

## Sustainable Rural Livelihoods for Small and Marginal Farmers Through Employment Generation in Maharashtra



### Sociology

**KEYWORDS :** MGNREGS, Sustainable, Livelihood, Employment, Farmers.

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### ABSTRACT

*The study was carried out in Thane district of Maharashtra with the objective of to assess the direct and indirect changes occurred due to the implementation of Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS). Direct changes occurred due to implementation of MGNREGS were increased employment generation, increased number of employed persons in the family, reduced daily working hours, increased daily wage rates, increased income generation, increased community and individual assets creation and reduced migration of people to urban areas for employment. Majority of MGNREGS beneficiaries experienced medium indirect changes followed by more and less indirect changes, respectively. Indirect changes occurred due implementation of MGNREGS were increased empowerment, increased personal and family security, increased food security, increased conservation of natural resources and strengthened democracy.*

### INTRODUCTION

In India, Unemployment and Poverty are severe problems in rural areas, leaving it outside the growth path. In a country like India, the entire concept of planning considering equal status of men and women and must aim at increasing economic opportunities to the large rural people. India will become a super power only when its rural people achieve economic prosperity and self-reliance. A substantial reduction in poverty can be achieved only if there is determined effort on the distribution of income and consumption in favour of poorer sections of the population. This call for significant increase in employment opportunities in rural areas. Governments with central assistance are self-targeting and the objective is to provide enhanced livelihood security, especially of those dependent on casual manual labour. Thus, Government of India, aiming at balanced growth, passed National Rural Employment Guarantee Act (NREGA) in the year 2005 in order to empower the rural labourers with right to get employment of 100 days per year per family during off-season. In accordance, National Rural Employment Guarantee Scheme (NREGS) has been launched in Anantapur district of Andhra Pradesh on 2<sup>nd</sup> February, 2006, with effect from 1<sup>st</sup> April, 2006 in 200 drought prone and backward districts in India. This scheme was launched in Thane district of Maharashtra in the financial year 2007-08. Government of India on 2<sup>nd</sup> October, 2009 renamed its flagship rural job guarantee programme- National Rural Employment Guarantee Act (NREGA) as Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA).

Central Government is making large public expenditure under MGNREGA. In the recent budget (2010-11), an allocation of Rs. 40,000 crores has been made for MGNREGA which is an increase of 150 per cent over the 2008-09 budget (16,000 crores). The objective of the MGNREGS is to provide additional resources apart from the resources available in the district from different wage generating programmes to supplement wage employment to all wage seekers at village level and providing food security through creation of need based economic, social and community assets in the district related to Soil & Water Conservation, Plantation, Forestry related activities such as Fire Protection, Plantation and Management of NTFPs, Land Development Works, Rural Connectivity Works and B.P.L/ST/SC/ Individual Beneficiary Assets. Under the above stated circumstances it became necessary to assess how far the programme is achieving its desired goals in terms of empowering the rural people. In this context the present investigation was carried out with an objective to assess the direct and indirect changes occurred due to the implementation of MGNREGS.

### MATERIALS AND METHODS

The study was conducted by following descriptive research design in randomly selected ten villages of purposively selected five talukas of Thane district of Maharashtra. A sample of 90

beneficiaries selected randomly by following disproportionate random sampling procedure. Data was collected through well structured interview schedule. The collected data was coded, classified and tabulated. Finally, Arithmetic Mean, Standard Deviation, Frequency, Percentage and 'Z' test were used for drawing conclusions. A series of statements were prepared to assess the direct changes before and after implementation of MGNREGS. A series of statements were prepared to assess the indirect changes occurred due to implementation of MGNREGS. By adding scores of all the statements, the individual's total score was worked out. The beneficiaries were categorized into three groups on the basis of mean and standard deviation.

