CHAPTER VII

SUMMARY, FINDINGS AND SUGGESTIONS
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7.1 Introduction

India is one of the countries with high level of poverty. It was estimated that one third of the world’s poor reside in India. The World Bank reported that 32.7% of the Indian population are below the international poverty line of US$ 1.25 per day (Purchasing Power Parity) during 2010. Another 68.7% live on less than US$ 2 per day. According to the report by the Oxford Poverty and Human Development Initiative (OPHI), 8 Indian states have more poor people than 26 poorest African nations combined which totals to more than 410 million poor in the poorest African countries.

The Mahatma Gandhi National Rural Employment Guarantee Programme (MGNREGP) is one of the important interventions to address poverty in rural areas by providing employment. The programme is introduced through MGNREG Act and it gives power to the daily wage labors to fight for their right to employment and wages.

Several policies and programmes have been introduced in India since independence to address the problem of poverty and unemployment. Though these programmes have a positive impact on these issues and reduced poverty to a larger extent, still 26% of the rural population is under poverty line (Planning commission, 2013) and unemployment rate is increasing. Despite its robust economic growth, India faces the problem of widespread unemployment especially in the rural areas. This has further aggravated the situation of poverty, hunger and malnutrition among the rural poor, especially the landless and marginal landholders, who are the net buyers of food, making them the most vulnerable targets. The decline in employment opportunities and fall in real incomes owing to rising prices highlight the distress amongst the lowest strata of Indian economy in general and rural economy in particular. The poor are the worst hit in such a scenario of rising prices and falling employment and need assistance to cope up with the situation. These households lack productive assets, access to financial assistance, labour being their sole asset to earn a living. Therefore, it is essential to provide gainful wage employment opportunities to
the rural workforce. Keeping this in view, The National Rural Employment Guarantee Programme (MGNREGP) was implemented in 2006 to provide a minimum guaranteed wage employment of 100 days in a financial year to every willing rural household.

Introduction of MGNREGP is a paradigm shift in the development due to the following reasons.

1. It is a rights based approach introduced for the first time to give right to demand for work by those who are in need and willing to work.

2. By nature of the programme, it is a self-targeted programme which eliminates selection biases of exclusion of poor and inclusion of non-poor.

3. It aims at generating employment by creating rural assets which will have an influence on rural development.

4. It is the only programme which is aimed at exclusively rural poor, to improve the purchasing power leading to other forward linkages of developing rural infrastructure, rural marketing and linking the rural areas with urban India.

MGNREGP was implemented in a phased manner in India with the programme being implemented in 200 most backward districts of India in 2006, followed by 130 more districts in 2007-08 and covered the whole country by 2008-09.

Several employment generation programmes have been introduced earlier to MGNREGP. Some of the earlier programmes are Rural Works Programme (RWP) in 1960’s, Crash Scheme for Rural Employment (CSRE) in 1971, Food for Work Programme (FFWP) in 1977, National Rural Employment Programme (NREP) in 1980, Rural Landless Employment Guarantee Programme (RLEG) initiated in 1983, Jawahar RozgarYojana (JRY) in 1989, Employment Assurance Scheme (EAS) in 1993. EAS and JRY were merged into a new programme called Sampoorna Grameen Rozgar Yojana (SGRY) in 2001. The National Food for Work Programme (NFFWP) was introduced in 2004. However, all the wage employment programmes in India from the past four decades have not proven highly successful. This is largely due to their inability to provide sufficient employment as per the demand, at the minimum wages, within the periphery of the villages. In addition, these programmes could not
ensure minimum level of social security to the villages; ensure equity of the benefits and community ownership as well as maintenance of the assets created from such works. Despite huge spending on all such programmes, the achievement on poverty reduction has not been faster enough as expected. These limitations of the wage employment programmes necessitated to look for some other employment model with the potential to increase incomes of the poor improve rural income distribution and reduce household poverty. The Mahatma Gandhi National Rural Employment Guarantee Programme was started in India in 2006 to attain above objectives.

Apart from the objective of providing guaranteed employment to the rural poor for a specific number of days, MGNREGP has many other dimensions, which can directly or indirectly influence the rural livelihoods, income, employment and income distribution. It has many other socio-economic aspects such as woman empowerment, child care, economic growth, etc. which need to be studied in detail for assessing the overall significance of this initiative. While the implementation of MGNREGA can be assessed by a selected list of physical indicators in a region, it is important that an important insight is obtained with regard to a comprehensive achievement on various socio-economic indicators. In this backdrop the present study was carried out in Mysore and CH Nagar districts with the following specific objectives.

The main objective of this study is to understand the impact of MGNREGP on rural development in India with a special reference to Karnataka. In order to realize the overall objective the research focused on the following aspects.

