CHAPTER VII

SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSION

7.1 INTRODUCTION

India has acquired substantial experience in the implementation of various rural development programmes with schemes being designed and redesigned to make these programmes contribute effectively to eliminate rural poverty and unemployment. In this situation, the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is an Indian job guarantee scheme, enacted by legislation on August 25, 2005. The scheme provides a legal guarantee for one hundred days of employment in every financial year to adult members of any rural household willing to do public work-related unskilled manual work at the statutory minimum wage of Rs.120 per day in 2009 prices. The act was introduced with an aim of improving the purchasing power of the rural people, primarily semi or unskilled workers who live in rural India, whether or not they are below the poverty line. Around one-third of the stipulated work force is women. The law was initially called the National Rural Employment Guarantee Act (NREGA) but was renamed on October 2009 as Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA). In 2011, the programme was widely criticized as no more effective than poverty reduction programmes in India. Despite its best intentions, MGNREGA is beset with
controversy about the corrupt officials, deficit financing as the source of funds, poor quality of infrastructure built under this programme, and unintended destructive effect on poverty. Hence, the present study has been attempted to evaluate impact of Mahatma Gandhi National Rural Employment Guarantee Programme (MGNREGP) in Tirunelveli District.

The major objectives of the study are

1. To study the socio-economic characteristics of the sample workers under MGNREGP programme.

2. To analyse the impact of MGNREGP on income and expenditure pattern of sample workers.

3. To discuss the impact of MGNREGP on savings, investment and debt of the sample workers.

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

5. To make suggestions for strengthening MGNREGP.

In order to analyse the impact of Mahatma Gandhi National Rural Employment Guarantee Programme (MGNREGP) in Tirunelveli District, 700 sample workers under the scheme were randomly selected on the basis of
proportionate stratified random sampling method from nineteen 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 700 workers, 78.86 per cent are female whereas the remaining 21.14 per cent are males. Hence the majority of the MGNREGP workers are female in Tirunelveli District.

It is observed that out of 700 respondents, majority of 224 (32.00 per cent) of the workers are in the age group of 36 - 40 years, followed by 192 (27.43 per cent) who are in the age group of above 40 years, 168 (24.00 per cent) are in the age group of 26 – 35 years and 116 (16.57 per cent) are in the age group of below 25 years.

It is evident that the majority of the respondents are married. They constitute 82.86 per cent of the total. It was followed by unmarried and widow/widower, which constitute 9.71 per cent and 7.43 per cent respectively.

It is found that the majority of the respondents are Hindus, who constitute 75.14 per cent. It was followed by Christians and Muslims, who constitute 17.14
per cent and 7.72 per cent respectively. It is concluded that among the 700 workers under MGNREGP selected under the study, 526 are Hindus, 120 are Christians and only 54 are Muslims in Tirunelveli District.

It is seen that out of 700 workers, 356 (50.86 per cent) are Backward Class and it was followed by Most Backward Class, Scheduled Caste/Schedule Tribes and Forward Class which constitute 22.00 per cent, 20.29 per cent and 6.85 per cent respectively. It is concluded that the majority of the workers working in MGNREGP come under the category of Backward Class in the study area.

It is evident that out of 700 workers, 354 (50.57 per cent) come under the category of agricultural labourers followed by coolie workers, industrial workers and others which constitute 32.86 per cent, 13.14 per cent and 3.43 per cent respectively.

It is noticed that the important levels of education among the workers are secondary education which constitute 46.86 per cent to the total respectively. The number of respondents with higher secondary, primary and degree/diploma education constitutes 20.86, 12.00 per cent and 5.71 per cent to the total respectively. Out of 700 workers, 51 (14.57 per cent) are illiterate in the study area. It is concluded that the majority of the respondents have secondary education in the study area.
It is illustrated that a maximum of 74 per cent of the total respondents belong to nuclear family system, whereas the remaining 26 per cent of the respondents belong to joint family system. It is concluded that the majority of the selected MGNREGP workers belong to nuclear family in Tirunelveli District.

It is depicted that out of 700 sample respondents, 490 (70.00 per cent) have the family size of 4-6 members followed by below 3 members and above 6 members which constitute 20.60 per cent and 9.40 per cent respectively.

It is found that the important family incomes among the respondents are below Rs.12,000, Rs.12000 to 24000 and Rs.36000 to 48000 which constitute 29.14, 28.00 and 21.71 per cent to the total respectively. The number of respondents that have a family income of Rs.24000 to 36000 and above Rs. 48000 constitute 12.29 per cent and 8.86 per cent to the total respectively. It is concluded that the majority of the respondents’ family income group is less than Rs.12000 in the study area.

It is found that on an average annual household income for the workers after joining in MGNREGP was Rs.62,970.11 per year, whereas the workers before joining in MGNREGP was Rs.39,782.88. A considerable variation is noted in after joining MGNREGP scheme in the study area. Hence, it is observed that the impact of MGNREGP on the wage income of the workers improves their
standard of living and helps in eradication of poverty among them in the study area.

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 MGNREGP compared to after MGNREGP. Gini ratio revealed that the degree of inequality was higher for before joining MGNREGP (0.2314) than for after MGNREGP (0.0962). The result of variance of logarithms confirmed the fact that there existed a significant difference in the degree of inequalities between before MGNREGP and after MGNREGP. The result of disparity ratio indicated that there was a higher disparity in the distribution of annual per capita income before MGNREGP and after MGNREGP.

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 MGNREGP and after MGNREP 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 MGNREGP and after MGNREGP. In the case of family size, it was statistically significant but negatively related to annual average per capita income in both before MGNREGP and after MGNREGP. Among the significant variables, earning members for before MGNREGP labourers and productive assets for after MGNREGP 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 before MGNREGP and after MGNREGP respectively.

