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**IMPACT OF MGNREGA ON LOCAL DEVELOPMENT: A STUDY OF OTTAPIDARAM BLOCKS
IN THOOTHUKUDI DISTRICT, TAMIL NADU**

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ABSTRACT

The Mahatma Gandhi National Employment Guarantee Act of the UPA government in India was introduced primarily to enhance the livelihood of households by providing 100 days of employment in development works. An analyze of the data for Ottapidaram block of Thoothukudi district has revealed that the scheme was able to provide only 26 days of employment in a year on average. Moreover the average earnings by each person did not exceed Rs.2000 per year.

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INTRODUCTION

The Mahatma Gandhi National 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 household willing to do public work - related unskilled manual work at the statutory minimum wage of Rs.120 (US\$2.68) per day in 2009 prices. The Central government outlay for scheme is Rs.40, 000 crore (US\$8.92 billion) in FY 2010- 11. This act was introduced with an aim of enhancing the livelihood security of people in areas by guaranteeing hundred days of wage employment in a financial year to households who volunteer to do unskilled manual work. Around one-third of the stipulated work force is women.

The objectives of NREGP were

- Providing wage employment opportunities
- Creating sustainable livelihood through regeneration of the natural resource base i.e. augmenting productivity and supporting creation of durable assets.
- Strengthening governance through decentralization and process of transparency and accountability.

The basic features of the scheme include

- The scheme has certain inbuilt safeguard to ensure that the

money is spent on labor equivalent works and it reaches the targeted beneficiaries.

- Contractors are banned in the implementation of the programs.
- It is mandatory to spend at least hundred percentages of the funds for the payment to the laborers.
- Priority is given to laborer intensive projects like watershed development, social forestry, and wasteland reclamation.
- Payment of wages to workers is to be made through accounts opened in the name of laborer so as to prevent the exploitation of middleman and to cultivate saving habit in people.

Changed to MGNREGA

Three years of the programme have indicated a need to evolve the design and lend support to the programme to more effectively address implementation challenges. Thus, a Professional Institutional Network (PIN) has been constituted for steady, sustainable interventions that enhance the quality of the programme. The network will undertake an impact assessment to identify within districts and across states, efficient management practices, procedures, processes, factors that have contributed to good performance and the positive outcome and impact generated. The institution will also indicate interventions and strategies for dissemination of these practices and factors that have or will limit the optimal performance of the Scheme. The main focus will be on

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strengthening the capacity of the district to implement the programme and create positive impact.

MGNREGA - Tamil Nadu

MGNREGA in Tamil Nadu, the scheme was launched on 02-02-2006 and was initially implemented in six districts. From 01-04-2007, four more districts were covered by the scheme. From 01-04-2008, the scheme was extended to twenty more districts. The works taken up in the programme included:

- Formation of new ponds
- Renovation of existing ponds, kuttais, kulam, oranies and temple tanks etc.
- Desilting of channels
- Desilting and strengthening of bonds of irrigation tanks,
- Formation of new roads and
- Other water conservation/soil conservation measures/flood protection measures.

Following steps were initiated to streamline and expedite the implementation of the scheme.

- Increase in minimum wage under MGNREGA from Rs.80 to Rs.100.
- Revision in the formats of job cards and nominal muster rolls.
- Provision of additional fuel of 50 liters per month for each of the vehicles of Assistant Executive Engineers.
- Sanctioning of additional ministerial, technical and computer staff at district, division and village level.
- Talking up only 100 per cent labour intensive works to present the entry of contractors.
- Talking up only bigger works not less than Rs.3 lakhs in value have been taken up in order to ensure sustained employment at least for 30 days and do create visible and durable and benefit assets to the community.
- Conducting social audit by members of various section of the society including six MGNREGA workers.

