

## Impact of MGNREGA on the Economic Well – being of Unskilled workers: Evidence from Puducherry Region



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### Abstract

India is the second largest country after China in terms of population and manpower. The haunting problem of unemployment is not confined to any particular class, segment or society as massive unemployment exists among educated, well-trained and skilled people as well as among semi-skilled and unskilled labourers, landless labourers, small and marginal farmers etc. The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is an Indian law that aims to guarantee the 'right to work' and ensure livelihood security in rural areas by providing at least 100 days of guaranteed wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work. The present study examines the economic empowerment and well being of the rural poor in Karaiyamputhur / Panayadikuppam villages of Puducherry Union Territory. The survey was conducted by use of interview schedule and data were collected from 323 beneficiaries of MGNREGA of the selected villages. The study reveals that there is a significant increase in the welfare of the family for both male and female workers in respect of spending more for family, children's education and enables them to save in bank / post office after working under MGNREGA. However, the economic well being will be improved still better if 100 days of employment in a year is provided to them.

### Keywords:

BDO - Block Development Officer, BPL - Below- Poverty line, CAI - Composite Achievement Index, DPC - District Programme Coordinator, DRDA - District Rural Development Agency, HH – Households, MGNREGA – Mahatma Gandhi National Rural Employment Guarantee Act, MIP - Minor Irrigation Project, NREGA - National Rural Employment Guarantee Act, NREGP - National Rural Employment Guarantee Programme, NREGS - National Rural Employment Guarantee Scheme, PDS - Public Distribution System, PEO - Panchayat Executive Officer, PO - Programme Officer.

**JEL classification** I38, O12, R28, Z18

### Introduction

Ever since India became independence, one of the major challenges before successive governments has been provision of adequate remunerative employment to the vast majority of rural workers who have been unemployed, or mostly underemployed, in meagre subsistence livelihood activities. The serious problem of unemployment is not confined to any particular class, segment or society as massive unemployment prevails among the educated, well-trained and skilled people as well as among the semi-skilled and

unskilled labourers, landless labourers, small and marginal farmers etc. Unemployment or under-employment is a very complex problem mainly in the rural areas when compared to urban areas, which poses a great challenge to planners, economists, politicians, industrialists as well as educationists.

There has been an increase in unemployment and underemployment in India as India is the second largest country after China in terms of population and manpower, much of the little growth witnessed has been in the informal sector bearing with formal public sector employment showing a declining trend. These developments have evoked considerable public concern in India and the 'right to work' surfaced as an important political agenda. The Common Minimum Programme of the UPA government (2004) placed right to work as top priority.

The National Rural employment Guarantee Act 2005 (NREGA) is a landmark initiative in the history of poverty reduction strategies in India. It provides unskilled poor work to address the worst form

of poverty in the rural India. It provides a legal guarantee of 100 days of wage employment in a financial year to every rural household whose adult members volunteer to do unskilled manual work at the minimum wage rate notified for agricultural labour prescribed in the State or else an unemployment allowance. The objective of the Act is to supplement wage employment opportunities in rural areas and in the process also build up durable assets. The Act was notified on 7<sup>th</sup> September 2005 and commenced in 200 Districts from 2nd February 2006 and extended to 130 more Districts from 1st April 2007. The Act has been extended further to 266 Districts with effect from 1st April 2008. Presently, MGNREGA is being implemented in all the notified rural areas of the country. The scheme of 100 days employment covers 644 districts and 6576 blocks all over India in 2013- 2014 (see figure –A). Total number of workers in job cards and total of households (HH) registered (in crores) is 28.1 and 12.8 all over India in 2013- 2014.

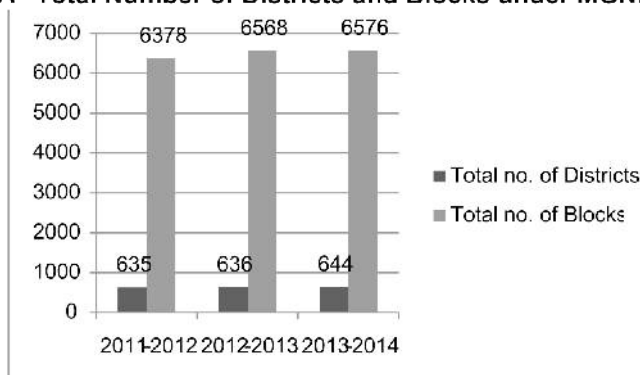
**Table 1 MGNREGA At a Glance**

Financial year	2011-2012	2012-2013	2013-2014
Total number of Districts	635	636 (0.16)	644 (1.26)
Total number of Blocks	6378	6568 (2.98)	6576 (0.12)
Total number of GP's	247643	247643	247643
Total number of Villages	778134	778134	778134
Total of HH Registered (in crores)	12.6	12.9 (2.38)	12.8 (-0.78)
Total number of workers in Job Cards	27.8	28.5 (2.52)	28.1 (-1.40)

