



Economic Impact of MGNREGA Workers in Thiruvananthapuram District

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ABSTRACT

MGNREGA is an ambitious scheme providing employment to rural people of India. The basic aim of Mahatma Gandhi National Rural Employment Guarantee Act is to enhance livelihood security of household in rural area. By this scheme Govt. gives assurance of employment to unskilled rural laborer for 100 days. With better implementation such type of scheme may be an effective weapon to fight against poverty. It also aims at transforming the rural areas by improving the economic conditions of people. Rural economy is the back-bone of Indian economic development. Providing employment to rural households will certainly boost the economy. It increases demand for goods and services. In this article an effort has been made to analyses the economic impact of MGNREGA scheme on the life of beneficiaries of Thiruvanthapuram district. The findings of the study revealed that the programme has brought the change in the lives of the beneficiaries. Though it is always a debatable issue that such changes, by MGNREGA are sustainable or temporary.

Keywords: *Economic impact, MGNREGA workers, Development*

INTRODUCTION

The Mahatma Gandhi National Rural Employment Guarantee Act, 2005 (MGNREGA) guarantees 100 days of employment in a financial year to any rural household whose adult members are willing to do unskilled manual work. This Act is an important step towards the realization of the right to work. It is also expected to enhance people's livelihoods on a sustained basis, by developing the economic and in rural areas. Social and economic development is the main aim of rural

development for rural people, especially to bring about sustained improvement in their living condition through an increase in their income and access to social goods. The status of women is intimately connected with their economic status, which in turn, depends upon rights, roles and opportunity for the participation in economic activities. The economic status of women is now accepted as an indicator of a societal development stage. However, all development does not result in improving women economic activities. Pattern of women activities are affected by the prevailing social ideology and are also linked with the stage of economic development. Government implements different programmes to improve the social and economic development in rural India.

OBJECTIVES OF THE STUDY

1. To assess the economic impact of the MGNREGA Scheme on rural development.
2. To offer suitable suggestions for the study.

METHODOLOGY

The sample for the purpose of the study has been collected from the 600 respondents of MGNREGA workers in Thiruvananthapuram District. Data collected through structured questionnaire and collected data has been presented through different tables. Primary data are collected for this study. A Proportionate Stratified Random Sampling technique has been adopted for selecting the samples.

ECONOMIC IMPACT OF MGNREGA SCHEME ON WORKERS

In the present study, the economic impact of MGNREGA is measured through selective variables such as Income, Assets, Household expenditure, Indebtedness and savings of participants in the MGNREGA scheme. Before-After approach was followed to analyze the economic impact.

Impact on Household Expenditure

To analyze the impact on household expenditure variables namely food, clothing, expenditure are taken into consideration. In order to study the impact of MGNREGA on household expenditure of the sample respondents paired sample 't' test is to be used.

Impact of MGNREGA on Food expenditure

In order to study the impact of MGNREGA on food expenditure of the sample respondents paired sample 't' test is used

TABLE 1
IMPACT OF MGNREGA ON FOOD EXPENDITURE

Expenditure on Food									
Before	After	Mean diff	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference		t	df	Sig. (2-tailed)
					Lower	Upper			
42764.72	57110.89	14346.16	41160.13	1680.35	-17646.26	-11046.05	-8.538	599	.000*

Source: Primary Data

*significant at 5% level

Table 1 indicates that before joining MGNREGA their expenditure spent on food is ₹ 42764.72 and after joining MGNREGA the expenditure spent on food is ₹ 57110.89. The mean difference is 14346.16.

The test result shows that 't' statistics -8.538 is significant at 5 percent level of significance. Hence

there is a significant change in the food expenditure of the respondents after joining MGNREGA.

Impact on Clothing expenditure

In order to study the impact of MGNREGA on clothing expenditure of the sample respondents paired sample 't' test is used.