1. Analyzing the trends and inter-state variation in allocation of funds under MGNREGP.

2. Estimating the efficiency in the allocation of funds.

3. Assessing the impact of MGNREGP on Rural Development in Mysore and Chamaraja Nagar Districts.

4. Identifying the factors influencing the participation of Rural Poor in MGNREGP.
This study is based on both secondary and primary data. Macro analysis is based on the secondary data collected from various sources and micro analysis is based on survey conducted in two sample districts viz., Mysore and CH Nagara districts.

DEA analysis is carried to estimate the efficiency of respective states. Factors influencing differences are estimated with Tobit regression. Impact of MGNREGP on rural development is analyzed with primary data collected from sample panchayat villages. The sample covers 379 HHs from two districts.

In assessing the impact of MGNREGP on rural development the study adopted the analytical framework proposed by International Fund for Agriculture Development (IFAD). This framework is appropriate in analyzing the impact because it takes into consideration both the micro-level changes at the HH and macro-level changes at the village level. Since villages are the target area it is logical to observe the changes at the village level. The IFAD framework analyses the impact in six domains and it is used in the present study with appropriate modifications.

**Domains**

1. Financial and Physical Assets
2. Human Assets
3. Social Capital and People Empowerment
4. Food Security
5. Environment and Common Resource
6. Institution, Policies and Regulatory Frame Work

**Indicators for the Domains**

Impact of MGNREGP in the domain of physical and financial assets is analyzed with the following indicators.

- Changes in the physical assets (land, water, livestock)
- Changes in access to markets, transportation and communication
- Changes in access to financial services like credit, saving etc.
The indicators for the second domain of Human Assets are:

- Expenditure on Human Capital
- Impact on Migration

Indicators for Social Capital and People Empowerment domain are:

- Membership in Associations
- Improvement in Interpersonal Relationship
- Participation in Grama Sabha

The indicator for the fourth domain Food Security are:

- Changes in cropping pattern
- Spending of MGNREGP Wages on Food
- Reduced Food Insecurity

The indicators for the fifth domain Environment and Common Resource are:

- Type of works undertaken under MNREGP in sample villages
- Types of water related works under MGNREGP

The indicator for the sixth domain Institution, Policies and Regulatory Frame Work:

- Increase in Institutions after the introduction of MGNREGP

The thesis is presented in seven chapters. The first chapter introduces the topic, need for the study, objectives and methodology.

Review of literature presented in second chapter summarizes the existing literature relating to MGNREGP. The review is focused on studies relating to the progress of MGNREGP, employment generated, participation of marginalized groups, inter-state differences etc. It is observed that though there are several studies in this area, none of them analyzed the efficiency of the implementation and outcomes of the programme and its impact on rural households in an integrated manner. Therefore the present study attempts to estimate the efficiency, identify the factors and also the impact on rural development through its impact on households.

The third chapter reviews the public intervention programmes for poverty reduction and employment generation in India during the plan period and the introduction of MGNREGP.
Analysis of financing of the MGNREGP is presented in the fourth chapter. This section mainly focused on the pattern of financing, trends in utilization, interstate and inter-district variation in Karnataka, factors influencing inter-state variation etc.

Fifth chapter discusses the efficiency of the outcomes of MGNREGP. This section analyses the performance of the states and districts in Karnataka. Apart from the analysis of trends in outcomes, the linkages between outcomes and rural poverty, rural unemployment, rural population and literacy rate were explored. Regression analysis was carried to understand the factors influencing the outcomes of MGNREGP in terms of generation of employment across different states.

Analysis of issues relating to impact of MGNREGP on rural development in Mysore and CH Nagara districts based on the survey is presented in the sixth chapter.

Summary of the findings and suggestions are presented in the seventh chapter.

7.2 Summary of the Findings

Important findings emerged out of the secondary data analysis and from primary data analysis are presented below.

7.2.1 Findings based Secondary Data Analysis

- The poverty in rural areas declined from 50% in 1993-94 to 26% in 2011-12. Similarly poverty in urban declined from 32% to 14% during the same period. The data also reveals that poverty reduced sharply between 2004-05 and 2011-12 compared to the decline between 1993-94 and 2004-05. Rural poverty declined by 0.75 percentage points per annum between 1993-94 and 2004-05, but it declined by 2.32 percentage points during 2004-05 and 2011-12. The decline in second period is sharper in rural compared urban.

- As per the NSSO the unemployment rate inversed in rural areas, but declined in urban areas between 1993-94 and 2009-10. While rural unemployment rate inversed from 5.6% to 6.8%, urban unemployment rate declined from 7.4% to 5.8%. In the case of male unemployment in rural areas the increase is from 5.6% to 6.4%. But inverse in female unemployment is more. It increased from 5.6% to 8.0% during the same period. But in urban areas the decline is from 10.5 to 9.1% for females and 6.7% to 5.1% for females.
On an average during the entire period from 2006-07 to 2011-12 around 80% of the funds allocated were utilized indicating 20% un-utilization of allocation at all India level under MGNREGP.

