CHAPTER VII

SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSION

7.1 INTRODUCTION

The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) is one of the historic pieces of legislation in independent India. It is a right based social protection initiative which guarantees 100 days of employment to any rural household whose adult members are willing to do unskilled manual work in every financial year. According to Mihir Shah Committee Report (2012), “Over the last six years, the MGNREGS has delivered the largest employment programme in human history, which is unlike any other in its scale, architecture and thrust, its bottom-up, people-centred, demand-driven, self-selecting, rights-based design is new and unprecedented. Never have in such a short period so many crores of the poor people benefited from a government programme”. One of the main objectives of the scheme is to alleviate poverty by providing 100 days of employment to rural poor households in a year. Hence, the present study is an attempt to study the role of Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) in poverty eradication in Tirunelveli District of Tamil Nadu.
The major objectives of the study are:

1. To study the socio-economic characteristics of the sample beneficiaries under MGNREGA programme.

2. To analyse the impact of employment generation of MGNREGA on poverty eradication through income and expenditure.

3. To discuss the impact of employment generation of MGNREGA on poverty eradication through savings, investment and debt.

4. To study the awareness of the sample respondents on employment generation of MGNREGA.

5. To analyze the social empowerment among the MGNREGS sample beneficiaries.

6. To suggest some policies for strengthening MGNREGA.

In order to analyse the role of Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) in Tirunelveli District, 613 sample workers under the scheme were randomly selected on the basis of stratified random sampling method from two blocks of Tirunelveli District.

The major findings, suggestions and conclusion are now presented in this chapter.
7.2. SUMMARY OF FINDINGS

It is found that out of 613 respondents, 70.50 per cent are female whereas the remaining 29.50 per cent are males. Hence the majority of the MGNREGS workers are female in Tirunelveli District of Tamil Nadu.

It is observed that out of 613 respondents, 373 (60.80 per cent) of MGNREGS workers are in the age group of 36 - 65 years, followed by 235 (38.30 per cent) and 5 (0.90 per cent) in the age group of 18 to 35 years and above 65 years respectively.

It is evident that the majority of the respondents are married. They constitute 82.71 per cent to the total. It was followed by unmarried and widow/widower category, which constitute 9.79 per cent and 7.50 per cent respectively.

It is understood that the majority of the respondents are Hindus, which constitutes 96.40 per cent followed by Christians who constitute 3.60 per cent. It is found that no Muslim workers are in their study area concerned.

It is seen that out 613 workers, 312 (50.90 per cent) are from Backward Class followed by Most Backward Class, Scheduled Caste/Schedule Tribes and Forward Class which constitute 22.02 per cent, 20.23 per cent and 6.85 per cent respectively. It is concluded that the majority of the workers working in
MGNREGS programme come under the category of Backward Class in Tirunelveli District.

It is revealed that the majority of the selected workers under MGNREGS in Tirunelveli district are illiterate which constitute 60.50 per cent followed by 1 – 5 Std., 6 – 10 Std and above 10 Std. which constitute 36.70 per cent and 2.40 per cent and 0.40 per cent respectively.

It is inferred that out of 613 MGNREGS workers, 486 (79.30 per cent) come under the category of casual labourers in agriculture followed by self employed in agriculture and casual labourers in non-agricultural activities which constitute 18.90 per cent and 1.80 per cent respectively.

It is found that out of 613 MGNREGS workers, 392 (63.90 per cent) possess semi-pacca house and it followed by kutcha house, pacca house and rented house which constitute 18.60 per cent, 15.30 per cent and 2.20 per cent respectively.

It is portrayed that out of 613 total workers under MGNREGS, 335 (54.60 per cent) come under the family size category of 1-3 members followed by 4-6 members family and above 6 members in the family which constitute 44.60 per cent and 0.80 per cent respectively.
It is found that a maximum of 98.90 per cent of the total respondents belong to nuclear family system, whereas the remaining 1.10 per cent of the respondents belong to joint family system. It is concluded that the majority of the selected MGNREGA workers belong to nuclear family in Tirunelveli District of Tamil Nadu.

It is observed from the analysis that on an average the annual household income for the workers after joining MGNREGS scheme was ₹41,090.61 per year, whereas that of the workers before joining MGNREGS scheme was ₹25,615.25. A considerable variation is noted after their joining MGNREGS scheme in the study area. Hence, it is observed that the role of MGNREGS is very important for poverty eradication of workers through the wage income from MGNERES in Tirunelveli district of Tamil Nadu.

Regarding the per capita income distribution, the higher concentration of the respondents is at the bottom of the distribution. The analysis of the extent of inequality in the distribution of per capita income showed that inequality was found higher in before MGNREGS compared to after MGNREGS. Gini ratio revealed that the degree of inequality was higher for before joining MGNREGS (0.2212) than for after MGNREGA (0.0929). The result of variance of logarithms confirmed the fact that there existed a significant difference in the degree of inequalities between before MGNREGS and after MGNREGS. The result of
disparity ratio indicated that there was a higher disparity in the distribution of annual per capita income for before MGNREGS and after MGNREGS.

