

# Original Research Article

## Impact assessment on attainment of Social status by MGNREGA beneficiaries in Tamil Nadu

---

### ABSTRACT

More than 60 per cent of total workforce in the country derives their livelihood from agriculture and high dependency on agriculture has caused decrease in per capita household income from farm sector and mechanization in agricultural production has resulted in lesser employment in the rural areas and causes poverty among the rural masses. MGNREGA is regarded as the largest public employment programme in the world, assures 100 days of work per year to all rural households. A sample size of 200 Beneficiaries with 40 Beneficiaries from each village was selected for the study. In Salem district Panamarathupatty block were purposively selected. The weighted mean score were analysed for each component and ranked based on the weighted mean scores. The results of overall attainment of social status of beneficiaries, shows that in personal status two-fifth of the beneficiaries (40.00 per cent) had high level followed by 35.50 per cent had medium level and one-fourth of the beneficiaries (24.50 per cent) had low level of attainment in personal status. In economic status majority of the beneficiaries (88.50 per cent) falls on medium to high level. The most of the beneficiaries (76.00 per cent) in the study area attained medium to high level of societal status in the society, the MGNREGA beneficiaries participate more in the panchayat programmes, discussion on new projects and planning of welfare activities in the panchayat. The MGNREGA work has enhanced the bargaining power of the rural households in negotiating their wages in the open market. The MGNREGA has made tangible impact on the livelihood of the people and empowered women to a large extend.

*Keywords: Beneficiaries, Economic, Impact, MGNREGA, Personal, Societal.*

### 1. INTRODUCTION

More than 60 per cent of total workforce in the country derives their livelihood from agriculture and high dependency on agriculture has caused decrease in per capita household income from farm sector and mechanization in agricultural production has resulted in lesser employment in the rural areas and causes poverty among the rural masses. An effective way to reduce the rural poverty could be to accelerate the work force in the rural areas, by providing continuous employment during non-agricultural seasons. In 2006, India embarked on an ambitious attempt to fight rural poverty, National Rural Employment Guarantee Act of 2005 created a justiciable, right to work for all households in rural India through the National Rural Employment Guarantee Scheme, renamed the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) in 2009. MGNREGA is regarded as the largest public employment programme in the world, assures 100 days of work per year to all rural households, whose adults are willing to do unskilled manual labor at the statutory minimum wage notified for the program. The most direct and obvious way is by providing extra employment to the rural household and income to the poorest in rural areas. The scheme also tries to address some of the causes of poverty in rural India, by its bottom-up, demand-driven nature. The MGNREGA is also intended to

create durable community assets, which would enhance productivity along with an increase in demand for labour. Nearly 40 million migrants have returned to villages, there is a significant increase in demand for MGNREGA during the COVID period (Dev, S.M., 2020). The MGNREGA scheme has high expectations in terms of employment generation, food security, halting migration, alleviation of poverty and overall rural development (Ghosh. J.K, 2011). It has neither been claimed nor was envisaged that that MGNREGA is the key to successful rejuvenation of rural areas of the country that have remained marginalized in the growth process of the country (Thomas, B. and Bhatia, R., 2012). The massive numbers of works being undertaken in rural areas have the potential to not only transform the rural economy but also its environment. As quoted by the then Minister for Rural Development, “the Ministry of Rural Development’s (MoRD) Schemes have an immense potential to contribute to the goal of sustainable poverty reduction and efficient use of natural resources, including improved land use planning and management practices” (Shah et. al. 2012). While there is rich documentation of the impacts of the MGNREGA on outcomes such as wages and consumption, very little is known about the nature of the works created and their impacts on peoples’ lives. Indeed, the MGNREGA is frequently thought of as a poverty alleviation scheme, and not much else. That it derives its legitimacy in part from being an asset-creation programme is often overlooked. When it is not, there is a widespread belief that the works created under the MGNREGA are of dubious usefulness. That the scheme has contributed to economic growth, particularly in terms of improving agricultural productivity and creating livelihoods, has been established in literature (Bhaskar and Yadav 2015). A number of studies have assessed the impact of MGNREGA works on agriculture, including changes in cropping area, intensity and productivity (Bhaskar 2008; Aggarwal et al. 2012; IIFM 2010; Shah et al. 2011; Verma et al. 2012). MGNREGA is providing employment to the tune of 18.1 % of the total work of the households, the study has thrown light on the employment differential in the underdeveloped and developed areas (Debnath, N. and Neogi, D., 2013). The study proved that there is an increase in the welfare of the family for both male and female workers like spending more for family, children’s education and enables those savings in bank/ post office after working under MGNREGA (Shalla, S.A., 2015). In this background, the present study was taken with the objective of “Impact assessment on attainment of Social status by MGNREGA beneficiaries in Tamil Nadu”.