The data showed that Nagaland is ranking number one in terms of spending on MGNREGP during 2006 and 2011. The expenditure was Rs 2227 lakhs per million rural population.

The data on interstate variation shows that in richer states like Haryana, Maharashtra, Punjab and UT of Dadra and Nagar haveli, the average expenditure is less than Rs 100 lakhs per million rural population. Among the southern states Kerala has spent least amount of Rs 111.70 lakhs per million rural population.

The interstate variation also shows that average spending on MGNREGP is higher in smaller and poorer states and lower in economically richer states.

Progress of MGNREGP in Karnataka shows that an average, per district allocation was Rs 7830.4 lakhs in 2010-11 and Rs 6469.54 lakhs in 2011-12.

The project cost is more than 90 percent in all the districts, though there are differences in the actual percentage. While Raichur district spent 99.15 percent on project and only 0.85 percent on administration, Hassan district spent about 94 percent on project and 6 percent on administration. On the other hand Ramanagara and Raichur have spent less than one percent on administration of the programme.

From the data it appears that project costs are higher in poorer districts and more than 5% of the amount is spent on administration is a relatively richer district.

The result shows that Raichur district has the highest capacity in the utilization of MGNREGP funds. The district ranks one with a utilization of 74.04%. In terms of rural literacy and incidence of poverty the district is under developed.

Among the sample districts it is observed that during the three years period of 2012-13 to 2014-15 (July), Mysore taluk was allotted minimum amount of Rs
353.8 lakhs. On the other hand HD Kote was allotted maximum amount of Rs 1446.44 lakhs.

- In terms of utilization of funds HD Kote shows highest utilization (98%) of the funds and T. N. Pura taluk shows lowest utilization (93.76%). An average fund released in Mysore district was Rs 949.53 lakhs and out of this Rs 914.57 comprising 96.32% were utilized in Mysore district.

- The percentage of HH which have demanded employment is highest in Mysore taluk and lowest in K.R. Nagar taluk. Mysore is the only taluk where 90% of the card holding HHs demanding job.

- The district average for the percentage of HH provided with jobs out of the total who have demanded jobs is 92.18%. This share is highest in T. Narasipura taluk (96.90%) and lowest in Mysore taluk (89.33%).

- Total project cost was highest in HD Kote (Rs 1407.64 lakhs) and least in Mysore taluk (Rs 1407.64 lakhs). The share of material cost is around 33%. It is observed that in sample districts of Mysore and HD Kote, the material cost is low in Mysore taluk (33.18%) and high in HD Kote taluk (51.03%)

- The data shows that recurring expenditure is the major administrative expenditure in the implementation of MGNREGP. In all the taluks recurring expenditure is more than 90% of the total expenditure. In HD Kote, KR Nagar and T. Narasipura districts no non-recurring expenditure was reported and in Mysore and Hunasuru taluks around 4% of the expenditure is non-recurring expenditure.

- The utilization of funds in CH Nagara is higher compared to Mysore district. There are differences in different taluks. Kollegal taluk reported highest utilization of 98.03%. Least utilization was observed in Gundalapete (90.50%). In terms of sanction of funds, Kollegala received highest amount of Rs 2909.38 lakhs and Gundalapete received a minimum amount of Rs 685.35 lakhs. CH Nagara also received higher amount of Rs 2235.22 lakhs.

- There is a steady increase over the reference period. Along with this, the number of HH demanding jobs also increased continuously. The number of
HH demanding jobs increased from 201.21 lakhs in 2006-07 to 509.11 lakhs by 2011-12. But during the same period, the percentage of HH was demanding job out of those who have registered has been declining.

- While 56.33% of the total households who are registered have demanded job during 2006-07, only 41.10% have demanded job in 2011-12. There is a steady decline in the HH who have demanded job during the last six years. The percentage declined to 45.45% by 2008-09. During 2010-11, 46.33% of the HH demanded job. In absolute numbers the number of people who are provided with employment has been increasing. The number of persons who are provided with job has increased from 210.16 lakhs in 2006-07 to 499.52 lakhs by 2011-12.

- The share of SC increased to 30.63% by 2010-11, but declined to 22.04% by 2011-12. Same in the caste with ST. The share of ST was highest in 2006-07. During this period 36.45% of the total employment provided was for ST and it declined continuously in the subsequent years. During 2011-12 the employment generated by ST population is 18% of the total employment generation. In terms of numbers the person days of ST declined from 5874.31 lakhs in 2009-10 to 3838.49 lakhs by 2011-12.

- Consequently the participation of other category has increased. The share of others increased from 38.9% in 2006-07 to 59.80% in 2011-12. In absolute numbers also the number of days generated by other categories increased considerably. The increase is from 3456 days in 2006-07 to 13840 in 2009-10. There is a marginal decrease in 2010-11, but the same trend continued in 2011-12 reaching to 12643 lakhs person day. Based on these numbers it can be observed that in the initial years of the implementation of MGNREGP there is a greater participation of SC and ST population and in later years it has declined. The trend is inversing participation of other than SC and ST population in MGNREGP.