In order to identify the variables which determine the annual average per capita income, correlation and multiple regression model was computed.

The correlation coefficient matrix showed that per capita income of a household of both categories of workers had a positive relationship with earning members, the level of employment and productive assets. But it has negatively correlated with family size in before MGNREGS and after MGNRES in the study area.

The estimated results of multiple linear regression model showed that the earning members, level of employment and productive assets were found to be significant and they were positive in both before MGNREGS and after MGNREGS. In the case of family size, it was statistically significant but negatively related to annual average per capita income in both before MGNREGS and after MGNREGS. Among the significant variables, earning members for before MGNREGS labourers and productive assets for after MGNREGS had a greater influence on annual average per capita income of the households in the study area. Thus it may be concluded that earning members and productive assets were identified as dominant variables, which determine the per capita income of the household in before MGNREGS and after MGNREGS respectively.
It is found that the workers before MGNREGS had spent on an average ₹26402.31 annually as their household expenditure whereas the workers after MGNREGS had incurred an annual household expenditure which is worked out to ₹44895.59. From the average annual household expenditure itself it could be understood that they had varied among the average annual consumption expenditure workers before MGNREGS and after MGNREGS in the study area. It is concluded that the role of MGNREGS have an important role in eradication of poverty among the selected workers in Tirunelveli district.

Regarding the extent of inequality in the distribution of per capita consumption expenditure, the Lorenz Curve indicated that a greater inequality was found in the distribution of per capita consumption expenditure in before MGNREGS than in after MGNREGS. The Gini Coefficient also confirmed the same fact. Variance of logarithms test showed that there was a significant difference between the degree of inequality that existed in before MGNREGS and after MGNREGS. The disparity ratio test also shows that the extent of inequality is greater in before MGNREGS than in after MGNREGS.

In order to identify the determinants of per capita household expenditure, a multiple log-linear regression model was fitted. The results of model revealed that age of the head of the household, from 31-40 years, had a greater influence on per capita consumption expenditure followed by family size in before
MGNREGS. In the case of after MGNREGS, annual disposable income had a greater influence on per capita consumption expenditure followed by the variables age group 31-40 years and family size.

The F-test showed that there is existence of economies of scale in household consumption expenditure on all the items under study in both before MGNREGS and after MGNREGS.

It is revealed that the annual average per capita savings of sample households in the category of before MGNREGS is ₹685.41, whereas in after MGNREGS, it is ₹1428.52. It is inferred that the per capita saving of workers who are working through MGNREGS is higher than that of others. The variation was found in annual average per capita saving among different savings groups between before and after MGNREGS workers. The overall analysis showed that the role of MGNREGS in eradication of poverty through prevail in saving pattern among the MGNREGS workers in Tirunelveli district.

The analysis of determinants of savings, a fitted multiple regression results showed that the variables, annual family income, educational status and earning members in the family are statistically significant and positively related to the volume of savings in before MGNREGS.
In the case of family size, it is statistically significant and negatively related to the volume of savings. Among the significant variables, annual family income had a greater influence on the volume of savings in before MGNREGS.

In the case of after MGNREGS the estimated regression results showed that the variable, annual family income and family size are statistically significant at 5 per cent level. It means that one per cent increase in these variables could effect 0.2872 per cent increase in the volume of savings and 0.2432 per cent decline in the savings respectively. Thus, it is inferred from the analysis that annual family income had a greater influence on the volume of savings. Thus it may be concluded from the analysis that the annual family income was found to be a dominant factor in influencing savings in both before MGNREGS and after MGNREGS.

It is portrayed that the average investment in all the households for workers in before MGNREGA is Rs.433.75 and for workers in after MGNREGA it is Rs.3378.52. The variation is significant. Thus, the overall impression is that variation is significant between the groups with regard to investment. It is noted from the above analysis that the impact of MGNREGS in eradication of poverty through creation of investment pattern among the MENRGES workers in Tirunelveli district
It is inferred that the households in both the groups borrow money from the banks, moneylenders, friends and relatives. The annual average debt of the sample households in before MGNREGS is ₹1,041.38 and for after MGNREGS it is ₹ 896.50. The major source of borrowing for both before and after MGNREGS is private money lenders.

The analysis of the purpose of loan revealed the fact that a large number of households borrow money to meet their consumption expenditure in both before MGNREGS and after MGNREGS. The relationship between expenditure and debt showed a positive relation in before MGNREGS and after MGNREGS.

It is understood that the overall trend shows that there is no significant variation in per capita debt in respect of expenditure. For households in before MGNREGS the overall annual average per capita debt is ₹1041.38 and for households in after MGNREGS it is ₹ 896.50. It was observed that a positive relationship between expenditure and per capita debt exists in the case of households in before MGNREGS whereas it was found to fluctuate for households in after MGNREGS.

Regarding the level of awareness on the employment generation of MGNREGS of the sample respondents in Tirunelveli District, it is found that out of the 613 respondents, 130 (21.21 per cent) fall under the high level of
awareness, 381 (62.15 per cent) come under the category of medium level and 102 (16.64 per cent) fall under the low level.

