

A Study On Inclusive Growth Under Mgnregs With Special Reference To Madurai District Of Tamil Nadu

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ABSTRACT

The key objective of the MGNREG programme is to improve overall livelihood of the poor and vulnerable population and reduce their out migration and poverty. Government is legally accountable for providing employment of hundred days to those who demand it. This programme not only provides employment but also focuses on inclusive growth, as it conserves natural resources and creates productive assets. The main focus of the present study is to analyse the impact of MGNREGS on Inclusive Growth in Madurai District of Tamil Nadu. The objectives of the present study are to study the factors determining overall performance of MGNREGS in Madurai District and to examine the impact of MGNREGS on sustainability of workers' household livelihood in Madurai District. This study is based on the primary survey conducted during the 2016-17. The total of 300 sample respondents was selected using multistage random sampling technique. The study had used pretested interview schedule to collect the data. The collected data were tabulated and analysed by using SPSS software. Factor analysis was adopted to study the factor determining overall performance of MGNREGS in Madurai District. Correlation analysis was used to assess the relationship between quality of work executed under MGNREGS and usefulness of work to the village and to examine the impact of MGNREGS on sustainability of workers' household livelihood in Madurai District. The study finds that Grievance redressed mechanism under MGNREGS, Supervision at the worksite, Process of Registration by government officials are the major factors to determine the overall performance of MGNREGS in Madurai District. The study reveals that there is a positive correlation between quality of work executed under MGNREGS and usefulness of work to the village/ people (41.10 per cent). The impact analysis shows that of MGNREGS had its impact on various socio, economic and environmental variables viz., Creation of Durable Asset, Decline of Household Indebtedness, Reduction of employment Migration, Market Wage hike, Decline of unpaid family work, Soil Conservation, Water Conservation, Afforestation, improvement in Natural Capital, and Agriculture Productivity.

Keywords and JEL Codes: Employment (E24), Ecosystem Services (Q57), Migration (O15).

1. INTRODUCTION

The inclusive growth approach takes longer term perspective as the focus is on productive employment rather than on direct income redistribution as a means of increasing incomes for excluded groups(OECD,2008)The MGNREG Act has made the employment opportunities an enforceable legal right to the rural poor, something they can demand, complain or in extreme cases, sue the government to get. Only a guaranteed wage employment can protect the economic insecurity of the three quarters of the world's poor living in rural India and strengthen their bargaining power, help them to organize the fight for their legal rights form of

employment in order to remove unemployment and economic disparities. The key objective of the programme is to improve overall livelihood of the poor and vulnerable population and reduce their out migration and destitution.

Although the focus is on augmenting wage employment for unskilled labours, it is ambitious in scope and aims to accomplish a number of things. The act envisages, for instance that the works undertaken will strengthen natural resources management and address causes of chronic poverty such as drought, deforestation and soil erosion, thereby encouraging sustainable development. Poverty reduction and economic growth can be sustained only if natural resources are managed on a sustainable basis. Greening rural development will contribute to inclusive growth by enabling target growth rate of agriculture ,regenerating common land and water bodies, which offer sustenance to the rural poor through provisioning of goods and eco system services. (UNDP,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 people's lives. Indeed the MGNREGA is frequently thought of a poverty alleviation scheme, and not much else. That it derives its legitimacy in part from being an asset creation programme is often over looked. When it is not, there is wide spread belief that the works created under the MGNREGA are of dubious usefulness. (Krushna Ranaware upasar Das et al. 2015)

Government is legally accountable for providing employment of hundred days to those who demand it. These programmes not only provide employment but also focuses on inclusive growth, as it conserves natural resources and creates productive assets. By protecting the environment and reducing rural- urban migration this programme has In addition to directly benefiting the landless and farmers with employment and wages, the wider short and long term environmental dividends it yields are significant. Since MGNREGA's implementation all over India, it has been deemed to have huge potential in empowering rural communities – with work are natural capitals or livelihood capacity addition.

2. REVIEW OF LITERATURE

Alka Jain (2017), conducted a study on Socio Economic impact of MGNREGA on Rural workers at Sehore District of Madhya Pradesh. The findings of the study are that the number of days, the labourers worked under MGNREGA projects relapsed on the elements like age, sex, training, family size and land holding size of the specialists to break down the connection between the quantity of days worked under the programme and the contributing components.