- Participation of women has increased continuously up to 2009-10, but started declining afterwards. While 13640 lakh person days were generated by women in 2009-10, it declined to 10186 by 2011-12. Since there is an overall reduction in employment generation in these years, the percentage of women
did not decline and it has marginally increased from 47.73% in 2010-11 to 48.18 by 2011-12. On an average 46% of employment generated was by participation of women.

- In terms of variation there is a greater consistency in participation compared to any other category except ST. While variation in the participation of others was 42%, SC was 43%, women was 40%. Participation of ST is more stable with 22% of variation. The data shows that women are actively participating in MGNREGP to supplement their family income and the programme gave opportunity for the inclusion of women in employment generation.

- The data shows that Nagaland has generated more employment compared to any other state. The state generated 17215 lakh days of employment between 2006-07 and 2010-11. The other states in the first ten ranks are Tripura, Manipur, Chhattisgarh, and Meghalaya. Among southern states while Tamil Nadu was ranking sixth in terms of provision of employment, Andhra Pradesh was ranking eight. Karnataka and Kerala are in the bottom. While Karnataka is at 18th position with 4173.64 lakhs of days of employment generation, Kerala is in 23rd position with 2744 lakhs days of employment. The states which have generated lowest employment are Haryana with only 961 lakh dys and Punjab with 987 lakh days. Dadra and Nagarhaveli is in 26th rank with 1104.17 lakh days of employment.

- Among the states Arunachal Pradesh exhibited least consistency indicated by highest coefficient of variation. The states ranking in the middle in terms of provision of employment have shown there is greater year to year variation. Though Nagaland is ranking one in generation of employment, it is also showing greater inconsistency.

- The data reveals that in majority of the states there is a convergence. The states which are spending more are able to generate more employment. But in some states like Jammu and Kashmir, though the rank in average expenditure is 19, its ranking in employment generation is 22. Same is the case with Jharkhand where the state is ranking 4 in spending, but ranks 15 in employment generation indicating that more amount is spent, but less employment is generated. But in Tamil Nadu and Arunachal Pradesh reverse
situation is observed. These two states are ranking low indicating lower level of percapital expenditure but ranking in the middle indicating higher level of employment generation.

- The data shows that in the state of Gujarat which has least rural unemployment rate of 7 has generated least employment in MGNREGP. While the state is ranking one in rural unemployment, it is ranking 24 in employment generation. But in some of the states with more unemployment also could not generate more employment under the programme. For example the state of Kerala with 82 of unemployment was ranking low in employment generation. But in the case of Tamil Nadu, the state is ranking seven with lower levels of unemployment, but the state is ranking 6 in employment generation indicating higher level of employment generation. In the case of Tripura, the state has higher level of unemployment of 115 and also higher level of employment is generated. The state is standing in number two position in generation of employment.

- It is observed that highest employment was generated in states with highest level of poverty. For example Nagaland, ranking one in employment generation is ranking 14 in poverty. But in some of the states with lower levels of poverty also generated higher levels of employment. The examples are Himachal Pradesh, Sikkim and West Bengal.

- In terms of employment and rural literacy levels it is observed that states like Kerala with higher literacy levels could generate lower levels of employment. Kerala is ranking one in literacy status, but is ranking 23 in employment generation indicating lower levels of employment. On the other hand in majority of the states with lower levels of literacy levels, higher levels of employment is generated. Madhya Pradesh, Arunachal Pradesh, Andhra Pradesh, Bihar and Rajasthan are such states with lower levels of literacy but higher performance in employment provided.

- The results of the regression analysis to understand the factors influencing the outcomes of MGNREGP in terms of generation of employment across different states show that the amount of expenditure spent on the programme has significant influence on the employment generated. The coefficient of
average expenditure is significant at 99 percent confidence level. The other contributing factor is percentage of rural population to total population in respective states. The variable is significant at 95 percent confidence level and it shows that the states with higher percentage of rural population have generated more employment. Rural literacy levels have a significant influence, but the relationship is negative showing that the states with lower levels of rural literacy rates have generated more employment. The significant F value shows the appropriateness of the model specified and the model explained 97 percent of the variation in the dependent variable i.e. employment generated.

The data shows that Punjab is ranking one in the participation of SC population in the programme. Between 2006-07 and 2011-12, out of the total employment provided, 77% belong to SC category. Among the southern states larger participation of SC is observed in Tamil Nadu (47.06%) and Andhra Pradesh (26.06%). While Tamil Nadu is ranking four, Andhra Pradesh is ranking eight. In Karnataka and Kerala the participation of SC is low. While 18.53% of the employment generated in Karnataka belongs to SC, the share in Kerala is 16.13%.

The results show a mixed trend. Though the first few ranking states are also the states with higher percentage of SC population, some states like Tripura with higher percentage of SC population is ranking low in terms of employment provided. However in majority of the states the employment rank and the SC population rank are matching indicating that the SC category has been given due share in the employment provided under MGNREGP.

