

**MINOR RESEARCH PROJECT**

**PROJECT TITLE**

**‘Role of MGNREGS in eradicating rural poverty of SC/ST families in Pulamanthole Panchayath of Malappuram District in Kerala’**

No. F 1667-MRP/14-15/KLCA052/UGC-SWRO

**FINAL REPORT**

**Submitted to**

The Joint Secretary and Head

South Western Regional Office (SWRO)

University Grants Commission P.K Block, Gandhinagar Palace Road

Bangalore-560009

**Submitted by**

**Hussain.V**

Principal Investigator



**PG & RESEARCH DEPARTMENT OF ECONOMICS  
EMEA COLLEGE OF ARTS AND SCIENCE, KONDOTTY  
MALAPPURAM - 673 638  
KERALA**

**Aided by Government of Kerala Affiliated to the University of Calicut**

**Reaccredited with ‘A’ grade by NAAC**

**Ph: + 91 483 2712030 | 2713530 | 2715020 | FAX: + 91 483 2713530**

**Email: [mail@emeacollege.ac.in](mailto:mail@emeacollege.ac.in) | [www.emeacollege.ac.in](http://www.emeacollege.ac.in)**

## **Summary of Findings, Conclusion and Suggestions**

The MGNREGP were initiated with the objective of enhancing the livelihood security in rural areas by providing at least a one hundred days of guaranteed wage employment during the financial year to every household whose adult members volunteer to do unskilled manual work. Another aim of MGNREGP is to create durable assets such as roads, canals, ponds, wells. It also aims at serving other objectives like creation of useful assets in rural areas, empowering women, reducing rural- urban migration and changing the power equations to bring in a more equitable social order. The scheme strives to improve the economic and social conditions of the poor people residing in the rural areas. MGNREGA has marked a paradigm shift from the earlier employment programmes with its right based approach. Govt. is legally accountable for providing employment of hundred days to those who demand it. Since the first five year plan itself, the planners gave priority to poverty alleviation and employment generation. But still the magnitude of poverty and unemployment could not be reduced considerably. In this context MGNREP is gathering a momentum to become a role model in India.

Many studies have been conducted in Kerala about the different aspects of MGNREGP like performance, financial inclusion, and asset creation among beneficiaries. But no study has been carried out in Pulamanthole Panchayath of Malappuram district on this programme and also none of these studies highlighted employment and income effect of MGNREGP on consumption expenditure and saving mentality of families before and after they are employed in the MGNREGS. As per the multiplier model, we know that when there is an increase in income, it will automatically generate consumption. Here the study is an attempts to investigate the changed income pattern of the SC/ST labourers who are involved in the MGNREG programme and its influence of on consumption of food or non-food items through which the eradication of poverty.

### **Objectives**

- To assess the role of MGNREGS in eradicating poverty of SC/ ST families in Pulamanthole Panchayath.
- To analyse the changes in the saving mentality of families before and after they are employed in the MGNREGS.

- To analyse the changes made in the consumption expenditure of families before after they employed in this scheme.

To analyse these objectives both primary and secondary data were used. The primary data for the study was collected during the months April and May. Primary data have been collected from the households by using interview schedule. For the collection of primary data, purposive sampling technique was used by selecting Pulamanthole Panchayath of Malappuram district in Kerala. Pulamanthole Panchayath was chosen for the study due to the effective distribution of funds in different welfare activities. Secondary data have been collected from various sources like Ministry of Rural Development (MRD), Government of India (GOI), State Government, various rounds of National Sample Survey Organization Reports (NSSO), Planning Commission, Kerala State Planning Board, Annual Reports of MGNREGP, Official Website of MGNREGP, Kerala Development Report and Economic Survey. The data for the present study were collected from the year 2007-08 to 2015-2016.

### **Major Findings of the Study**

MGNREGS appeared to be a critical source of employment for the rural poor, particularly categories such as distressed families from SC and ST categories. The data suggest that as a measure of social protection to the poor and vulnerable social groups the scheme is making a difference by augmenting their employment and incomes. In all states the share of SC and STs in the employment generated under the scheme is much higher than their share in population. Even in Gujarat and Rajasthan, where it was lower initially, there was substantial increase in the later years.