Saibal Ghosh (2017), investigated the impact of MGNRE Scheme on financial inclusion. The survey found that 51 percent of the respondents have a SBFD account while the number of bank accounts was slightly higher at 56 percent. As much as 52 percent of the respondents held multiple SBFD accounts. As regards to the use of bank accounts nearly 60 percent of the respondents had active SBFD accounts. Access to SBFD accounts was 54 percent in the treated districts as compared with 48 percent in the control districts. Active use of SBFD accounts, however, was 4 percentage points lower in the treated groups as compared with the control group.

Sushandra Kumar Mishra (2017) made an appraisal of asset creation under MGNREGA in three districts namely Dhar, Jhabua and Rajgarh of Madhya Pradesh within these districts. The study covers a sample of 16 blocks, 396 villages, Talias, Majhas in 211 Gram panchayats. Out

of 1414 usable responses most of the villagers reported that without MGNREGS it would be difficult to create assets in individual land, Out of 1161 usable responses, 88 per cent reported that without MGNREGS it would be difficult to create community assets. MGNREGS has a positive effect on water conservation, agricultural productivity and cropping pattern

Krushna Ranaware (2015) in his study on MGNREGA works and then impacts on Maharashtra Surveyed 4881 users of more than 4100 works created. It provides evidence that MGNREGA works support agriculture and benefits large number of small and marginal farmers. The scheme had helped to diversify horticultural crops, improving diets, increased availability of drinking water, water to maintain livestock and saving on fertilizer and pesticides because of leveling land and reduced run off.

Atul Singh's study on MGNREGA in Uttarkand (**2014**) assessed the status and Environmental implications of works under MGNREGA in Nagalam. This study concludes that for Uttarkhand also all types of works, operational under MNREGA are environmental friendly and make people adaptable towards environmental risks. MNREGA generates income for people while assets created under MNREGA improve the other livelihood resources available in rural areas. All the selected MNREGA works have the capability of improving the lives of rural people.

Pillai et al., (2014), undertook a study on Socio economic conditions of MGNREGA programme workers in Krishnarayarapuram taluk of Karur District of Tamil Nadu. The findings of the study are 78-86 percentage of respondents are females, majority are in the age group of 41-50 year, majority are married, majority are Hindus, 50-57 percentage are agricultural labourers, 74 percent belong to nuclear family system and family income of the groups is less than Rs 12000.

GIZ (2013) is supporting the Indian Ministry of Rural Development and the three state government of Andhra Pradesh, Chhattisgarh and Rajasthan in exploring the enormous potential of their jobs creation schemes in terms of environmental benefits and protection from the consequences of climate changes. It is also looking for ways of improving the technical standards of the works completed and ensuring they are all well maintained. The results of the research are that works completed have led to a gradual rise in the water tables there by enabling people to practice of farming, landscaping measures and new areas of vegetation have contributed to a reduction in soil erosion, while soil fertility has increased in addition to organic matter.

3. OBJECTIVES OF THE STUDY

The main focus of the present study is to analyse the impact of MGNREGS on Inclusive Growth in Madurai District of Tamil Nadu

The objectives of the present study are

- To study the factors determining overall performance of MGNREGS in Madurai District
- To examine the impact of MGNREGS on sustainability of workers' household livelihood in Madurai District.

4. METHOD AND MATERIALS

This study is based on the primary survey conducted during the 2016-17. Multistage random sampling technique was used to select the sample. In the first stage, Madurai district is purposively selected. In the second stage, Out of 13 blocks of Madurai district, two blocks namely, Madurai West and Melur were selected purposively. These two blocks were selected due to high level work performed in MGNREGS. In the third stage, from each block 3 villages which had undertaken more works totaling 6 sample villages were selected. Finally, from each village 50 respondents were selected randomly with a total of 300 respondents to study the impact of MGNREGS on inclusive growth in Madurai district of Tamil Nadu In 2016-17. The study had used pretested interview schedules to collect the data. The collected data were tabulated and analysed by using SPSS software. Factor analysis was adopted to study the factors determining overall performance of MGNREGS in Madurai District. Correlation analysis was used to assess the relationship between quality of work executed under MGNREGS and usefulness of work to the village and to examine the impact of MGNREGS on sustainability of workers' household livelihood in Madurai District.