Addressing the challenge of unemployment in the areas of the country is central to the development of sector for ameliorating the economic condition of the people. Wage employment is provided in areas under National Employment Guarantee Act (NREGP) and Sampoorna Grameen Rozgar Yojana (SGRY) whereas self-employment is roads are taken up to ensure road network will need to an increase in employment opportunities, better access to regulated and fair market, better access to health, education and other public services so as to accelerate the pace of economic growth in areas provided under Swarnjayanti Gram Swarozgar Yojana (SGSY). Besides generating employment these wage employment schemes also ensure creation of durable assets in areas. Initiatives are also taken by the Ministry to build and upgrade the basic infrastructure through various schemes. Similarly basic amenities for housing, drinking water and toilets, etc. are provided under Indra Awaas Yojana (IAY), Accelerated Water Supply Programme (ARWSP) and Total Sanitation Campaign (TSC) to enhance the welfare and well-being of the vulnerable sections of population. Area Development is encouraged through Watershed Programmes to check the

diminishing productivity of waste land and loss of natural resources.

Rural development

The concept of development has a special importance in the economy like India, because its majority of the population (72 percent) stays in the areas. Therefore, an attempt to materialize and speed up socio-economic development of the areas, will enable in achieving the goal of development.

Literature Review

The impact of NREGA on the economy is not uniform throughout the country. On some of the aspects it has created a positive impact on the households in terms of female participation rates and increase in the number of days of employment (Reetika Khera, Nandhini Nayak) In his study observed that the participations of women in NREGA is high in states like Rajasthan and Madhya Pradesh. However it was low in states like Chhattisgarh, Jharkhand, Bihar and Uttar Pradesh (less than 25 %). In terms of women participation rates Rajasthan and Madhya Pradesh were at the top and UP were at the bottom. For many of the men (45%) and women (55%) NREGA becomes the only sources of income² women constituted 46% of all persons working in 2007-2008. Only in Uttar Pradesh (14%), Bengal (16%), Bihar (19%) and Assam (23%)³. Another achievement of the NREGA was the increase in the number of days of employment .The preparation guaranteed 100 days of in a year, on practice in provided 43 days of employment on average in India during 2006-2007 and 2 days during 2007-2008 in the target districts. Which guarantees only 25 days of employment, NREGA has generated many number of days of employment.⁴ The earlier employment Programmes, which covered the whole country, generated 748 million person days in 2002-2003 and 856 million in 2003-2004 under NREGA, the Figure was 905 million in 2006-2007 for only 200 districts and 1437 million in 2007-2008.

The highest number of person days is for Rajasthan 85per household whereas in Uttar Pradesh it is only 32 days and in Bihar 35 days.⁵ It is also interesting to note that in just 200 districts, there are 2.1 million household completed 100 days of work (10% of all household that demanded work). This number increased to 3.5 million (11% of all household getting work) in 2007-2008. The poor states like Chhattisgarh, Madhya Pradesh, Andhra Pradesh and Rajasthan have the highest number of households completing 100 days of work.⁶ Statistics on the generation of employment showed vast variations in status like West Bengal and Kerala, the number of man day of employment generated was 14 and 23 during 2006-2007. During 2007-2008 it has increased 22.2 days West Bengal and 28.6 days in Kerala. But states like Orissa, Tamil Nadu and Karnataka have generated 57.5 days, 57 days and 41 days during the first year, during the second year these generated 37 days, 57 days and 44 days.⁷ However it is not clear why the impact of NREGA is very low in West Bengal which has the significant share of the poor of the country.⁸ The distribution analysis of the generation of employment by the author also shares a differential pattern in different states. The districts in Chattisgarh, Andhra Pradesh, Tamil Nadu, Rajasthan and Uttar Pradesh experienced an increase in the number of man days generated by the NREGA. However

employment generated showed a decline in states like Bihar and Maharashtra. In some of the states there was an increase in the number of man days generated during phase -I and a decline during phase -II. The number of man days generated also declined even in states with high level of poverty.⁹ Santhosh Mohrota (2008) observed that the caste wise analyses of the impact of NREGA revealed that employment generation was greater among SC's and ST's. While the share of SC in India's population is 14 % their share in household who received employment under the NREGA is 29%. In fact, while the share of ST's in the total population is only 8 %, they constituted 32% of the total employment under the NREGA.¹⁰ One of the most important impacts of NREGA was the increasing in value of assets in areas particularly in watershed development. Majority of the works undertaken under NREGA was for the conservation of water, land development and drought proofing. All these work together account for four fifth of all works undertaken through NREGA. Apart from this road construction constituted another 16%.¹¹ The emphasize on water conservation, drought and flood proofing is also critical as it underscores water security as the pre-requisite and foundation for transformation.¹² Patnaik (2005) pointed out the following drawbacks of the program. They are