### RESULTS AND DISCUSSION

#### Direct Changes

It is evident from Table 1 the mean employment generation scores of before and after NREGS differed significantly with 'Z' value (9.81) at 1 per cent level of probability implying that there was an improvement in the employment generation of beneficiaries due to introduction of MGNREGS. The mean employment available for MGNREGS beneficiaries before introduction of MGNREGS was 66.78 days and after introduction of MGNREGS the mean employment availability was 138.92 days. This doubling of employment might be due to policy initiative and enhanced fund allocation by the Central Government. These findings are in agreement with the findings of Samuel (2000).

**Table 1: Direct and indirect changes occurred due to implementation of MGNREGS**

Sl. No.	Item	Before MGNREGS		After MGNREGS		'Z' value
		Mean	S. D.	Mean	S. D.	
1	Employment Generation (Days/Year)	66.78	48.8	138.92	49.79	9.81**
2	Daily Working Hours (Hours/Day)	9	-	7.4	-	-
3	Daily Wage Rates (Rs./Day)	64	-	105	-	-
4	Income Generation (Rs./Year)	8840	3070	16230	3090	16.07**
5	Migration (Days/Year)	161.46	37.32	83.9	32.7	10.13**
6	Food Security (Rs./Week)	5.62	3.19	10.52	5.24	7.57**

**\*\* Significant at 0.01 level of probability**

Majority (52.22%) of families had two persons employed in the family before MGNREGS and after MGNREGS majority (65.56%) of families had three and more persons employed in the family. This might be due to the saturation concept for employment of rural poor as well as the 33 per cent reservation for women under MGNREGS.

Table 1 clearly exhibited that mean daily working hours for Agriculture and MGNREGS works were 9 hours and 7.4 hours, respectively with a difference of 1.6 hours. There was a mean reduction in daily working hours for MGNREGS works about 1.6 hours without affecting their earnings. This might be due to the policy initiative taken in MGNREGS besides providing one holiday in a week with daily wage rate which created a feeling of government employee in MGNREGS beneficiaries.

It is clear that from the Table 1 mean daily wage rates for Agriculture and MGNREGS works were Rs. 64 and Rs. 105, respectively with a difference of Rs. 41/-. Overall, the mean daily wage rate increased to the extent of Rs. 41 from Rs. 64 to Rs. 105 due to introduction of MGNREGS. These findings are in agreement with the findings of Jaffer (2007) and Gladson (2008).

It is evident from Table 1 the mean income generation scores of before and after MGNREGS differed significantly with 'Z' value (16.07) at 1 per cent level of probability implying that there was an improvement in the income generation of beneficiaries due to introduction of MGNREGS. The mean income of MGNREGS beneficiaries before introduction of MGNREGS was Rs. 8840 and after introduction of MGNREGS the mean income was Rs. 16230. It means that MGNREGS helped the beneficiaries to double their income. This shift from medium income generation to high income generation after introduction of MGNREGS might be due to the increase in number of days of employment and wage rate. These findings are in agreement with the findings of Ramesh and Krishnakumar (2009).

There was an increase to the extent of 119.70 per cent in community and individual assets creation under MGNREGS. This might be due to the policy initiative of MGNREGS to take up labour intensive activities which may provide steady employment in agricultural slack season, facilitate in engaging more labour as well as in creation of community and individual assets. These findings are in agreement with the findings of Samuel (2000).

It is evident from Table 1 the mean migration scores of before and after MGNREGS differed significantly with 'Z' value (10.13) at 1 per cent level of probability implying that there was an improvement in the reduction in migration of beneficiaries due to introduction of MGNREGS. The mean migration of MGNREGS beneficiaries before introduction of MGNREGS was 161.46 days and after introduction of MGNREGS the mean migration was 83.9 days. This shift in medium migration to low migration might be due to additional employment opportunities provided to selected MGNREGS beneficiaries thereby increasing their man days of employment. These findings are in agreement with the findings of Jaffer (2007) and Gladson (2008).