During the inception of the programme the enrollment of the SC families were 25.36 percent. From there onwards there is an increase in the share of their participation in this scheme and it reached a high level 30.63 percent during the period 2010-11 and again it declined to 22.27 percent during the 2015-16. If we look into the variations in between the states, it was also not uniform. Among the states; the state like Punjab, Haryana, Uttar Pradesh and Bihar accommodated more number of SC labours than other states under MGNREGS. The states like Assam and Gujarat were given least accommodation of SCs in this Scheme. In Kerala the participation of labour under the scheme was more in the initial year of its implementation. It

was 20.12 percent during the period 2006-07. After that the involvement of labour showed a decreasing trend. It showed least involvement during the period 2011-12 with 14.31 percent.

The participation of STs in this scheme was high in all India level during its inception in 2006-07 with 36.45. After this year there is declining trend in the growth of STs participation in this scheme. It reached to 17.69 during the year 2015-16. The state like Gujarat, Madhya Pradesh, Rajasthan, Orissa and Maharashtra accommodated more labourers under the scheme while the states like Haryana, Punjab, Tamil Nadu and Uttar Pradesh reflect the lowest participation of STs. If we look into the participation of STs in Kerala in the MGNREGS, the trend is not contradictory to all India case. It was 12.40 during the year 2015-16 and reached its peak participation rate 16.89 during the year 2016-17. After this year it showed a declining trend in the growth of the participation. During the year 2015-16 it reached to 3.87 percent. 2.1 crore households were provided employment in the year 2006-07 which increased to 5.5 crore in the year 2010-11 but there onwards declined to 5 crore and 4.98 crore in the year 2011-12 and 2012-13 respectively. Concerning man days average 54 man days were generated in the year 2009-10. The data also depict that during none of the reference period extending from 2006-07 to 2013-14, 100 days of work was even made available to the beneficiaries. Regarding women households, national figure shows that a good share of 40% was generated by them in the year 2006-07 which increased to as high as 54 percent in the year 2013-14. The data also depict that the share of SCs varied from a low of 22 percent during two periods 2011-12 and 2012-13 to highest of 31 percent in the year 2010-11. The case of STs, It is also varied from low of 16% during 2013-14 to high of 35% during the period 2006-07.

Concerning financial performance of the programme at the national level, it is clear from table that expenditure has increased from Rs. 8824 crore in the year 2006-07 to Rs. 39262 crore in the year 2012-13 which shows an increase of almost 77.52 percent. It is also evident from the table that as the man-days increased so does the expenditure too increased from Rs. 5842 crore to Rs. 27128 crore in the year 2012-13.

Regarding works taken up and completed at the national level, 8.4 lakh works were taken up at the initial year of start of MGNREGA i.e., 2006-07 and only 3.9 lakh works were completed during that financial year. Also the number of works increased from 8.4 lakh in the year 2006-07

to as high as 111.60 lakh in the year 2013-14 and also that 25.9 lakh works were completed in the year 2010-11 against only 3.9 lakh in the year 2006-07.

In Kerala, employment demanded and provided grew at CAGR of 36.28 percent and 39.08 percent respectively while in the case of all India, the households who demanded employment and it provided by the government during the overall period showed a CAGR of 6.94 per cent and 46.56 per cent respectively.

During 2008-09 average person days per household was 22.21 person days. From this period till 2013-14 a continuous increase in the number of person days shown ending with 56.83. During 2015-16 it again reduced to 42.62 person days. Districts also show variation in the creation of employment. Wayanad district places first among the districts with 41.20 average person days followed by Palakkad district with 40.95 person days. Idukki got third place in this list with the creation of 40.39 person days. The least, 23.57 person days were created by Kannur district.

The average number of person days created by different districts was not synonymous. It also shows the attitudinal difference of people in different districts.