- (i) The restriction of it is implementation in presently the programme is implemented in all the districts of India.
- (ii) Financing of the program of the world bank or the Asian Development Bank or foreign leaders in return for further concession for foreign capital and
- (iii) Off loading part of the financing of the state government which are already very hard pressed for fund.¹³

Pramathesh *et al.* (2008) argues that merit of NREGA arises because it is legally binding response by the state to a right to work. It also placed emphasis on planning of works and mechanisms of social audit. It gained importance not as a welfare program, but as a development initiation, chipping in with crucial public investment for creation of durable assets. He also argues that the complete on the use of contractors in the must novel and remarkable the program. NREGA bans the use of such machines, places central emphasis on payment of statutory minimum wages and provides legal entitlements to labour on working hours, rest, drinking water, medical aid, crèche facilities. There is also provision for unemployment allowances being paid to workers in case the states is unable to provide the guaranteed days of work. It visualizes a programme when the local people are centrally involved at all states planning, implementation and social audit grant emphasis has been placed on transparency and accountability at every state of programme. There is also an unprecedented emphasis on the use of information technology.¹⁴ Pramathesh *et al.* (2008) argues that NREGA cannot realize full potential duo to moribund structure of governance. He further said that the bureaucracy is uncontrolled and corrupted by referring to the CAG report; he gives the following reason for his argument. They are

- non-appointment of fulltime program officering 19 states
- deputation of BDO's and officials from other departments for the block of 140 villages there are only four to five junior engineers two of whom are given additional responsibility

- non appointment of accredited engineers who do the costing and valuation of works
- absence of panel accredited engineers in 20 states to cost, measures and valuation of the works done
- absence of technical resources support pays in 23 states to assets in planning, design, monitoring, evaluation, quality audit, training and hand holding.¹⁵

Of the 2.10 cores households who were employer under NREGA during it is financial year, only 0.22crore received the full 100 days provision under this Act, the average employment per household was 43 days in 2006-2007 and 35 days in 2007-2008.¹⁶ He also argues that the whole process of planning and design of works, implementation, measurements and payment is marked with poor attention to quality and long delays.¹⁷ Vaidhyanathan (2005) argued that, "a substantial increase in allocations to the employment programmes and accommodating other commitments under the common minimum programme will add to the already difficult task of balancing competing demands for available resources under the circumstances the resources mobilization problem transcends EGS". He also argues that "increased spending on the EGS and development even, if they are more effective in the past and technology constraints on achieving the rate and pattern of agricultural growth necessary to meet the rapid diversifying pattern of food consumption at all levels".¹⁸ He also argues that there is huge slack and in implementation of these programs due to overlapping, duplication, huge leakages and the complete lack of mechanism to ensure public accountability.¹⁹

He criticized the Bill which introduced NREGA. According to him the Bill has the following weakness he said that limited role in given to the Panchayats to decide on projects appropriate to local needs, to mobilize local resources and to undertake the responsibilities of implementing the project. He argues that the workers taken up by the Panchayats were formed to be completed tastes, better and cheaper than these of government agencies. He also argues that the Panchayats are also far more effective means of containing corruption and ensuring accountability than is generally recognized .He suggest that the decentralized planning and implementation may lead to even a modest reduction in waste and leakage from the current and widely quoted 85 % to even to say 60% or 70% then will be dramatic improvement in effectiveness in all aspects of the programs.²⁰

Objective of the study

The present study aims to analyze the impact of MGNREGA in increasing the employment and earnings of households in Thoothukudi district.

Period of study

The study has taken three months including the collection and analysis of data. It used only secondary data available for the years 2009-2011.

Selection of District

Thoothukudi district of Tamil Nadu has been selected for the present study. Some of the features of this district made the research to select this district. They include:

- Low rainfall,

- Low density of population,
- Dependency of farmers on rainfall for cultivation,
- Availability of limited number of industries which implies the limited employment opportunities in the non-agriculture sector and so on.