Source: nrega.nic.in/netnrega/home.aspx

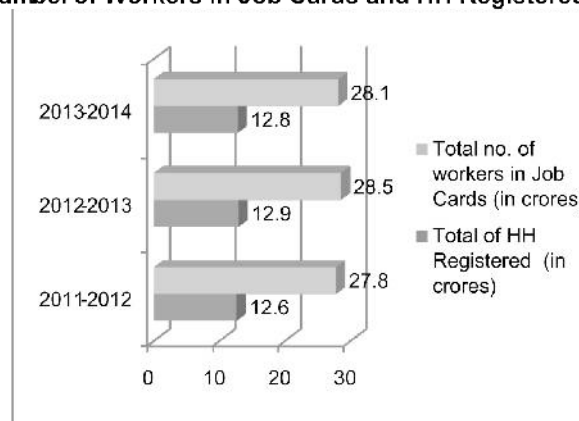
Figures in parentheses denotes growth rate over the previous period

**Figure- A Total Number of Districts and Blocks under MGNREGA in India**



Source: Compiled data collected from NREGA website

**Figure– B Total Number of Workers in Job Cards and HH Registered (in crores)**



Source: Compiled data collected from NREGA website

To provide administrative and technical assistance to panchayat bodies, the District Collector has been designated as the District Programme Coordinator (DPC) and he / she is responsible for overall planning, implementation, coordination and monitoring of the NREGS at the District level. At the Block level, the Block Development Officer (BDO) has been appointed and designated as Programme Officer (PO). He / she is responsible for planning, implementation, coordination and monitoring of the scheme at the Block level. The Panchayat Executive Officer (PEO) assists the village Panchayat. In addition, there are Line Departments like Forest, Soil Conservation, Minor Irrigation Projects (MIP) and Sericulture to assist the administration in carrying out their plans and works under the NREGS.

**Key Features of the MGNREGA**

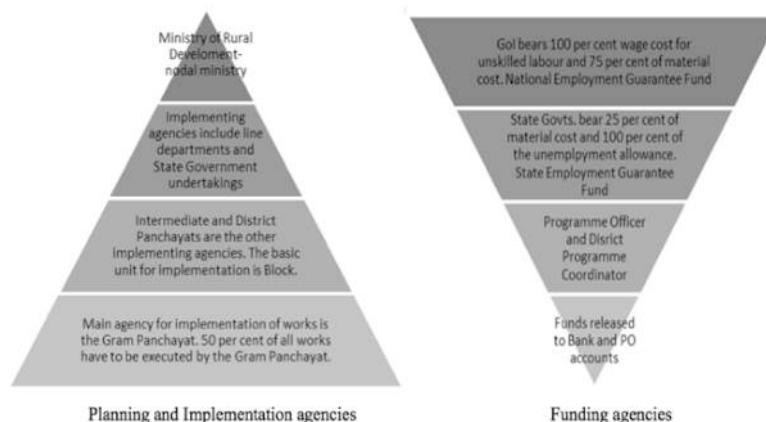
- Time bound guarantee of 100 days of work at a stipulated minimum wages to each household that demands unskilled manual work as well as payment of an unemployment allowance, which will be one third of the stipulated minimum wages, in the event if the work is not provided in time.

- Other entitlements in terms of provision of minimum facilities at the worksite, medical treatment and compensation in the event of injury at work, unemployment allowance if work is not provided etc.
- Bottom up planning for works and their implementation.
- A well designed institutional network for implementation and monitoring that includes Central and State level councils, Panchayati Raj institutions, and government administration at different levels and people's organizations.
- Provision of regular fund flows and
- Social auditing of the scheme to ensure transparency and accountability.

**Planning, Implementation and Funding**

Figure - C depicts the processes and agencies involved in planning, implementation and funding of works under the MGNREGA.