Number of persons who got 100 days of work in Kerala was 2.07 percent in 2008-09, it increased to 4.56 percent in 2009-10. From 2010-11 to 2013-14 we can see tremendous increase in this growth. It reached to 26.68 percent during the period 2013-14. After this period it reduced to 7.13 percent during the period 2014-2015.

During the period of its inception Kasargod district was able to provide 7.74 percent of 100 days employment and it was the maximum and was above the all Kerala average of 2.07 percent during the period 2008-09, while Kozhikode district was only able to give 0.02 percent of 100 days employment and it is the least among the districts. The year 2013-14 witnessed a higher level of growth in employment generation during that period Thiruvananthapuram district provided maximum level of employment, 41.11 percent while Kottayam district recorded 10.23 during that period.

The participation of SC/ST households had shown a zigzag movement in MGNREGP. In the beginning of the programme their participation was 20.1 percent and it decreased to 14.76

percent during the second year and again it reached its peak during the period 2008-09 at a percent of 19.47. After wards the trend is decreasing. Considering the participation of SCs in MGNREGP Palakkad district places first in the list of district wise participation followed by Malappuram, Pathanamthitta, Thiruvananthapuram and Thrissur. Kannur, Wayanad and Kasargod are coming in the lowest participation group and it is because of the dominance of the SC communities especially Kuruchia and Kurumba in these districts.

It is shown that majority of the ST participants are from three districts viz., Wayanad, Idukki and Palakkad. Allappuzha is having less number of ST populations who are participating in MGNREGP. General work participation of the SC/ST families is less in number under this scheme. It is because of lack of awareness about this scheme and lack of penetration of the Kudumbasree in these areas.

Comparison and evaluation of this programme on the basis of aggregate person days generated by SC/ST and others shows that the total person days generated during the period 2008-09 under this scheme is 153.73 lakh. Among this the share of SCs was 29.93 percent and STs was 14.23. This clearly shows the generation and growth of SC/STs and others participation in the MGNREGP.

Women participation under this programme shows a growth from the initial year itself. It was because of the attraction of the programme that equal wage for equal job. Another attraction was because of the presence of women supervisors. It made them to easily enroll in this programme. If we analyse the participation of women on the basis of districts, the ratio of women participation more or less similar except in the case of Idukki district.

In the beginning of the programme (2006-07) in Palakkad and Wayanad districts, fund utilization was 48.35 crore reserved of which 27.9 crore was only utilized (57.7 percent). In 2007-08 the programme extended to two more districts such as Idukki and Kasargod and it also increased its total outlay to 99.74 crore out of which 83.37 crore utilized (84 percent). During the subsequent periods the total outlay and the fund utilization increased and when it reached 2012-2013 the total outlay reached to 1431.39 crore out of which 1415.15 crore expended. This comes 98.87 percent of the total outlay. After the years though the total outlay and expenditure increased the percentage of expenditure made out of the total outlay had decreased. During the

whole period from 2006-07 to 2014-15 the total outlay was 5729.68 and total expenditure was 5157.35 which comes 90.1 percent of the total outlay.

### **Findings regarding the Pulamant hole Panchayath**

The majority of workers working under this scheme are aged ones and the percentage participation of youngsters is nominal.

Majority of workers belongs to females (88.33%) and the remaining (11.67%) is males. MGNREGS is female dominated

It is very clear that majority of the group working under the scheme lives in nuclear family. Looking into type of house, majority lives in concrete houses (50%), (44.17%) lives in thatched/tiled houses and only 5.83% lives in hut. This shows that the living conditions of the MGNREGS beneficiaries are satisfactory. Majority of the members are lacking formal education (48.33%), (40.83%) of persons educated in primary level and only 10.84% is educated in middle. The beneficiaries of MGNREGS are less educated and they have low educational attainment.

The beneficiaries of this scheme are house wives and less trained or agricultural labourers and it is job for the most vulnerable persons of the society.

There had been a growth in the assets of consumer durables and other precious things possessions of the beneficiaries and this scheme has made drastic growth in the habit of purchase of different assets. Telephone/cell phone shows a big growth (833%). The second position is in gas connection (450%) and third position follows jewels (413.33%).