TABLE 2
IMPACT OF MGNREGA ON CLOTHING EXPENDITURE

Clothing Expenditure									
Before	After	Mean diff	Std. Deviation	Std. Error Mean	95% Interval of the Difference		t	df	Sig. (2-tailed)
					Lower	Upper			
4561.55	5485.56	924.01	389.70	15.910	-955.256	-892.76	-58.078	599	.000*

Source: Primary Data

*significant at 5% level

The table 2 shows that there was significant mean difference in expenditure on clothing before and after joining MGNREGS. The mean value of expenditure on clothing before joining MGNREGS was ₹ 4561.55. After joining MGNREGS, the mean value of clothing expenditure has increased to ₹ 5485.56. The mean difference is 924.01.

The test result shows that 't' statistics -58.078 is significant at 5 percent level of significance. Hence there is a significant change in the clothing expenditure of the respondents after joining MGNREGA.

IMPACT ON ASSETS

In order to study the impact on the asset position, the change in the value of house, value of livestock, value of land, were analysed.

Value of house

house of the sample respondents paired sample 't' test is to be used.

In order to study the impact of MGNREGA on value of

TABLE 3
IMPACT OF MGNREGA ON VALUE OF HOUSE

Value of House									
Before	After	Mean diff	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference		t	df	Sig. (2-tailed)
					Lower	Upper			
1734.781	2133.410	398.628	269.533	11.003	-420.238	-377.017	-36.227	599	.000*

Source: Primary Data

*significant at 5% level

Table 5.5 shows that before joining the MGNREGA Scheme the value of house is ₹ 1734.781 and after joining MGNREGA Scheme the value of house is 2133.410. The mean difference is ₹ 398.628.

The test result shows that 't' statistics -36.227 is

significant at 5 percent level of significance.

Value of Land

In order to study the impact of MGNREGA on value of land of the sample respondents paired sample 't' test is used.

TABLE 4

IMPACT OF MGNREGA ON VALUE OF LAND

Value of Land									
Before	After	Mean diff	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference		t	df	Sig. (2-tailed)
					Lower	Upper			
1729.188	2124.270	395.081	266.517	10.880	-416.450	-373.713	-36.311	599	.000*

Source: Primary Data

*significant at 5% level

The table 4 shows that there was significant mean difference in value of land before and after MGNREGS. The mean value of land before joining MGNREGS was ₹ 1729.188. After joining MGNREGS, the mean value of land has increased to ₹ 2124.270. The mean difference is 395.081.

The test result shows that 't' statistics -36.311 is

significant at 5 percent level of significance . Hence there is a significant change in the value of land of the respondents after joining MGNREGA.

Impact on Income

In order to study the impact on income, the change in the income from occupation, income from savings, were analysed.

Income from Occupation

In order to study the impact of MGNREGA on income from occupation of the sample respondents paired sample 't' test is to be used.

TABLE 5
IMPACT OF MGNREGA ON INCOME FROM OCCUPATION

Income from occupation									
Before	After	Mean diff	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference		T	df	Sig. (2-tailed)
					Lower	Upper			
137696.66	164348.04	26651.37	13934.01	568.853	-27768.56	-25534.18	-46.851	599	.000*

Source: Primary Data

*significant at 5% level

The table 5 shows that there was significant mean difference in income from occupation before and after MGNREGS. The mean value of income from occupation before joining MGNREGS was ₹ 137696.66. After joining MGNREGS, the mean Income from occupation has increased to ₹ 164348.04. The mean difference is 26651.37.

The test result shows that 't' statistics -46.851 is significant at 5 percent level of significance. Hence there is a significant change in the income from occupation of the respondents after joining MGNREGA Scheme.

Income from Savings

In order to study the impact of MGNREGA on income from Savings of the sample respondents paired sample 't' test is used.