**Figure – C Planning, Implementation and Funding Agencies of MGNREGA**



Source: <http://www.ifmr.co.in/blog/2013/05/08/an-overview-of-the-features-of-the-mahatma-gandhi-national-rural-employment-guarantee-act-2005/>

## Review of Literature

**Jha et al. (2009)**, in a paper titled “*Capture of Anti-Poverty Programs: An Analysis of the National Rural Employment Guarantee Programme in India*” used pooled household level data for the states of Rajasthan and Andhra Pradesh (India), and found that the size of landholdings is a negative predictor of participation in the National Rural Employment Guarantee Programme (NREGP). In state level analysis, this pattern survives in Rajasthan but reverses in Andhra Pradesh where they observed a positive relationship. They also examined whether the sign reversal in Andhra Pradesh is indicative of programme capture in Andhra Pradesh and better targeting in Rajasthan. The study compared land inequality, ratio of NREG and slack season agricultural wage rates, political interference, and geographical remoteness across the two states and concluded that the programme captured in Andhra Pradesh largely. The study also found evidence of complementarity between NREGP and the Public Distribution System (PDS), implying that the real income transfer through food subsidy needs supplementation.

**Pankaj and Tankha (2010)**, in their research work titled “*Empowerment Effects of the NREGS on Women Workers: A Study in Four States*” examined the empowerment effects of the National Rural Employment Guarantee Scheme (NREGS) on rural women in Bihar, Jharkhand, Rajasthan and Himachal Pradesh. It argued that the women workers have gained from the scheme primarily because of the paid employment opportunity, and benefits have been realised through income-consumption effects, intra-household effects, and the enhancement of choice and capability. Women have also gained to some extent in terms of realisation of equal wages under the NREGS, with long-term implication for correcting gender skewness and gender discriminatory wages prevalent in the rural labour market of India. Despite the difficulties and hurdles for women, prospects lie, inter alia, in their collective mobilisation, more so in laggard states.

**Azhagaiah and Radhika (2011)**, in a research paper titled “*Issues and Challenges of MGNREGA: Evidence from Pondicherry Union Territory*” covered 98 villages in Puducherry and Karaikal districts of Puducherry region, and attempted to give a demographic explanation of caste-wise, gender-wise details under the three blocks viz Ariyankuppam block (37 villages), Villianur block (34 villages), and Karaikal block (27 villages) of Puducherry region. The study mainly focused with some of the issues and challenges faced by the rural poor in Puducherry region like *delay in payment of wages, part payment, mode of payment, and lack of adequate facilities provided in workplace*, etc. The study proved that there was a significant relationship between growth in labour in MGNREGA and agriculture related activities in Puducherry and Karaikal districts of Puducherry Union Territory.

**Thakur (2011)**, in a research study titled “*Changing Wage and Relation: A Study of MGNREGA and its Impact on Wage and Work Relations in Seoni District of Madhya Pradesh*” attempted to explore the sources of livelihood in the chosen area and the impact of MGNREGA on the sources of livelihood. The study covered the changing daily private wage rate after the implementation of MGNREGA and compared it to the time before its implementation. In addition, the study also analysed the impact of MGNREGA on the changing relationship between farmers and labourers and on the pattern of agriculture. The areas chosen for the

study are four villages under Seoni and Keolari Blocks in the Seoni district of Madhya Pradesh. 56 sample respondents were chosen for the study, i.e. those labourers who have completed 100 days of work as per the Act and farmers who own vast stretches of land were included in the study. The study proved that private wage rate has increased; the relation between farmers and labourers was changed and the agriculture pattern has also been changed due to the implementation of MGNREGA.

**Azam (2012)**, in a research paper titled “*The Impact of Indian Job Guarantee Scheme on Labour Market Outcomes: Evidence from a Natural Experiment*” assessed the causal impact (Intent-to-Treat) of NREGA on public works participation, labour force participation, and real wages of casual workers by exploiting its phased implementation across Indian districts. Using nationally representative data from Indian National Sample Surveys (NSS) and Difference-in-Difference framework, the study found that there was a strong gender dimension to the impact of NREGA. It has a positive impact on the labour force participation and the impact was mainly driven by a much sharper impact on female labour force participation. Similarly, NREGA had a significant positive impact on the wages of female casual workers. Real wages of female casual workers were increased by 8% more in NREGA implemented districts when compared with the increase experienced in non-NREGA implemented districts. However, the impact of NREGA in respect of increase in wages of casual male workers has only been marginal (about 1%).