In live stock classification before and after the respondents entered into the job, the bullock records highest growth rate (250%). The second position is in the growth of goat (188.89%). Poultry got third position (173.53%). (87.5%) growth in cow, Duck shows (66.67%) growth rate. Buffalo growth rate is (60%). Piggery shows zero percentage growth rate which shows that no one prefers piggery.

In savings and investment classification before and after the respondents entered into the job, cash in hand has an enormous increase in the growth which picturises the habits of beneficiaries to purchase different commodities for their day to day life. Savings in banks and

investment in jewels also shows a tremendous increase which gives a positive sign of the spending habits of the beneficiaries. All the variables are showing positive growth rate except purchase of government bonds/shares and other investment items. This may be because of the lack of information about this investment items since the majority of the labours under MGNREGS are lacking formal education or they are educated only in the primary level.

To find out the major determinants of MGNREGA income, a Multiple Linear Regression model was used. The MGNREGA income was taken dependent variable. The main explanatory variables used in the model are age, sex, education, assets total, livestock income, number of persons engaged in MGNREGA and number of days a family get employment under the scheme. Multi-collinearity among the variables also checked before estimation. In model, the fitness was good fit as the F ratio of 158.21 was significant at one per cent level. Among the independent variables, sex, number of family members engaged and number of days a family get employment under the scheme were significant at one per cent level while age was significant at five per cent level. These variables all together influenced the dependent variable by 78 per cent since the R<sup>2</sup> was 0.781. It could be observed from the Beta values that if the number of persons engaged in MGNREGA work increased by 0.56, the MGNREGA income increased by one rupee. An increase the number of days of employment under MGNREGA was increased by 0.54, which will increase the total MGNREGA income to one rupee and if the respondents' age increased by 0.2 and the MGNREGA income will be increased by 1 rupee. The other explanatory variables like education, assets total and livestock income were not significantly influenced for MGNREGA income.

The expenditure pattern of the workers had increased after they started working in MGNREGA as the mean difference was positive for all variables taken for the study. The mean difference was highest for education expenditure of their children which is positive sign of development of SC and ST MGNREGA workers. The second highest difference in expenditure was in expenditure on food items. The difference in total monthly expenditure was 2542. The “t” value was significant at one percent level of significance for all the variables taken for the study.

Increase in wage rate was given the first rank, regular work at least for 15 days was given second and increase in number of working days was given the third rank by the respondents for improving the efficiency of the scheme.

## **Conclusion**

The study focused on the MGNREGS in eradicating poverty among SC/ST families in Pulamanthole Panchayath of Malappuram district in Kerala. The results of the study found out that the programme played a vital role in the eradication of poverty among the said group. By analyzing each variable, we can see a positive growth in the variables. The remuneration given to the employees through their saving bank accounts created saving habit among them. Though it is a byproduct of the programme, it indirectly helped them to buy durable commodities and creation of the precious assets. The success of any programme depends on the way of its execution and how seriously the authorities and beneficiaries approach them. The findings of the study revealed that Pulamanthole Panchayath had well executed the programme and it was reached to the down trodden group especially the backward caste. As a nutshell we can conclude that governmental programmes are the prime solutions especially the employment generation schemes for eradicating poverty.

## **Suggestions**

Create more wage employment programmes and ensure the maximum participation of the economically weaker sections of the society.

Simplify the norms for enrollment to the scheme so as to reach this type of employment scheme to each and every member in the society.

Give awareness to spend the income of the employees in income generating schemes and make them to invest in governmental securities.

Educate the employees to find more income generating schemes and job as they are lacking jobs under the MGNREGS

Authorities should be given priority to those jobs under this scheme which are ensuring public asset creation so as to promote the labourers who are semi skilled and educated.

Motivate the youths for enrolling this job when they lose job in highly paid employment.

Also provide information to form self-employment groups to create more employment opportunities in the job intervals.

Provision should be given to the labourers to enroll the job without a prolonged waiting. This reduces the job intervals among the labourers.

The results showed that the programme is female dominated. Measures should be taken to attract and enroll more jobless male youth in this scheme.