In the case of ST category also in majority of the states the ranks of ST employment and the share of ST in population are moving in the same direction indicating that social justice is achieved and the marginalized section is adequately included in the provision of livelihood opportunities through NREGP in India.

Kerala registered highest rate of women participation in the employment with 89 percent of women in the average employment provided. Very low participation of women is observed in Jammu and Kashmir and also Uttar Pradesh. In the case of Uttar Pradesh, out of the total number of days of
employment only 19 percent is contributed by females. Lower participation of less than thirty percent is observed in Uttar khand, Bihar and Arunachal Pradesh.

- Among the sample taluks it is observed that more number of job cards are issued in taluks of CH Nagara compared to Mysore district. Kollegal taluk of CH Nagara registered highest number of job cards (1, 47,435). CH Nagara taluk also registered more than one lakh HH. On the other hand only 77,480 HHs are registered in HD Kote and 70,942 in Mysore taluks of Mysore district. Social group wise classification shows that more SC are registered in CH Nagra taluk. Out of the total registered 29% are SC category and 11% are ST category. Similarly HD Kote taluk also registered 35% of SC job card holders.

- From the data it is observed the percentage of HHs who demanded job among those who were issued job cards is high in taluks of CH Nagara district. In both sample taluks around 28% of the households who were issued job cards demanded job and more than 95% of than were provided with job. But in the case of sample taluks in Mysore district the percentage of HH which demanded job is 19% in HD Kote taluk and 15% in Mysore taluk and out of this, families which have demanded job 91% in HD Kote were provided job and in Mysore taluk 89% were provided with job.

- Out of the total works in CH Nagara district, 20% were relating to drought proofing. But in the case of GPs in Mysore district land development and individual works were given importance. Around 12% of the works were related to drought proofing in sample GPs of Mysore district.

- Renovations of traditional water bodies were also given greater importance in CH Nagara district. While 14% of the works were related to renovation water bodies in CH Nagra district. 11% of the works are related to this in Mysore district.

- Flood control and protection was given greater priority in Mysore district. Works related to diversion of channels, peripheral bunding, and drainage in water logged areas was under taken in GP of Mysore district. This is because
the major source of irrigation in Mysore district is by canals. Land development in the form leveling, bunding, ploughing on individual field was constituting 15% of the total works. This is due to greater awareness about the programme among villages in Mysore district.

- Rural connectivity was given greater priority in Mysore district. While 11% of the works were related to developing rural connectivity linking the villages to taluk head quarters in Mysore district, only 8% of the work were concentrated on rural connectivity in CH Nagara district.

- The sample villages in Mysore and HD Kote taluks are much nearer to district head quarters Mysore being a developed district, there is more influence of urbanization on the villages and the demand for rural connectivity facilitating migration, transportation of goods and agricultural produce. On the other hand CH Nagara district is a backward district. Therefore the demand for connectivity is less. Due to this the percentage of works relating to rural connectivity is low in CH Nagara district.

- Majority of the small and marginal formers have taken up the land improvement activities like leveling, bunding, digging of bore well, constructing of form pond etc. During field visits it was observed that some of the formers have undertaken digging of trenches and preparation of land for planting of banana in CH Nagara.

- The participation of SC is more in CH Nagara and HD Kote taluks compared to Kollegala and Mysore taluks. While 32% of the participation in CH Nagara taluk are SC, the share of SC in Kollegala is 6.48%. Similarly the share of SC is 35% in HD Kote taluk and 12% in Mysore taluk. The share of others is highest in Kollegala taluk (92%) and least in HD Kote taluk (46.73%).

- One important observation is that in HD Kote taluk, though the share of ST HHs in job cards issued is 24%, the share of ST in the total participation of individuals is 18% only indicating lower participation of ST. Same is the case in Mysore taluk also.

- The share of women is highest in Kollegala taluk. Forty seven percent of total who have participated in MGNREGP in Kollegala taluk are women. Least
participation of women is observed in Mysore taluk (42.26%). Women participation is 43% in CH Nagara and 45% in HD Kote.

Descriptive statistics (mean, standard deviation, CV, minimum and maximum) generated as part of the DEA show that during the reference period the mean value of employment generated and expenditure in MGNREGP increased substantially. Mean employment increased from 20 lakhs to 26 lakhs between 2009-10 to 2011-12.

The range is very high in all the three periods. For example the maximum household employment in 2009-10 was 6.5 lakhs, minimum was 7 thousand. The CV of household employment is increased considerably from 109 in 2009-10 to 117 in 2011-12 periods. It indicates the generation of employment is not consistent during the period. On the other hand the mean expenditure increased from 135310 in 2009-10 to 140548 in 2010-11 but it decreased to 123067 in 2011-12 period. The range decreased from 589533 in 2009-10 to 506127 lakhs in 2011-12 periods. The CV of expenditure decreased substantially from 124 per cent to 107.9 in 2011-12 periods.