5. RESULTS AND DISCUSSION

5.1. Factors affecting the overall performance of MGNREGS in Madurai District

TABLE 1
KMO AND BARTLETT'S TEST

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.835
Bartlett's Test of Sphericity	Approx. Chi-Square	1765.71
	df	91
	Sig.	0.000

Source: Computed from field work

Having analyzed the multiple variables affecting the overall performance at Madurai West and Melur villages, it is proposed to determine few variables that explain the determinants of overall performance through factor analysis using statistical software – SPSS-21 as multiple observed variables have similar pattern of responses because they are also associated with a latent variable. KMO value obtained for the data is 0.835 and the Sig. value of Bartlett's test is ($p = 0.000$) where p value is less than ($(p .000) < (0.05)$) which indicates that the sample data is fit for applying factor analysis test.

TABLE 2 FACTOR ANALYSIS -TOTAL VARIANCE EXPLAINED

Component	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.255	37.535	37.535	5.255	37.535	37.535	3.794	27.099	27.099
2	1.526	10.898	48.432	1.526	10.898	48.432	2.496	17.826	44.925
3	1.029	7.351	55.784	1.029	7.351	55.784	1.520	10.858	55.784
4	0.991	7.078	62.862						
5	0.924	6.599	69.461						
6	0.815	5.822	75.282						
7	0.762	5.446	80.728						
8	0.662	4.728	85.456						
9	0.586	4.185	89.640						
10	0.469	3.353	92.993						
11	0.366	2.611	95.604						
12	0.258	1.845	97.449						
13	0.219	1.565	99.014						
14	0.138	0.986	100.000						

Extraction Method: Principal Component Analysis.

Source: Computed from field work

Data presented in Table 2 shows three components (factors) in the initial solution having the Eigen values ≥ 1 and explaining 55.8 percent of the total variance. In case of un rotated components, the first component explains the maximum variance, followed by second and third factors, where as in rotated components, the variance is more or less uniformly distributed. Factor-1 accounts for 27.1 percent of total variance explained, component-2 accounts 17.83 percent of total variance explained, component-3 explains 10.9 percent of total variance explained totaling to 55.8 percent.

TABLE 3 FACTOR ANALYSIS -ROTATED COMPONENT MATRIX

Sl. No.	Variables	Component		
		1	2	3
1	Grievance redressal	0.776		
2	Transparency	0.757		
3	Inspection by government official on wages and work	0.723		
4	Relevance and usefulness of work to the village/ people	0.698		
5	Participation of people	0.604		
6	Mode of distribution of wages	0.596		
7	Support of govt. officials	0.563		
8	Quality of the work executed			
9	Supervision at the worksite by local authority		0.761	
10	Facilities at the worksite		0.666	
11	Execution of works		0.660	
12	Selection of works			
13	Process of Registration			0.874
14	Issue of job cards			0.733

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

Source: Computed from field work

The Rotated Component Matrix presented in Table-3 shows the partial correlation coefficient between variable and the rotated component. These coefficients help in identifying the component. All the variables that have large factor loadings for a given component are taken. After thorough observation and analysis it has been found that three factors are the major contributors of overall performance of MGNREGS in Madurai West and Melur villages in Madurai district. The components are explained according to their importance. 3 identified broad factors concluded as the major factors are Grievance redressed, Supervision at the worksite and Process of Registration. These are the three major factors contributing to the overall performance in the select villages in the Madurai district.

The following discussions on the factors give more insights into the performance.