## 2. MATERIAL AND METHODS

For this study ex-post facto research design was used, thus the investigator has no scope to manipulate the independent variables, as these have already occurred has been studied. A sample size of 200 Beneficiaries with 40 Beneficiaries from each village was selected for the study. In Salem district Panamarathupatty block were purposively selected and it consists of 20 villages from this five villages viz., Kammalapatti, Kuralnatham, Nazhikkalpatti, Thumbalpatti and Vazhakkuttapatti were selected for the study. The number of Beneficiaries for each of the selected village was choosed by simple random sampling method. The village wise Beneficiaries’ details for the study were furnished in Table 1.

**Table 1: Selection of study area and respondents**

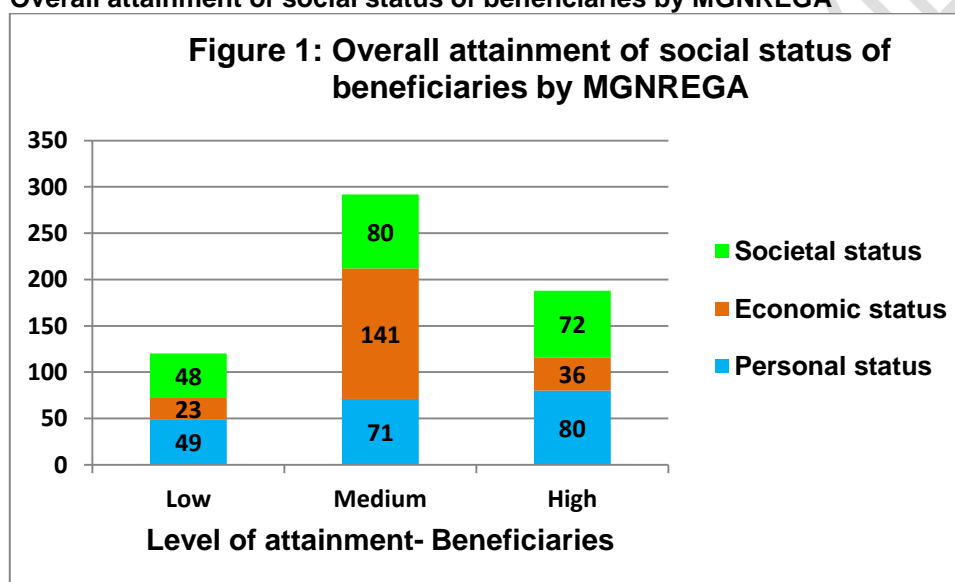
District	Block	Villages	Sample
Salem	Panamarathupatty	Kammalapatti	40
		Kuralnatham	40
		Nazhikkalpatti	40

		Thumbalpatti	40
		Vazhakkuttapatti	40
	<b>Total</b>		<b>200</b>

The overall attainment of social status was measured by personal, economic and societal status dimensions. The cumulative frequency method was employed to categorize the beneficiaries into low, medium and high levels in attainment of social status. In each dimension, each component were measured in a five point continuum viz., Strongly agree, Agree, Neutral, Disagree and Strongly disagree with a scores of 7,5,4,3,1 respectively. The weighted mean score were analysed for each component and ranked based on the weighted mean scores.

### 3. RESULTS AND DISCUSSION

#### Overall attainment of social status of beneficiaries by MGNREGA



The results of overall attainment of social status of beneficiaries, shows that in personal status two-fifth of the beneficiaries (40.00 per cent) had high level followed by 35.50 per cent had medium level and one-fourth of the beneficiaries (24.50 per cent) had low level of attainment in personal status. The most of the beneficiaries in the study area were females, the employment opportunity during the non-agricultural season helps them to get income and gain self-confidence among them. In economic status majority of the beneficiaries (88.50 per cent) falls on medium to high level. Because the MGNREGA gives 100 days of employment to the households in a year, this helps them to go for work during lean seasons, to perform the livelihood activities and reduces the dependence of moneylenders during the non-seasonal times. The most of the beneficiaries (76.00 per cent) in the study area attained medium to high level of societal status in the society, the MGNREGA beneficiaries participate more in the panchayat programmes, discussion on new projects and planning of welfare activities in the panchayat. This makes them, sense of us feeling in the panchayat group and gains confidence in the society. This might be the reason for the beneficiaries in attainment of societal status.