The change in productivity was divided into technical efficiency change and technological change of expenditure on MGNREGP for the period of 2009-10 to 2011-12. For the DEA input was specified in terms of expenditure on MGNREGP and outcomes in terms of the employment provided to number of households.

The summary of Malmaquist indices of productivity growth, technical efficiency change, and technological change for each state were analysed. Each state is considered as a DMU (Decision Making Unit) and the total factor productivity change which is the product of technical and technological change are measured for each DMU. The index measures greater than unity indicates that there has been productivity gain, efficiency increase or technical progress and vice versa.

The analysis shows that in only 11 states out of 28 states, the Total Factor Productivity (TFP) increased between 2009-10 to 2011-12. The states with positive TFP are Himachal Pradesh, Chhattisgarh, Jharkhand, M.P., Manipur,
Mizoram, Nagaland, Rajasthan, U.P., West Bengal and Goa. The positive TFP indicates that there is an improvement in productivity of inputs in these states.

- On the one hand states such as Andhra Pradesh, Arunachal Pradesh, Odisha, Punjab, Tamil Nadu and Sikkim have near to unity. These states have to concentrate on effective utilization of available resources for better MGNREGP outcomes. On the other hand states like Bihar, Maharashtra, Karnataka, Gujarat and Uttarakhand have very less TFP and very poor MGNREGP outcomes of these states suggest that these states have to make technological changes to produce good outcomes. In this context technological change means changes in the expenditure pattern.

- Further, states such as Andhra Pradesh, Arunachal Pradesh, Odisha, Punjab, Tamil Nadu and Sikkim have to concentrate more on utilization of their resources. State like Bihar (0.601) is far away from unity score and economically backward. This state has to invest more on MGNREGP to catch up other states. The states which already have better performance have shown a decrease in TFP after the during the reference period.

- The mean technical efficiency of individual years shows technical efficiency of the states as a whole. It increased from 0.612 to 0.659 in 2009-10 to 2010-11 periods, but it decreased drastically to 0.374 in 2011-12. The mean efficiency indicates that during 2009-10 the system account for 40 per cent of inefficiency (1 - 0.601 = 0.40 (40%)), it decreased to 34 per cent (1 - 0.659 = 0.34 (34%)) in 2010-11 period. Later the inefficiency of the system increased to 63 per cent (1 -0.374 = 0.63(63%)) in 2011-12 period. Due to decrease in TFP in majority of the states (17 states), the overall TFP at the all India level for three years period showed a decrease in TFP of inputs by four per cent.

- Rural working population and rural poverty have positive coefficient indicating that the rural work population ratio and rural poverty have a positive effect on TFP of the state. One per cent increase in LNRUWPR is likely increase TFP by 0.42 per cent and it is significant at 10 per cent level. On the other hand one per cent increase in LNRUBPL is likely to increase TFP by 0.01 per cent but coefficient was not significant. It indicates that the
states which have higher rural work population are likely to increase the TFP of input.

- On the other hand, one per cent increase in LNIRRARE is likely to increase TFP by 0.01 per cent. The coefficient of LNIRRARE exhibits positive sign, which was theoretically not expected sign. This indicates the state which is more irrigation facilities is likely to increase the TFP of input; this coefficient is also not significant.

- The result of the Tobit regression model suggests that increase in rural work participation; rural poverty and irrigation facilities are likely to increase the total factor productivity while rural work participation is statistically significant but rural poverty and irrigation are not statistically significant.

- The results of the model show that the percentage of rural below poverty line is positively related with employment generation, indicating higher the poverty greater the employment generated. The employment generated is influenced by poverty levels in the state. But it is not statistically significant.

- The coefficient value of percentage of irrigated area is significant at ten per cent (0.08), so the null hypothesis is not rejected. Though, the employment generation in irrigated area is significantly higher than in the dry areas and the probability value is significant at 10 per cent level. It indicates that irrigation levels and employment generation has weak association.

7.2.2 Findings Based on Primary Data

- The percentage of HH reporting the use of MGNREGP wages for repayment of loans is high in Mysore district (22.9%) compared to CH Nagara district (12.3%). On the other hand 28% have reported that they improved their saving capacity due to MGNREGP. According to respondents due to MGNREGP wages they are able to pay higher amounts to SHG and some of them have joined ‘chit’ which is an informal savings arrangement. The data shows that MGNREGP could improve the financial viability of HH in rural areas. It is also observed that 73% of the sample respondents from both districts have reported increased economic status after the introduction of MGNREGP.
According to the maximum respondents the main advantage is that their children are able to go to school in bicycle with improved road conditions. About 78% of the respondents from both districts have reported that the facilitated their children’s education. The other benefit expressed by 63% of the respondents is improved access to primary markets for their agricultural produce. Possibility of reaching the nearest town for any medical emergency is expressed by more percentage of respondents (58.3%) from CH Nagara district compared to the respondents from Mysore district (10.4%). Increased access to markets is also expressed by more respondents from CH Nagara compared to the respondents from Mysore district.