Factor 1: Grievance redressed

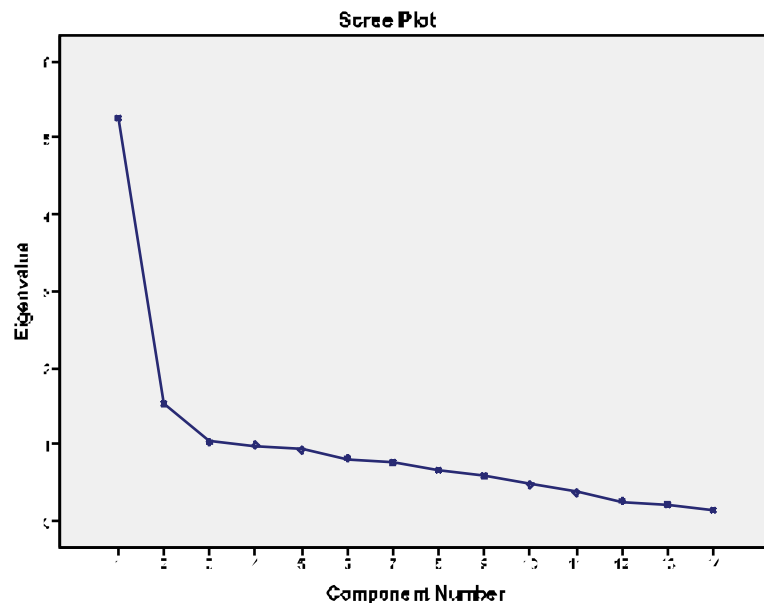
During the initial stages of implementation, there had lot of criticisms as the intermediary had siphoned off a little share of wage and the full benefit had not reached the workers. Hence, the government has made it mandatory to credit the wage into their respective accounts opened up in any nationalized bank and post office. It is observed from the field that nearly 93 per cent of the beneficiaries are opined that their grievances were redressed. They received their MGNREGS wages directly from bank account. Moreover they claimed that they received their wages without any delay and it is more transparent. Nearly 98 per cent of the beneficiaries opined that this scheme is very much useful to their villages and themselves.

Factor 2: Supervision at the worksite

The study reveals the better performance of the supervision at the worksite by the government officials. Nearly 90 per cent of the beneficiaries had of the view that the support of the government officials is good with respect to the scheme. 78.7 per cent of the respondents are opined that facilities like first aid, crech, drinking water, etc. are properly given at the work site.

Factor 3: Process of Registration

Nearly 98 per cent of the respondents are opined that the performance with respect to registration of MGNREGA workers and issue of job card is good and they expressed that they got registration and job card without any difficulty.



The scree plot graphs the eigen value against the factor number. It can see that from the third factor on the line is almost flat, meaning that each successive factor is accounting for smaller and smaller amounts of the total variance.

5.2 IMPACT ANALYSIS

TABLE 4: IMPACTS OF MGNREGS IN SAMPLE AREA

(Multiple Responses)

Particulars	Responses	Blocks		Total N=300 (100%)
		Madurai West N=150 50%	Melur N=150 50%	
Creation of Durable Asset	Yes	57 (19.0)	66 (22.0)	123 (41.0)
	No	93 (31.0)	84 (28.0)	177 (59.0)
Decline of Household Indebtedness	Yes	135 (45.0)	132 (44.0)	267 (89.0)
	No	15 (5.0)	18 (6.0)	33 (11.0)
Decline of employment Migration	Yes	125 (41.70)	102 (34.0)	227 (75.70)
	No	25 (8.30)	48 (16.0)	73(24.30)
Market Wage hike	Yes	51 (17.0)	85 (28.30)	136 (45.30)
	No	99 (33.0)	65 (21.70)	164 (54.70)
Unpaid family work has Declined	Yes	97 (32.30)	86 (28.70)	183(61.0)
	No	53 (17.70)	64 (21.30)	117 (39.0)
Soil Conservation	Yes	147 (49.0)	115 (38.30)	262 (87.30)
	No	3 (1.0)	35 (11.70)	38 (12.70)
Water Conservation	Yes	149 (49.70)	122 (40.70)	271 (90.30)
	No	1 (0.30)	28 (9.30)	29 (9.70)
Afforestation	Yes	110 (36.70)	68 (22.70)	178 (59.30)

	No	40 (13.30)	82 (27.30)	122 (40.70)
Agriculture Productivity has Improved	Yes	146 (48.70)	129 (43.0)	275 (91.70)
	No	4 (1.30)	21 (7.0)	25 (8.30)

Source: Primary data

Brackets indicate the percentage to total.