**Table 2: Attainment of Social status of beneficiaries by MGNREGA:**

S.No.	Changes in Social status	Mean score	Score %	Rank
<b>A</b>	<b>Personal status</b>			
1.	Attainment in individual & Household level	3.43	49.00	III
2.	Family educational attainment	3.34	47.71	IV
3.	Improved livelihood activities	4.71	67.28	I
4.	Decreased family material hardship	4.62	66.00	II
<b>B</b>	<b>Economic status</b>			
1.	Improved family income	4.89	69.86	II
2.	Increased savings habit	5.06	72.36	I
3.	Increased wealth	4.62	66.00	III
4.	Decrease in debts	2.52	36.00	IV
<b>C</b>	<b>Societal status</b>			
1.	Increased labor market earning	2.28	32.57	V
2.	Reduction in poverty	3.43	49.00	II
3.	Improved social status	2.85	40.71	IV
4.	Increased food security	3.12	44.57	III
5.	Increased health security	3.83	54.71	I

#### **A. Personal status:**

In the measurement of impact on personal status, four components were asked among the beneficiaries in the five point continuum, the components viz., Improved livelihood activities, Decreased family material hardship, Attainment in individual & household level and Family educational attainment.

##### **I. Improved livelihood activities**

The results show that, there is an improved livelihood activity among the beneficiaries with mean score of 4.71 and ranked first amongst in personal status. The most of the beneficiaries in the study area were females, they mostly go for agricultural works in the seasonal times and in non-seasonal times they depend on MGNREGA works to carry out their livelihood expenses. They are mostly daily wage laborers, in non-seasonal times they facing struggles in running their family, this forces them to depend on moneylenders and other financial institutions to get loan and run their livelihood expenses. This makes them to more debt and become more poverty among them. After the introduction of MGNREGA, the employment opportunities to the agricultural laborers during the non-seasonal times, helps them to perform their livelihood expenses without any hurdles.

##### **II. Decreased family material hardship**

The decreased family material hardship was ranked second in the personal status with a mean score of 4.62. The beneficiaries in the study area struggled in buying the

materials for their family during the non-seasonal times due to unemployment. The introduction of MGNREGA gives them job during the non-seasonal times and gives income to the beneficiaries.

### **III. Attainment in individual & household level**

Attainment in individual & household level was ranked third among the personal status with a mean score of 3.43. The 100 days of employment in the year helps them to work in the lean seasons also and to achieve their individual level and household level.

### **IV. Family educational attainment**

Family educational attainment was ranked fourth among the personal status with a mean score of 3.34. The most of the beneficiaries in the study area are daily wage laborers, they depend on daily wages to run their family. In the non-seasonal times, due to their family hardship status they in search of jobs, which are of low income jobs and struggling to run their family. For this reasons, they are also taking their children's to the jobs to get an additional income to support their family. The 100 days of employment opportunities to the beneficiaries in the lean seasons also helps them to get additional revenues which will helps to attain their family educational status.

### **B. Economic status**

In the measurement of impact on economic status, the four components were measured among the beneficiaries, analyzed and results are ranked with weighted mean score on each component, viz., increased savings habit, improved family income, increased wealth and decrease in debts.

#### **I. Increased savings habit**

The result shows that, increased savings habit was ranked first among the economic status with mean score of 5.06. The direct transfer of wages to the beneficiaries account requires bank account for them. It promotes the savings habit among the beneficiaries, generally most of the beneficiaries in the study area are females they are mostly members of SHG's and having positive attitudes on saving behaviour.

#### **II. Improved family income**

Improved family income was ranked second among the economic status with mean score of 4.89. The 100 days of employment to the beneficiaries during lean seasons, helps them to get income during the non-seasonal times. This increases their family income and promotes the savings habit among the beneficiaries.

#### **III. Increased wealth**

Increased wealth was ranked third among the economic status with a mean score of 4.62. The improved family income promotes the savings habit among beneficiaries, and to spend considerable amount in managing the health among the family members.

#### **IV. Decrease in debts**

The decrease in debts ranked fourth among economic status with a mean score of 2.52. The 100 days of employment opportunity to the beneficiaries in a year helps them to run their family without reliant on money from any other financial institutions. The income from the MGNREGA during the non-seasonal times helps them to clear the previous debts and reducing the debt behaviour among the beneficiaries. The increased savings habit among the beneficiaries helps them to clear the debts and to perform livelihood activities of the family in the non-seasonal times.

### **C. Societal status**

In the measurement of impact on societal class the five components were measured among the beneficiaries, analyzed and results are ranked with weighted mean score on each component, viz., increased health security, reduction in poverty, increased food security, improved social class and increased labor market earning.

#### **I. Increased health security**

Increased health security was ranked first among the societal class with a mean score of 3.83. The most of the beneficiaries in the study area were females, the income from

the MGNREGA helps them to spend considerable amount for the health security among family members.

## **II. Reduction in poverty**

Reduction in poverty was ranked second among the beneficiaries in the societal class with a mean score of 3.43. In the society, the MGNREGA creates an employment opportunities among the wage laborers, who don't have an employment in the lean seasons. This gives employment of 100 days per year per household, during lean seasons they make use of this employment opportunity to do their livelihood activities.