70% of the HH in CH Nagar have reported that they have spent money on repair and maintenance of their house, only 28% from Mysore district have reported so. But in both the districts, around 63% have reported spending on HH durable. Similarly there are differences in spending on purchase of agricultural implements and livestock.

While 41% of the HH in CH Nagar have reported spending on purchase of agriculture implements, 2.8% of HH in Mysore district have reported purchase of agriculture implements. In the case of purchase of livestock, 20% of the HH in Mysore district have reported spending on purchase of livestock and 28% of the HH in CH Nagar have spent on purchase of livestock. Only two households in CH Nagar district have reported to have spent on purchase of land. According to the respondents, the wages that they received helped to pay part of the value of the land in instalments.

From the data it appears that MGNREGP made on influence on the physical assets of the small land holders. Though their assets are not of high value, they are essential part of the lifestyle of the rural households. Therefore the provision of MGNREGP could supplement the income of the HH in purchasing of these assets.

There is no significant difference between Mysore and CH Nagar districts in this respect. In terms of MGNREGP contribution to meet the health expenditure, there appear to be no influence. Only 12% of the HH respected to have spent on health requirements. This may be due to no incidence of illness.
during the survey period of one year. Sixteen percent of HH in Mysore district and 9% of HH in CH Nagar reported to have spent on health.

- Around 61% of the respondents said that due to delay in payment, though they get work in their place, they have to migrate at least for a temporary period. They get paid immediately after their work anywhere.

- Women work under MGNREGP and men migrate to other places. Insufficiency of 100 days is also expressed by 50% of the respondents in Mysore and 43% of the respondents in CH Nagar districts. The respondents have expressed that providing only 100 days of employment per year is insufficient to meet the financial needs of the family which prompts the families to migrate. Lower wages as a reason was expressed by 21% of the respondents in Mysore and 31% respondents in CH Nagar districts.

- From the data, it appears that MGNREGP did not have a significant influence in reducing migration. But one important contribution is that it reduced the number of persons per family who migrate. Earlier when two people were migrating, now only one person is migrating depending on the size of the family and financial requirements of the family.

- Membership details show that in the sample households of Mysore district only 17% of the individuals are members in one or other groups. While 14% are members in SHG, 3% are member in Darmstala Sanga. In the case of CH Nagar district around 11% are members in SHG and one percent is members in Darmastala Sanga. Membership levels are low in CH Nagar district compared to Mysore district.

- The data explains that introduction of MGNREGP has a positive impact on improving the interpersonal relationship among the rural people. Nearly 70% of the respondents expressed that the relationships have improved and another 23% felt that there is some improvement. More improvement is expressed by large percentage of respondents in CHNagara district which is a back ward district.

- The data shows that participation in Gram Sabha (GS) is very low in both the districts. Only 31% of the respondents reported participation. However there
are differences between Mysore and CH Nagare districts. More participation is observed in Mysore district compared to CH Nagare district. While 43.12% of the respondents from Mysore district have participated in the Grama Sabha.

- The data shows that there is no significant change in the cropping pattern in select villages. Only 21% of the sample HH reported changes in the cropping pattern. It is interesting to observe that more percentage of HH in Mysore district said that there is a change in cropping pattern (36%) compared to HH in CH Nagara (12%). Based on the secondary data presented earlier it is observed that more works relating to micro-irrigation and land improvement were undertaken in Mysore district and this may be one of the important reasons for the reporting of changing cropping pattern in Mysore district.

- Based on the data it is observed that MGNREGP has reduced food insecurity partially. This is expressed by majority of the respondents (83.90%). It is felt more by the respondents from CH Nagara district (94.0%) compared to the respondents from Mysore district (67.80%) which is relatively developed district. The percentage of respondents who said that they can’t say is more in Mysore district compared to CH Nagara district.

- Based on the responses of the sample respondents it is observed that rural connectivity work is reported by 91.6% of the total respondent households. But there are differences in the districts. While 98% of the respondents reported rural connectivity work in CH Nagara, 80.6% reported in Mysore district. Similarly in the case of land development works also more than 90% reported in CH Nagara district, while 67% of land development is reported in Mysore district. The other works were reported by 3.5% of the HHs in Mysore district. From the responses of the sample respondents it can be observed that more individual work in undertaken in CH Nagara district. In the case of rural connectivity also more number of HH reported in CH Nagara district. Drought proofing works are reported by 82.3% of respondents.

- The data shows that micro irrigation works, which is an individual work, is reported by 97% of the respondents in CH Nagara while 75% of the respondents in Mysore district have reported this but in the case of community works, villages in Mysore district have shown greater performance. 87%
respondents from Mysore district have reported water conservation works being implemented in sample villages, only 72% from the villages of CH Nagara has reported so. Renovation of local water bodies work was reported by 96.2% of the sample respondents in CH Nagara district, but by 47.2% of the respondents from Mysore district. It clearly shows that individual work is given greater performance in CH Nagara district and community work in Mysore district.