Table 4 reveals that respondents opinion about the impacts of MGNREGS in sample blocks. the impact of MGNREGS shows in various socio, economic and environmental variables viz., Creation of Durable Asset, Decline of Household Indebtedness, Reduction of employment Migration, Market Wage hike, Decline of unpaid family work, Soil Conservation, Water Conservation, Afforestation, improvement in Natural Capital, Agriculture Productivity. Nearly ninety two per cent of the respondents opined that agricultural productivity has improved during the period of post MGNREGS. 90.3 per cent of the respondents replied that water conservation improved considerably. 89 percent of the respondents replied that Decline of Household Indebtedness due to MGNREGS. 87.3 per cent of the respondents opined that Soil Conservation status improved during the post MGNREGS. 75.7 per cent of the respondents said that Migration reduced due to MGNREGS. Unpaid family work reduced due to MGNREGS and it accounts 61 percentage. Impacts of MGNREGS on afforestation, market wage hike and creation of durable assets are 59.3 per cent, 45.3 per cent and 41 per cent respectively.

6. TESTING OF HYPOTHESIS

HYPOTHESIS 1

H₀: Quality of work executed under MGNREGS and usefulness of work to the village / people are negatively correlated

H₁: Quality of work executed under MGNREGS and usefulness of work to the village / people are positively correlated

TABLE 5
THE CORRELATION BETWEEN THE QUALITY OF WORK EXECUTED UNDER MGNREGS AND USEFULNESS OF VILLAGE/PEOPLE

Correlations		Quality of the work executed under MGNREGS	Relevance and usefulness of work to the village/ people
Quality of the work executed under MGNREGS	Pearson Correlation	1	0.411
	Sig. (2-tailed)		0.000
Relevance and usefulness of work to the village/ people	Pearson Correlation	0.411	1
	Sig. (2-tailed)	0.000	

Source: Computed from Primary data

Note: **. Correlation is significant at the 0.01 level (2-tailed).

The Pearson correlation coefficient is applied to estimate the relationship between quality of work executed under MGNREGS and usefulness of work to the village / people. The value of $r = 0.411$, <0.01 . Therefore, null hypothesis is rejected at 1% significant level (highly

significant). The value of 'r' reveals that there is a positive correlation between quality of work executed under MGNREGS and usefulness of work to the village/ people (41.10 per cent). That is, one percent increase in the quality of work executed will Increase 0.411 per cent of usefulness of the village/ people. This indicates that higher the quality of work executed under MGNREGS helps the betterment of rural livelihood vice versa. But the association between the two variables are not strong, because the value of $r = +0.3$ to 0.70 implies weak positive association.

HYPOTHESIS 2

H₀: The time-lag variation in date of completion of work and receipt of wages is associated negatively with the preference to work under MGNREGS

H₁: The time-lag variation in date of completion of work and receipt of wages is associated positively with the preference to work under MGNREGS

TABLE 6
THE CORRELATION BETWEEN THE TIME-LAG BETWEEN DATE OF COMPLETION OF WORK AND RECEIPT OF WAGES AND PREFER TO WORK UNDER MGNREGS

Correlations		The time-lag between date of completion of work and receipt of wages	Preference to work under MGNREGS
The time-lag between date of completion of work and receipt of wages	Pearson Correlation	1	0.287**
	Sig. (2-tailed)		.000
Preference to work under MGNREGS	Pearson Correlation	0.287**	1
	Sig. (2-tailed)	.000	

Source: Computed from primary data

Note: **. Correlation is significant at the 0.01 level (2-tailed).

The Pearson correlation coefficient is applied to measure the time-lag between date of completion of work and receipt of wages is associated with the preference to work under MGNREGS. The value of $r = 0.287$, <0.01 . Therefore, it rejects null hypothesis at 1% significant level (highly significant). The value of 'r' reveals that there is a little positive correlation between the time-lag variation in date of completion of work and receipt of wages is associated with the preference to work under MGNREGS (28.70 per cent). That is, one percent reduction in the time-lag variation date of completion of work and receipt of wages would increase 0.287 preferences to work under MGNREGS.

7. CONCLUSION

The study concluded that proper and optimum utilization of the MGNREG Scheme would ultimately facilitate to sustainable growth of the social, cultural, economical and environmental assets of rural area. Ecological development and restoration related works under MGNREGA such as soil and water conservation and harvesting are assisting to sustainable livelihoods of the

society particularly weaker section of the society. It leads to inclusive growth as well as natural balance of the study Area.

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