sup> = .867, F = 782.737, ### Highly Significant, NS = Not Significant.

Multiple Regression Model

$$\hat{Y} = .965 + .478 x_1 + .063 x_2 + .127 x_3 + .114 x_4 - .025 x_5 + .317 x_6 + .055 x_7.$$

Application of multiple regressions analysis is presented in Multiple Regression Model Table 1.1. It showed that the coefficient of determination ( $R^2$ ) = 0.867 which indicates that the three independent variables considered were able to explain 86 percent of the variation in the impact of the MGNREGS on the social and economic empowerment among women in the study area. The result inferred that the independent variables namely, women have now more voice in the society because of the Scheme ( $x_1$ ), women are consulted while choosing the worksites ( $x_2$ ), income level of the beneficiary women has increased after the Scheme ( $x_3$ ), participation of women has increased in the decision making of the family in regard to expenditure and saving ( $x_4$ ), wants separate Gram Sabha Meeting for women for selecting worksites under the Scheme ( $x_6$ ) the scheme has enhanced women empowerment ( $x_7$ ) were highly significant in influencing social and economic empowerment women because of the implantation of the MGNREGS.

And the independent variable, with the implementation of the Scheme participation of women in the work force has increased ( $x_5$ ) was not significant. Further the independent variables, namely, women receives equal wages on par With men under the Scheme, women participates in the social auditing under the MGNREGS, maintenance of 1/3 reservation for women under the Scheme enhances empowerment of women and they were monitored by men at the worksites of the scheme were not considered in the multiple regression analysis since cent percent of the respondents reported the same.

#### Findings

- “We have worked for 251 days under MGNREGS in the last three financial years and have used the money we earned for household expenses as well as our children’s education. Further, we used to be dependent on our husbands for any expense but now we feel empowered and independent as we are also earning members”, MGNREGS woman workforce
- “Our husbands were sometimes hesitating to send us for agricultural work at the hands of the landlords stating that women were not treated properly. But to go for MGNREGS work they never hesitate to send us”, MGNREGS women workforce.
- “Before the implementation of the Scheme we used to remain at home and hardly went for work as our husbands migrated to other places for work. Now, with the implementation of the Scheme, we regularly go for work. Sometimes we work along with our husbands as our husbands have stopped migrating”, MGNREGS woman workforce.

#### Conclusion

The implementation of the scheme, the participation of women has increased in decision among families with regard to financial matters. Arguably, the Scheme has paved the way for empowerment of women. This is largely due to increased participation of women under the Scheme. The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) has created reasons and opportunities for people to work and remain in their own village in some of the study Gram Panchayats. The strengthening of this perception in rural areas can have significant impact on questions of security, women health and children’s education, all of which are often compromised, in one way or another, during migration.

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