With regard to the examination of the relationship between the socio-economic factors and the level of awareness of the workers towards the employment generation of MGNREGS in Tirunelveli district, the chi-square test is applied. It is revealed that the socio-economic factors such as marital status, religion, occupation and education have influenced the level of awareness of them towards the employment generation of MGNREGS in Tirunelveli district.

7.3. SUGGESTIONS

For improving the content of the scheme and for better implementation, the following suggestions are offered:

- Political interference is often reported to be prevalent both at the time of beginning and implementation of scheme. It is strongly suggested that such a kind of political interference should be avoided by the politicians.

- It is suggested that Government should constitute committees for monitoring the service delivery and public grievance resolution. These committees are important instruments of effective monitoring of implementation of schemes by DRDA.
Further, it is suggested that these committees hold meetings once in three months to review the performance under various schemes.

It is suggested that an adequate number of work force should be deployed at the DRDA to supervise the proper implementation of DRDA schemes.

Since MGNREGS scheme have been sponsored by the Central Government, the State Government does not show a keen interest in successfully implementing them. The District Rural Development Agency (DRDA) is manned by State Government employees. Hence, they are not motivated enough to work hard for the success of this scheme. They tend to concentrate more on State sponsored scheme financed by State level financial institutions.

The all round success of the MGNREGS will largely depend on the effectiveness of demand raised by the citizens. There are two ways to build large scale citizen’s awareness campaigns for generating demand side of Mahatma Gandhi National Rural Employment Guarantee Scheme. The first is the model used in large scale education programmes, which involves building a group of trained or otherwise qualified personnel capable of taking up village level expedition to educate citizens on their rights and informing Panchayats of their responsibilities. The other kind of mass mobilization is an intensive targeted campaign using electronic media so
that it reaches out to almost every family in the country. The campaign could be a generic mixed approach where, on the one hand, electronic media could be used to make the scheme more popular, while on the other, traditional communication methods, namely, street play and local folk media could be used to reach the most disadvantaged sections of society, along with the support of civil society organizations in their rural area. The awareness campaigns should inherently provide guidance in exercising their rights like demand for employment and unemployment allowances, the regularity in the payment of wages and the promptness in providing gainful employment opportunities under the scheme, because these rights were completely negated and neglected in the study area.

- The Mahatma Gandhi National Rural Employment Guarantee Scheme should develop a relevant instrument to provide skill generating work and activities for literate beneficiaries instead of engaging them completely in manual work. This will turn the beneficiaries from becoming permanently unskilled manual workers to better skill workers and from casual to regular workers. Moreover, there will be more participation from literate rural youngsters who remain idle without going for work.

- The real issue affecting this scheme is due to lack of qualified staff in the gram pachayat office that the scheme could not be effectively
implemented. Therefore, one accountant and one worksite supervisor for every 100 job card holders. In this scenario, if more than one worksite is taken up at one time, they should be provided with required support to these staff in terms of space, furniture and computers with internet connection. Moreover, these staff should be regularly given orientation to sensitize them on their responsibilities and inculcate mutual understanding, trust and cooperative attitude where it is lacking.

- It is absolutely necessary to stimulate the scheme by connecting self-help groups which have structural linkages from the neighbourhood (villages) groups to districts may be diplomatic involved to issue job cards, participate in choosing the worksites, arrange project meetings, maintain muster rolls, worksite facilities, maintain repair operations and sustain the supply and upkeep of equipment, ensure maximum women’s participation works, creating awareness and being highly active during social audit. Then, the scheme will eventually prove to be the most dynamic socio-economic force to empower rural women in the century.

- The wages are promptly revised every six months like the government employees’ dearness allowances are set by the union government, for better financial inclusion of Mahatma Gandhi National Rural Employment Guarantee Scheme workers, payment of provisional commission of one
percent to banks and post offices to help them upgrade infrastructure and accounts be opened for men and women and not joint separate accounts and a clear timeline with regard to wage payment process and fixing responsibility, without tolerating any adjustments in the work dates or work payment dates.

7.4 CONCLUSION

India embarked on an ambitious attempt to fight rural poverty. The National Rural Employment Guarantee Act of 2005 created a justifiable "right to work" for all households in rural India through the National Rural Employment Guarantee scheme. Poorer States of India have more demand for work under the Mahatma Gandhi National Rural Employment Guarantee Scheme. However, we find considerable unmet demand for work on the scheme in all States and more so in the poorest ones, where the scheme is needed most. Nonetheless, the scheme is reaching the rural poor and backward classes and is attracting poor women into the workforce. District Rural Development Agencies (DRDA) came into existence from 01.04.1980 and studied many rural development programme to create employment and to tackle special regional or individual problems for the economic prosperity of the rural people. Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), helped the poor people to get employment and to generate income to meet their basic needs. It is felt that the
Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) facilitated the provision of a strong social safety net for the vulnerable groups by providing a fall-back employment source, when other employment alternatives are scarce or inadequate.