Selection of the block

There are altogether 12 Development blocks in the district. Of them Ottapidaram is one of the block situated within Thoothukudi district. The block is situated 50 Km west of Kovilpatti and about 25 Km west of Thoothukudi, the district Headquarters. Most of the people are employed in quarrying and brick making.

Source of data

The present study depends mainly on the secondary data published by the District Development Agency (DRDA) of Thoothukudi District. The data relating to the Mahatma Gandhi National Employment guarantee Act (MGNREGA) is published by the DRDA through internet. Even though the study concentrates all the blocks of Thoothukudi district, emphasis is given to Ottapidaram block for which data are available regarding employment and earnings of all beneficiaries.

Findings of the study

The present study aims at analyzing the impact of MGNREGA on the employment and income of the households. The study used only secondary data available through the DRDA section of the target district. The Ottapidaram block of Thoothukudi district has been selected for the study. Of the 63 Panchayats in this block, only 38 Panchayats were covered under MGNREGA. Following are some of the findings of the study in relation to the district and the impact of MGNREGA

Findings relating to the district

- The Thoothukudi district is situated on the southern part of Tamil Nadu state in India. One of the natural ports is situated in this district. The available data reveals that 57.73 per cent of the population of the district lives in areas.
- The literacy rate is also higher (72.85 per cent), than the State average.
- Sex ratio in the district is in favour of female except for the schedule caste and scheduled tribe population.
- A greater percentage of the population (62.2 per cent) in this district fall under the working age group.
- Agriculture Labourers occupy 24.8 per cent of the total workers.
- The district is an ideal place for cultivation of crops like chilies, coriander. The net area sown accounts for 42 per cent of the cultivable land in the district. Crops like banana and palmyra trees are also predominant in the district.
- Thoothukudi district receives most of its rainfall through North east monsoon. The total annual rainfall was 770.10 mm during 2008-09.
- Of the total area irrigated, 53.24 per cent was irrigated by tube wells and 45.08 per cent was irrigated by government canals.

- The chief industries of the district include the garment industry, mineral extraction industry and match industry.

Relating to impact of MGNREGA

As stated earlier the present study has used the data available through secondary sources and tried to analyze the impact of MGNREGA in Thoothukudi district.

- Except in blocks like Kovilpatti, Villathikulam, and Pudur, the number of works undertaken under MGNREGA has declined during 2009-10.
- An analysis of the employment generated by MGNREGA of Ottapidaram block shows that number households who have registered for getting employment was very less in blocks like Trichendur, Srivaikundam, Udangudi and Sattankulam. Moreover the data reveals that in all the blocks the number of persons who demanded employment was far less than those who registered for employment. However almost all the persons who demanded employment were offered employment. Only in blocks like Pudur, Kayathar, Villathikulam, and Kovilpatti more than 50% of households who registered and have demand for works.
- The data on the number of days of employment generated by MGNREGA reveal that scheme could provide employment for less than two persons per household. The average number of persons days of employment generated was also very low and it varied from 18-35. Only in blocks like Thoothukudi and Karunkulam blocks it provided employment for more than 30 days. The proportion of families also completed 100 days of employment was very negligible.
- The data reveals that the total number of days of employment in a year was spread over seven months. The number of days of employment was very low during the months like May and June. The number of days of employment generated for scheduled caste families was very low during the month of May and should a peak during September. The number of days of employment for women was significant. During the months of May and June available most of the workers engage themselves in agricultural activities.
- The data on the number of days of 7268 MGNREGA available for beneficiaries in 38 Panchayats of Ottapidaram block reveal that a greater percentage (76.95%) of the beneficiaries received employment for less than 20 days in a year.
- Further the data on the earning of the 7268 beneficiaries in 38 Panchayats of Ottapidaram block reveal that almost 80 percent of the beneficiaries earned less than Rs.2000/- per year through MGNREGA.

Conclusion

The general economic condition in the Thoothukudi district like high incidence of agricultural labourers, low rainfall, industrial backwardness, low level of net irrigated area indicate that the programmes like MGNREGA would create a positive impact on increasing the quantum and level of employment. But the available data show that MGNREGA has created employment only for a limited number of days and the earnings of the households was also very less.

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