**Indirect Changes**

It is evident from Table 2 that majority (70.00%) of MGNREGS beneficiaries experienced medium indirect changes followed by more (15.56%) and less (14.44%) indirect changes. This might be due to the very short period of operation of MGNREGS resulting in immediate direct changes and in it cause of action sharing some indirect changes in MGNREGS beneficiaries' personal, social and cultural life along with it is associated with impact on natural resources and strengthening of democracy.

**Empowerment**

The cent (100.00%) per cent of MGNREGS beneficiaries expressed that their contribution towards the family income increased. This might be due to the increase in wage earning due to the wages paid under MGNREGS as more than the minimum wages for agricultural labour. Majority (54.44%) of MGNREGS beneficiaries with regard knowledge about development activities belonged to remained same category and remaining (45.56%) belonging to increased category. This might be due

to the existence of income and employment generation programme in one name or the other even though it is a different programme with some policy initiatives.

Majority (74.44%) of MGNREGS beneficiaries with regard to the ability to take decision in village or household belonged to remained same category and remaining (25.56%) belonging to increased category. This might be due to no commensurate increase in their income as well as this being a non assured income. Over ability to operate postal/bank accounts, majority (56.67%) of NREGS beneficiaries belonged to remained same category and remaining (43.33%) belonging to increased category. This might be due to their education remaining same in spite of their increased earnings. With regard to self reliance, majority (98.89%) of MGNREGS beneficiaries belonged to increased category and remaining (1.11%) coming under remained same category. This might be due to the policy assistance that exists in MGNREGS for providing 100 days wage employment. Over social participation, majority (53.33%) of MGNREGS beneficiaries belonged to remained same category and rest (46.67%) belonging to increased category. This might be due to the change in their social status in spite of increase in their wages.

**Personal and Family Security**

The cent (100%) per cent of beneficiaries felt that opportunity for improving the existing house remained same without change. This might be due to the insufficient mandays of employment they are getting as well as poor resource base they have. With regard to household indebtedness, majority (63.33%) of beneficiaries belonged to decreased category and remaining (36.67%) stating that it remained same. This might be due to increased earnings after MGNREGS.

**Table 2: Distribution of selected MGNREGS beneficiaries according to extent of indirect changes experienced**

Sl. No.	Category	NREGS Beneficiaries	
		Frequency	Percentage
1	Less (< 20.53)	13	14.44
2	Medium (20.53-29.22)	63	70.00
3	More (> 29.22)	14	15.56
Mean: 24.88		SD: 4.35	

In respect of purchase of household articles, majority (98.89%) of beneficiaries came under increased category and rest (1.11%) coming under remained same category. This might be due to enhanced purchasing power due to hike in wages. Over purchase of modern articles like Dish TV,

Mobile, etc., majority (66.67%) of beneficiaries came under remained same category and remaining (33.33%) coming under increased category. This might be due to the cost of these items exceeding than the amount earned through increased wages.

With regard to affordability of children education, majority (83.33%) of beneficiaries came under increased category and rest (16.67%) coming under remained same category. This might be due to the increase in wages as well as local additional employment they are getting without any need for migration for employment reasons. When asked about School attendance of children, majority (64.44%) of beneficiaries felt that it remained same and rest (35.56%) coming under increased category. This might be due to no change in educational facilities in nearby areas to them. In case of investment in agriculture and allied enterprises, majority (72.22%) of beneficiaries came under remained same category and rest (27.78%) coming under increased category. This might be due to the insufficient earnings they had to make investment in agricultural and allied enterprises. Over the accessibility to market, cent (100.00%) per cent of beneficiaries expressed that it remained same. This might be due to no interest showed by local people to improve marketing facilities as they have no certainty of earning from MGNREGS in long run. With regard to opportunity for disabled

and old persons get employed, majority (52.22%) of beneficiaries mentioned that it increased and rest (47.78%) stating that it remained same. This might be due to existing policy guidelines for giving preference to old and disabled persons employment under MGNREGS.