**Prasad (2012)**, in a research work titled “*Performance of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA): An Overview*” attempted to review the performance of MGNREGA as the main objective of the functioning of the scheme and explained the objectives, features, permissible works under the Act and funding pattern of MGNREGA. The study also stated that the MGNREGA was the first ever law, internationally, that guaranteed wage employment at an unprecedented scale, augmenting wage employment and its auxiliary objective to strengthen natural resource management through works that address causes of chronic poverty due to drought, deforestation and soil erosion and so encourage sustainable development. The process of outcomes include strengthening grass-root processes of democracy and infusing transparency and accountability in governance.

**Ahmad (2012)**, in his research work titled “*MGNREGA: Its Drawbacks in J&K 2010*” realized of the vulnerability of some sections particularly in rural areas as 72% of population live in rural areas. The paper attempted to study the drawbacks, which the Act faces in rural areas in Jammu and Kashmir. The study was conducted by use of both primary (observational & telephonic interview) and secondary data, and provided some suggestions, which if implied will definitely help in overcoming the drawbacks which will help in realizing the mission for which the Act was passed.

**Poonia (2012)**, in a paper titled “*Critical Study of MGNREGA: Impact and Women's Participation*” highlighted the impact and women participation in MGNREGA. The study used sources from various issues of RBI Annual report and proved that the NREGA has the potential to stimulate local development, if the management and delivery are good; and that women's weak position in the labour market has been greatly supplemented for

betterment. The evidence further suggests that benefits are due to a strong state apparatus and not to the demand of citizens. This paper reviewed India's approach to social protection since independence and places the NREGA within the broader social protection discourse, especially in the context of how gender concerns have been addressed within public works, and very specifically in the NREGA guidelines.

**Rahman and Sheereen (2013)**, in their research study "*Performance of MGNREGA in Manipur: A Cross District Analysis*" analysed the performance of MGNREGA in Manipur state with cross district analysis. The study proved inter-district variation using some important indicators like the *average man days generated per household, the proportion of works completed to works taken up and the proportion of total funds expenditure to total available funds*. The study also found that Senapati district performed better as compared to the rest of the districts while the Thoubal district performed the worst in terms of performance in implementing the scheme under MGNREGA. Out of the nine districts, five districts performed better than that of the state Composite Achievement Index (CAI) while the remaining districts were lagging behind.

**De and Jana (2013)**, in their paper titled "*Socio Economic Determinants of Participation in MGNREGA: A Study in Bankura District of Rural West Bengal*" attempted to review the current status of implementation of MGNREGA in Bankura district, West Bengal and to identify the emerging strengths and weaknesses for wider dialogue for improvements. 200 households were chosen from two backward and demographically diversified blocks on stratified random sampling technique. The respondents were asked through open ended questionnaire on several aspects of MGNREGA. The study found that there was a low awareness among the beneficiaries about the scheme under MGNREGA as well as some institutional gaps. The study also observed some irregularities in the implementation of the scheme. The beneficiaries believed that if the scheme was effectively implemented, NREGA will be a more effective instrument for eradicating poverty.

**Roy (2013)**, in his study titled "*Right Based Approach in Accessing Social Sector Services- A Case Study of MGNREGA*" attempted to study the right based employment guarantee scheme with social safety net for the rural poor. Under this Act if work is not provided within 15 days time frame from the date of registration for employment then the applicant is eligible for unemployment allowance. The study also highlighted the characteristics of MGNREGA as a right based approach and evaluated how far the right based programme is able to give scope in accessing social services to the beneficiaries in India with special reference to North East. The study found that the scheme is very effective in addressing the problem of poverty in India which is the main cause of vulnerability of life. By generating income it has been act as a helpline in accessing social services for MGNREGA workers.