TABLE 6
IMPACT OF MGNREGA ON INCOME FROM SAVINGS

Income from Savings									
Before	After	Mean diff	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference		t	df	Sig. (2-tailed)
					Lower	Upper			
194.62	284.65	90.030	401.431	16.388	-122.215	-57.844	-5.494	599	.000*

Source: Primary Data

*significant at 5% level

The table 6 shows that there was significant mean difference in income from savings before and after MGNREGS. The mean value of income from savings before joining MGNREGS was ₹ 194.62. After joining MGNREGS, the mean Value of income from savings has

increased to ₹ 284.65. The mean difference is 90.030.

The test result shows that 't' statistics -5.494 is significant at 5 percent level of significance. Hence there is a significant change in the income from savings of the

respondents after joining MGNREGA Scheme.

Level of Indebtedness

The impact of MGNREGA workers on indebtedness of members was analysed in terms of indebtedness of members in banks, relative's. The impact was analysed by using paired sample 't' test.

Bank Indebtness

Table 7 shows the changes in the indebtedness of MGNREGA workers towards banks. In order to study the impact of MGNREGA on bank indebtiness expenditure of the sample respondents paired sample 't' test is to be used.

TABLE 7
IMPACT OF MGNREGA ON BANK INDEBTNESS

Bank Indebtness									
Before	After	Mean diff	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference		t	df	Sig. (2-tailed)
					Lower	Upper			
10359.03	6955.533	3403.500	4873.240	198.949	3012.777	3794.222	17.107	599	.000*

Source: Primary Data

*significant at 5% level

The table 7 shows that there was significant mean difference in bank indebtiness before and after MGNREGS. The mean value of bank indebtiness before joining MGNREGS was ₹ 10359.03. After joining MGNREGS, the mean bank indebtiness has decreased to ₹ 6955.533. The mean difference is 3403.500.

The test result shows that 't' statistics 17.107 is

significant at 5 percent level of significance.

Indebtness towards Friends and Relatives

Table 8 shows the changes in the indebtedness of MGNREGA workers towards friends and relatives. In order to study the impact of MGNREGA on indebtedness towards friends and relatives of the sample respondents paired sample 't' test is used.

TABLE 8
IMPACT OF MGNREGA ON INDEBTEDNESS TOWARDS FRIENDS AND RELATIVES

Indebtedness towards Friends and Relatives									
Before	After	Mean diff	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference		t	df	Sig. (2-tailed)
					Lower	Upper			
3998.66	3030.65	968.016	1057.414	43.168	883.236	1052.797	22.424	599	.000*

Source: Primary Data

*significant at 5% level

The table 8 shows that there was significant mean difference in indebtedness towards friends and relatives before and after MGNREGS. The mean value of

the mean indebtedness towards friends and relatives has MGNREGS was ₹ 3998.66. After joining MGNREGS, before and after MGNREGS. The mean value of

decreased to ₹ 3030.65. The mean difference is 968.016..

The test result shows that 't' statistics 22.424 is significant at 5 percent level of significance.

SUGGESSTIONS

- 1) MGNREGA should be diversified into the activities which need technical skill and ability
- 2) More initiation and awareness should be given the rural poor about this scheme
- 3) Government should give importance to productive work

CONCLUSION

This paper examined the impact of MGNREGA as measured by the changes in income and expenditure level particularly food items, expenditure on clothing, education and changed savings pattern and indebtedness related aspects. The results suggest that the MGNREGA has a significant impact in alleviating rural poverty by enhancing household income. Further, MGNREGA appears to have a substantial effect on the food security of the participating households. There is an increase in expenditure on food before MGNREGA compared to after MGNREGA. Further the interesting feature is that the scheme helped the workers to increase their savings also. MGNREGA started as poverty alleviation programme aims to provide livelihood to the poor people. It was assumed that it will remove the poverty and improve the standard of living of the people living in the rural areas of the country. This study aims to assess the impact of MGNREGA on the standard of living of the people in the study area. On the whole it was found that there is a considerable change in standard of living of the people, increase the credit capacity and increase the source of income while working under MGNREGS. A drastic change in the indebtedness is also noted in the study area which clearly shows the positive impact of the programme. At last, it was concluded that MGNREGA creates positive impact in the socio economic status of the people.

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