## **III. Increased food security**

Increased food security was ranked third among the societal class with a mean score of 3.12. The most of the beneficiaries were females, MGNREGA gives 100 days of employment opportunity to the household which helps them to get income during non-seasonal times. This helps the beneficiaries to spend on healthy foods, which results in increase of health and food security in the society.

## **IV. Improved social status**

Improved social status was ranked fourth among the societal class with mean score of 2.85. The reduction in poverty helps them to decrease their family material hardship, which results in the attainment of family educational status.

## **V. Increased labor market earning**

Increased labor market earning was ranked fifth among the societal class with mean score of 2.28. The MGNREGA gives 100 days of employment opportunity to the household in the financial year, this increases the labor market earning among the beneficiaries.

## **4. CONCLUSION**

The study concluded was that the MGNREGA beneficiaries get 100 days of employment in the year and it gives an additional income to the beneficiaries in the non-agricultural production season. It has also raised the purchasing capacity of the rural people and this has an accelerating effect on the rural economy. The money which is pumped in the rural areas by MGNREGA is usually spent in the local market to buy consumer goods and thus it is circulated within the rural area. The scheme has a positive impact on the livelihood of wage labourers in the rural areas and it improves the socio-economic status of the unskilled workers in the village and also contributed to the non- migration of village unskilled workers to urban areas. The MGNREGA work has enhanced the bargaining power of the rural households in negotiating their wages in the open market. Women were feeling empowered and equal as the MGNREGA work did not discriminate between the man and women in terms of their wages. This fact was a significant confidence boost up for women. The scheme has come to be termed as the Wellness Scheme. The MGNREGA has made tangible impact on the livelihood of the people and empowered women to a large extend. The MGNREGA being a Rights based scheme entails not only the provision of 100days of employment but also building the capacities of the people to assert their rights, women's empowerment, sustainable livelihood management and natural resource management, and to make it meaningful people should be made aware of these aspects of MGNREGA.

## **REFERENCES**

Aggarwal, Ankita, Aashish Gupta and Ankit Kumar (2012), "Evaluation of NREGA Wells", Economic & Political Weekly, Vol. 47, No. 35.

Bhaskar, Anjor (2008), A Study to Assess the Performance of the NREGA in Terms of its Objectives of Creating Natural Wealth in India's Villages, Centre of Science and Environment, Government of India.

Debnath N, Neogi D (2013) A Study on the Impact of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) on Generation and Distribution of Sustainable

Assets among Tribal and Non-Tribal Population in Tripura State. *International Journal of Advanced Research* 1: 711-721.

Dev, S.M. Income Support Through Cash Transfers and Employment Guarantee Schemes During the Pandemic Times in India. *Ind. J. Labour Econ.* **63**, 133–138 (2020).  
<https://doi.org/10.1007/s41027-020-00268-9>

Ghosh J K (2011). Impact of NREGA on Wage Rates, Food Security and Rural Urban Migration in West Bengal. Study No. 169, Agro-Economic Research Centre Visva-Bharati Santiniketan.

IIFM (2010), Impact Assessment of MGNREGA's Activities for Ecological and Economic Security, Indian Institute of Forest Management, Bhopal, Report submitted to the Ministry of Rural Development/UNDP.

MoRD (2013), MGNREGA: Operational Guidelines, 2013 - 4th Edition, Published by Ministry of Rural Development, Government of India, New Delhi.

Shah, Mihir, Neelakshi Mann and Varad Pande (eds.) (2012), MGNREGA Sameeksha, An Anthology of Research Studies on the Mahatma Gandhi National Rural Employment Guarantee Act, 2005, 2006– 2012, Ministry of Rural Development, Government of India, Orient BlackSwan, New Delhi.

Shah, Tushaar, Shilp Verma, R. Indu and H. Pullabothla (2011), Asset Creation through Employment Guarantee? Synthesis of Student Case Studies in 12 States of India, International Water Management Institute, Anand.

Shalla SA (2015) Impact of employment Guarantee on Livelihood Security: Evidence from The MGNREGA in J&K. *Asia Pacific Journal of Research* 1: 69-72.

Thomas B and Bhatia, R (2012). Impact of NREGA Scheme: A Study on the overall Quality of Life of Its Beneficiaries (A Study Undertaken among beneficiaries of 3 districts of Gujarat State). *Asia-Pacific Journal of Social Sciences*, IV(2), July–December : 213-227.

Verma, Shilp and Tushaar Shah (2012), “Beyond Digging and Filling Holes: Lessons from Case Studies of Best-performing MGNREGA Water Works”, No. 42. IWMI-TATA Water Policy Program. Water Policy Research Highlight, Also available at [http://www.iwmi.cgiar.org/iwmi-tata/PDFs/2012\\_Highlight-42.pdf](http://www.iwmi.cgiar.org/iwmi-tata/PDFs/2012_Highlight-42.pdf), accessed on 1 January 2015.