**Bebarta (2013)**, in a research work titled "*Impact of MGNREGA in the Lives of Tribal People: A Study of Rayagada Block in Gajapati District*" assessed the implementation of MGNREGA and its impact on the lives of tribal people in the Rayagada block in the district of Gajapati of Odisha. As known the MGNREGA provides guarantee employment to the rural households, it also empowers the marginalized rural mass through decentralized planning which

ensures the livelihood security by creating durable assets. The study was based on a random sample of 50 tribal households covering awareness related to the different provisions of MGNREGA and its impact viz., *socio-economic condition, livelihood security, sustainable asset creation, agricultural productivity, migration and social empowerment*. The study found that the tribal households in the Gajapati district have been benefited from MGNREGA in many ways as it has increased their income resulting into multiple impacts in their social and economic life; however there is still a long way to fulfill the purpose and objectives of MGNREGA and to ensure the livelihood security of the rural and tribal households.

**Jain and Singh (2013)**, in their research work titled "*Mahatma Gandhi National Rural Employment Guarantee Act on the Touchstone of Social Security*" showed that the study also highlighted the objectives of MGNREGA and stated that it is to stem and tide over migration of workers from villages to cities so as to reduce the economic pressure on urban areas and yet at the same time make rural economy vibrant and self-sustained through creation of durable assets. It enables the rural household (whose adult members are willing) to work or volunteer to do unskilled manual labour. The study also suggested that social security for unorganised sector in India vis-à-vis the impact of MGNREGA has to be assessed on the parameter of *employment generation, impact on migration, impact on quality of life* particularly those belonging to below-poverty line (BPL) families and participation of women in the scheme no doubt, has immense scope and impact and results in social security of rural folk.

**Carswell and De Neve (2013)**, in their research work titled "*Women at the Crossroads Implementation of Employment Guarantee Scheme in Rural Tamil Nadu*" stated that the transformation of rural gender inequalities was not an intended goal of the MGNREGA. The study drew evidence from two villages in western Tamil Nadu to show how the scheme benefited the rural women in particular. It stated that major attraction of the MGNREGA works include local work availability throughout the year, it being perceived as relatively "easy" work with fixed, regular, gender equality in respect of wages, and free from caste-based subordination and discrimination. The *gendered* impact of MGNREGA is partly due to the universal, right-based and women-friendly nature of the policy, and partly to the specific ways in which the policy is implemented in Tamil Nadu, where it has received significant cross-party political support.

**Sahoo (2013)**, in a research paper titled "*MGNREGA and Financial Inclusion – An Inter-District Analysis of Odisha*" attempted to study the inter-district comparison of the performance of MGNREGA in Odisha. Among 23 states, Odisha has an index of financial inclusion value of 0.2 and is at 15th rank. Thus the extent of financial inclusion is found to be significantly low in Odisha. Financial inclusion is the key to empowerment of poor, underprivileged and low skilled rural households as they compose 70 % of Indian population. It can truly lift the financial soundness and thereby improve the standard of living of the rural poor and the disadvantaged. To fasten the pace of financial inclusion, the Government of India, in 2008, declared that wage payments, under the MGNREGA, and the world's largest rural public works programme would be made through banks and post offices. As MGNREGA is a widely discussed public policy and knowledge

about it is the need of the hour.

In addition, MGNREGA boost to sericulture in Jharkhand after encouraging farmers to take up the work of labourers, the flagship programme of UPA government MGNREGA is all set to encourage sericulturists in Jharkhand. In a first of its kind convergence programme of four different departments, Union Rural Development Minister Shri Jairam Ramesh and Central Textile Minister, Shri K. S. Rao jointly launched a scheme through which one lakh acres of land in Jharkhand will be used for

producing silk. This, in turn, would support the livelihood of more than 10 lakh farmers in the state.

**Significance of the Study**

MGNREGA governing body opposes legal challenge to minimum wage ruling, it should not be seen as a wage - related programme but as a means to build the country, and the need was to ensure that it was not misused to depress wage rates across the sectors (The Hindu dated 24<sup>th</sup> December, 2011).

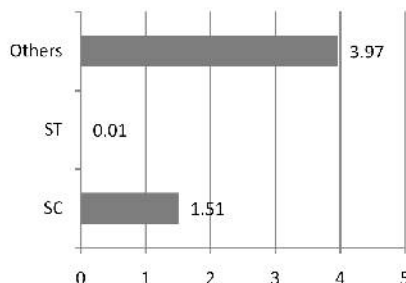
**Profile of the Study Area**

**Table 2 Overview of Pondicherry District**

Category	Employment provided In Lakhs	%
SC	1.51	27.55
ST	0.01	0.10
Others	3.97	72.35
Total	5.49	100.00
Works completed	33	14.73
Works in progress	191	85.27
Total works taken up	224	100.00