### Food Security

Calculated 'Z' value (7.57) of Table 1 was found significant at 1 per cent level of probability indicating that there existed a significant difference in food expenditure of MGNREGS beneficiaries before and after MGNREGS. This implies that there was an increase in the food expenditure of beneficiaries due to introduction of MGNREGS especially, on fruits and vegetables followed by oil, wheat and meat. The average increase noticed in vegetable consumption was 2.12 kg/week, Wheat consumption was 2.24 kg/week, Oil consumption was 1.15 kg/week and meat was 1.12 kg/week.

### Natural Resources

Majority (86.67%) of beneficiaries felt that the opportunity for soil and water conservation increased and remaining (13.33%) stating that it remained same. This might be due to the preferential approach in MGNREGS works for such kind of activities. With regard to the availability of drinking water, majority (55.56%) of beneficiaries expressed it increased and rest (44.44%) stating that it remained same. This might be due to the preference given to such types of works in order to overcome the problem of water scarcity. When asked about the water table of the area in their village, majority (63.33%) of beneficiaries viewed that it remained same and rest (36.67%) stating that it increased. This might be due to yet to be observable effect seen of works taken up under MGNREGS that may yield in increase in agricultural productivity. About the overall development of the villages, cent (100.00%) per cent of beneficiaries felt that it increased. This might be due to multifarious works taken up under MGNREGS.

### Strengthening Democracy

Majority (88.89%) of the beneficiaries experienced that the priority to the Gram Sabha in selection of works increased and rest (11.11%) stating that it remained same. This might be due to policy guidelines for the implementation of MGNREGS. With respect to people's participation in the preparation of projects, an equal percentage (50.00%) of beneficiaries said that it remained same and increased. This might be due to everyone not getting opportunity to participate in the preparation of projects as envisaged truly reflects the fact that all are equal in democracy but some are more equal.

With regard to the allotment of works through Gram Panchayat, majority (55.56%) of beneficiaries felt that it remained same and rest (44.44%) stating that it increased. This might be due to such earlier approach in IRDP, NREP, RLEGP, JRY, SGSY and SGRY. When asked about the involvement of local MP/MLAs and PRI members, majority (55.56%) of beneficiaries expressed that it decreased and rest (44.44%) stating that it remained same. This might be due to the lack of interest in active implementation of MGNREGS because of its transparency. These findings are in

agreement with the findings of Jaffer (2007), Gladson (2008), Ramachandran and Balakrishnan (2008) and Kohli (2009).

The result of the study revealed that, positive change had occurred among the respondents in terms of direct and indirect changes after commencement of MGNREGS in the study area. So, it can be said that MGNREGS is achieving its desired goal that is empowerment of the rural people. It is found that the income level and employment level of workers increased substantially and daily wage rate also increased. The migration of people reduced up to some extent. The expenditure on food items increased. Community and individual assets creation through MGNREGS works increased which leads the overall development of village.

### CONCLUSION

A number of Centrally Sponsored Schemes have been implemented under Rural Development Mission and welfare of the poor. But, MGNREGA is one of the unique experiment undertaken in India to eradicate poverty. The scheme has been launched to supplant the error and gaps of all previous schemes with the involvement of Panchayats, civil society and local administration. Poor families were targeted to get benefits of employment and livelihood to supplement their family income with saturation concept.

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As a whole, MGNREGA is an important step towards realization of the right to work. It is expected to enhance people's livelihood security on a sustained basis by developing economic and social infrastructure in rural areas. The indirect changes observed during study were change in empowerment, change in personal and family security, change in conservation of natural resources and strengthening of democracy. One of the most distinguishing features of the MGNREGS is its approach towards empowering citizens to play an active role in the implementation of employment guarantee schemes, through Gram Sabha, Social Audit, participatory planning and other activities.

It is very interesting time in the history of independent India, when the government is taking steps to provide its citizens with rights that it has never given before through Acts like Right to Education, Right to Information, Right to Employment (MGNREGA) and Right to Food. But, proactive participation of people is of prime importance to make sure these laws are implemented properly through the programmes such as MGNREGS.

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