- The data reveals that the rural population has observed changes in the rural institutions after the introduction of MGNREGP in their village. Majority of the respondents have observed increased money lenders. More than sixty percent of the respondents felt that there is an increase in the number of money lenders in the sample villages. This change is observed more in C.H. Nagara district compared to Mysore district. While 75.7 percent of the respondents from C.H.Nagara said that there is an increase of money lenders, 53.5% of the respondents from Mysore district said so.

- But in the case of petty shops Mysore district is leading. Nearly 65% of the respondents from Mysore district said that there is an increase in the petty shops while 45% respondents from C.H.Nagara said that there is an increase in availability of petty shops. Same is the case with the increase in the number of petty shops with mobile recharge facility.

- The results show that the number of working days in MGNREGP and the caste have positive impact on the responses. It indicates that the positive responses are more among the SC and ST category compared to others. Similarly positive sign of number of working days shows that higher the number of days of work, greater the possibility of experiencing economic benefits. But the estimates are not significant.

- On the other hand the variable of economic status of the district has negative relationship with impact on economic condition and the estimate is significant. It shows that compared to the benchmark district of C.H. Nagara district, which is an under developed district, the positive responses are less in Mysore district, which is a developed district. From the results it appears that the development status of the district has an influence on the perceptions about the
economic impact and the benefits are perceived more by the people of under developed district. This may be due to greater importance given to various programmes in C.H. Nagara along with MGNREGP and also higher level of participation in MGNREGP.

7.3. Suggestions

MGNREGP is a remarkable intervention and it is a well thought out programme aiming at creating employment and also creating rural assets in the process of creating employment. Both the assets and the incomes generated through the employment are expected to increase the purchasing power of the rural people and in a true Keynesian model this is likely to generate incentives for more production leading to a virtuous cycle. Another important feature of this programme is its self targeting nature. This helps in avoiding the problem of identification and exclusion of those who are in need of employment and income. However there are problems in the implementation of the programme. This is being reflected in the outcomes analyzed with secondary data and field observations. The following suggestions are made based on the analysis and field observations.

The results based on secondary data have shown that 11 out of 28 states have shown greater productivity and are efficient in resource utilization. On the other hand some states like Bihar have to concentrate on structural changes. Therefore it is important to initiate some structural changes in the implementation of the programme based on the in depth studies in both efficient and inefficient states.

1. Secondary data analysis revealed that the utilization levels are low in some of the states. Though there are National Level Monitors (NLMs) deployed by the Ministry of Rural Development for regular and special monitoring of MGNREGP, their frequency is to be increased. There should be sufficient time given for these evaluations so that the evaluators actually visit the work place and estimate the value of the assets created.

2. It is observed that there is a delay in the payment to the workers under MGNREGP. This is actually preventing many to take up job. There is a need to identify the reasons for delay and rectify this.
3. The study observed that poor qualities of assets are created. This is mainly due to lack of proper identification and planning of work. Participation of local villagers in gramasabha is very low. Due to this, the local needs are not properly identified. Though the programme implementation is rested with the GP, the members of GP don’t have much knowledge in the identification of works which involve local resources and creates community assets with yielding capacities. Therefore it is important to provide necessary training to the members of GP in planning and identifying the areas where greater synergy can be achieved with the other programmes.

4. Several studies have shown that the income of female workers raises the standard of living of their households to a greater extent than their male counterparts. Therefore women are to be encouraged to participate in the programme and appropriate works are to be identified with the participation of women in the plan the planning.

5. Majority of the respondents have suggested that the number of days of assured employment should be more than 100 days per household. According to them, the number should not be the same for larger and smaller families. The larger joint families with more men and women in the age group of work force should be allowed to work for more days. Since it is truly self targeting programme to supplement the income of the household, allocating the number of days based on the percentage of available workforce in the household should be the criteria for fixing the maximum number of days for each household.

6. Another important drawback with this programme is lack of account for the quality of assets created. While the emphasis is more on the job cards and employment generation, the quality and sustainability of the assets, which is an important component of the programme are not given importance. Though data bases are created to indicate the number of works taken up and competed, no details are available for the nature of work and the quality of asset created.

7. Though MGNREGP was introduced with the objective of creating community assets, infrastructure which are public good in nature, later the system of promoting works in individual lands of SC, ST, small and marginal farmers
was introduced. During the field work it was observed that this system is leading to uneven distribution of resources and in some places work on individual land is dominating the work on community assets. Therefore the report suggests for removal of the provision for work on individual farms.

8. Training and capacity building of elected representatives and other functionaries of PRIs must be done regularly as it will facilitate their involvement in the implementation of MGNREGP.