Source: nrega.nic.in/netnrega/home.aspx

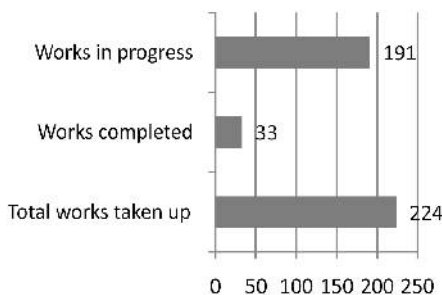
**Figure – D Category based employment provided under MRNREGA in Pondicherry District**



Source: Compiled data collected from NREGA website

Under MGNREGA, (see figure - D) the Pondicherry Union Territory has provided employment to 5.49 lakhs workers for the period from 2005 to 2013, out of which the workers belonging to

SC and ST account for about 1.51 lakh (27.55%) and 0.01 lakh (0.1%) respectively. Balance workers fall in 'others' category, who account for 3.97 lakh (72.35%).



Source: Compiled data collected from NREGA website

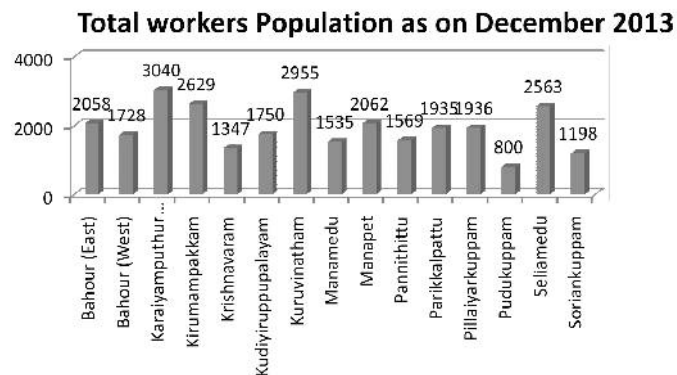
Figure - E shows the work details of MGNREGA, total number of works taken up in Pondicherry district is 224, and the number of works completed is 33 (14.73%) and 191 (85.27%) works are still in progress.

The study is conducted in Karaiyamputhur / Panayadikuppam, one of the villages covered under Bahour panchayat of Ariyankuppam block of Pondicherry District. Pondicherry District consists of three Blocks namely Ariyankuppam, Villianur and Ouzhkarai. Ouzhkarai is of urban belt, hence it is not considered for the study. Keeping the Ouzhkarai block aside, considering the other two blocks the Ariyankuppam block is the most concentrated one based on the number of workers. The selected Ariyankuppam block consists of three village panchayats namely Bahour, Ariyankuppam and Nettareppam. Out of the three village

panchayats the most concentrated village panchayat in terms of the number of workers registered, demanded and worked under the scheme is Bahour, which comprises 15 villages with overall population of 29105.

Out of the 15 villages, Karaiyamputhur / Panayadikuppam record with highest workers population (3040 = 10.44%), hence the survey was conducted in Karaiyamputhur / Panayadikuppam village. Table 3 and figure - F show the details of villages and workers population in Bahour Panchayat under Ariyankuppam Block of Pondicherry district. It is inferred from the table that Karaiyamputhur / Panayadikuppam village records the highest (3040) workers. Out of the total population of Bahour Panchayat, 13986 (48.05%) are male workers and remaining 15119 (51.95%) workers are female workers.

Figure –F Total Workers under MGNREGA in Bahour Panchayat



Source: Compiled data collected from NREGA website.

**Table 3 Total Number of Villages and Workers Population under MGNREGA in Bahour Panchayat under Ariyankuppam Block of Pondicherry District**

S. No.	Village	Male	Female	Total
1.	Bahour (East)	1000 (48.59)	1058 (51.41)	2058
2.	Bahour (West)	857 (49.59)	871 (50.41)	1728
3.	Karaiyamputhur / Panayadikuppam	1469 (48.32)	1571 (51.68)	3040
4.	Kirumampakkam	1282 (48.76)	1347 (51.24)	2629
5.	Krishnavaram	658 (48.85)	689 (51.15)	1347
6.	Kudiyiruppalayam	844 (48.23)	906 (51.77)	1750
7.	Kuruvintham	1413 (47.82)	1542 (52.18)	2955
8.	Manamedu	677 (44.10)	858 (55.90)	1535
9.	Manapet	974 (47.24)	1088 (52.76)	2062