It is observed that the workers before MGNREGP had spent on an average consumption expenditure amounted to ₹40,079.67 per annum whereas the workers after MGNREGP had incurred an annual household expenditure which had worked out to ₹63719.70. From the average annual household expenditure itself it could be understood that it had varied among the average annual consumption expenditure workers before MGNREGP and after MGNREGP in Tirunelveli district. It is concluded that the impact of MGNREGP has an important role in eradication of poverty and unemployment among the selected workers in the study area.
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 before MGNREGP than after MGNREGP. 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 before MGNREGP and after MGNREGP. The disparity ratio test also shows that the extent of inequality is greater before MGNREGP than after MGNREGP.

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 MGNREGP. In the case of after MGNREGP, 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 analysis of form and source of savings revealed the fact that a marked difference was found in annual average per capita saving by income-wise grouping between before MGNREGP and after MGNREGP. A higher per capita savings was held in banks/financial institutions and the least amount invested was found in chit funds in the study area. In the physical form, average annual per
capita savings in land was found higher in before MGNREGP and after MGNREGP. Households have invested more on jewels after MGNREGP than before MGNREGP.

The analysis of per capita saving by income group revealed that ratio of savings to income is higher in after MGNREGP in all income groups than in before MGNREGP. Further, it is inferred that as income increases savings also increases positively. The asset-wise analysis of per capita savings revealed that there is no uniform pattern of relationship between assets and savings.

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 MGNREGP.

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 before MGNREGP.

In the case of after MGNREGP 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 0.2718 per cent increase in the volume of savings and 0.2328 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 both before MGNREGP and after MGNREGP.

The analysis of debt showed that the annual per capita debt of the sample households before MGNREGP was found to be higher (Rs.1226.92) compared to after MGNREGP (Rs. 671.36). The major source of borrowing is bank/financial institutions, followed by money lenders, and friends and relatives in before MGNREGP and after MGNREGP. It is inferred from the analysis that the number of households that borrowed money from money lenders was more in both before MGNREGP and after MGNREGP.

The analysis of the purpose of loan revealed the fact that a large number of households borrow money to meet their consumption expenditure both before MGNREGP and after MGNREGP. It is followed by investment purpose. The relationship between expenditure and debt showed a positive relation before MGNREGP and after MGNREGP. There is marginal variation among these groups with respect to per capita debt by the family size.
The analysis of investment showed that the average per capita investment was found higher (Rs.5938.72) in after MGNREGP than in before MGNREGP (Rs.1227.12). The variations in per capita investment were observed in the investment of tools and implements.

The analysis of per capita investment by per capita income revealed that much variations were found in almost all income groups for both before MGNREGP and after MGNREGP.

Regarding the level of awareness of the workers towards employment generation under MGNREGP, it is found that out of 700 respondents, 130 (18.57 per cent) fall under the high level of awareness, 468 (66.86 per cent) come under the category of medium level and 102 (14.57 per cent) fall under the low level.

From the Chi-Square test, it is found that there is significant relationship between the profile variables such as gender, marital status, religion, occupation, educational status and type of family and level of awareness towards the employment generation under MGNREGP in Tirunelveli district. In the case of age, community and family income, they have no significant relationship with level of awareness of the workers under MGNREGP.
7.3. SUGGESTIONS

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

- The provision for unemployment allowance should be implemented if work is not provided within the time period.

- The gap between the predominantly Central funding of the scheme and the predominantly State/Local responsibility of its administration should be reduced.

- This employment schemes suffer from high incidence of leakages. Very often employment figures are inflated. Hence, each worker is to be provided with a job card which is an official record of days of employment, work done, and wages paid. All records are to be subjected to social audit in ward sabhas where utilization certificates are to be issued after the work is completed.

- It is preferable to offer guarantee (with or without restrictions) to individuals rather than households. Also, effective childcare facilities should be arranged so that women are free to take unemployment without making their children suffer.
It would be better if the NREGP is integrated with the on-going Bharat Nirman which aims at development of rural infrastructure like irrigation, roads, water supply, electrification, housing and the like.

The list of permissible work should be expanded by an appropriate Central Government notification. For instance, the types of work which would be required in the aftermath of a disaster should be added to the list.

There should be incentive compatibility between the funding and the implementing agencies. A 90:10 Centre-State funding ratio provides little incentive for the State Government machinery to ensure that funds are spent effectively.

NREGP has the potential to strengthen social security in rural India; strengthen community mobilization, ensure better response from local administration to felt needs and priorities and also ensure better governance.

The creation of institutional mechanisms to check rampant corruption and strengthen social audit mechanisms is necessary.

There is need to move away from large centralized bureaucracies that treat rural folk as clients to a more decentralized control over the programme anchored in the panchayat raj institutions.
7.4 CONCLUSION

Mahatma Gandhi gave top priority to the elimination of hunger and poverty of every section of the society. Dr.B.R.Ambedkar was also keen in the upliftment of the depressed classes and always advocated for the needful acts towards the minorities. To conclude that MGNREGP provides employment for their livelihood and the people who were illiterate were also given an opportunity. This prevents the migration of the people by providing other income generating activities. The employment offered to a family for hundred days only in one financial year is no way sufficient to sustain a family. Those who are living below poverty line (BPL), landless families should be confided with much priority and provided with job opportunities. A massive programme of generating public awareness about the programme with the help of information technology should be initiated at a large scale and the use of ICT technologies in fast developing villages will be helpful in enhancing the participation.