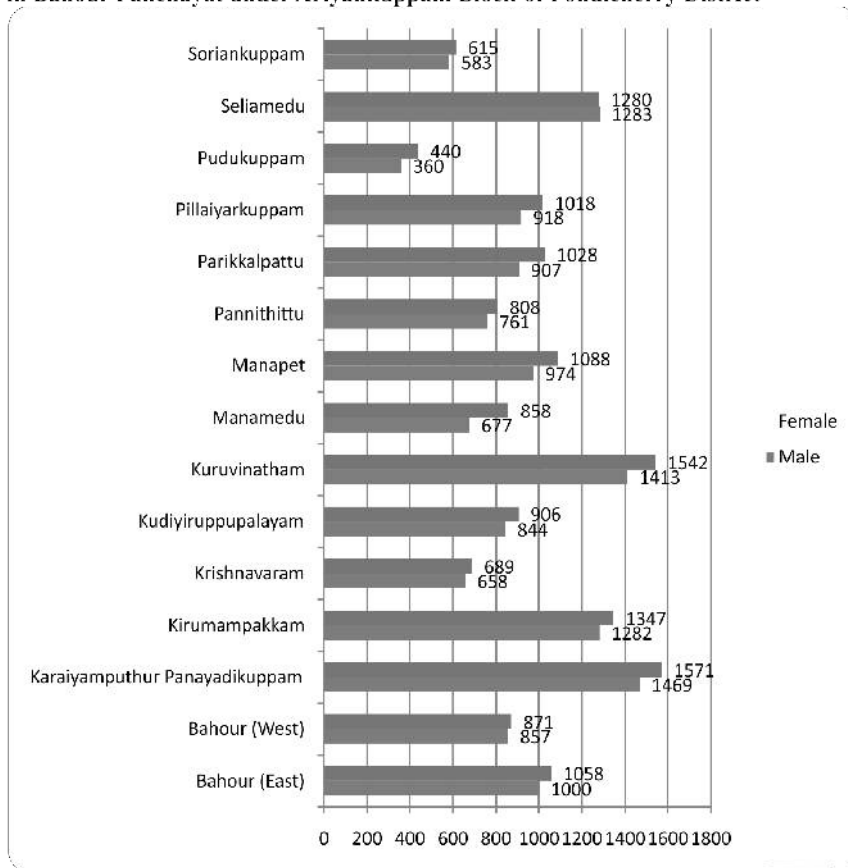
10.	Pannithittu	761 (48.50)	808 (51.50)	1569
11.	Parikkalpattu	907 (46.87)	1028 (53.13)	1935
12.	Pillaiyarkuppam	918 (47.42)	1018 (52.58)	1936
13.	Pudukuppam	360 (45.00)	440 (55.00)	800
14.	Seliamedu	1283 (50.06)	1280 (49.94)	2563
15.	Soriankuppam	583 (48.66)	615 (51.34)	1198
	Total	13986 (48.05)	15119 (51.95)	29105

Source: Compiled data collected from NREGA website  
 Figures in parentheses denote percentage to total

Considering the gender as a variable, (see figure – G) it is noticed that in all the villages the women workers are outnumber when compared to their counterparts (male). The highest proportion of women workers is recorded for Manamedu village (55.90%)

followed by Pudukuppam (55.00%). And in the case of Karaiyamputhur / Panayadikuppam, the women proportion is recorded as 51.68%.

Figure – G Total Number of Male and Female Workers Population under MGNREGA in Bahour Panchayat under Ariyankuppam Block of Pondicherry District



Source: Compiled data collected from NREGA website



**Sample Frame**

The sample size of the study has been calculated using the following formula:

$$n = \frac{\chi^2 * N * P * (1 - P)}{(ME^2 * (N - 1) + (\chi^2 * P * (1 - P)))}$$

Where

n = Sample size

$\chi^2$  = Chi-square for the specified confidence level at 1 degree of freedom

N = Population size

P = Population proportion (.50)

ME = Desired margin of error (expressed as a proportion) n = 341. The total population is denoted as N = 3040, and the sample size of the study is denoted as n = 341 at confidence level 95%, margin of error at 5% as computed by use of the said formula.

**Research Methodology**

The study is based on both primary and secondary data. The secondary data were collected from various sources such as District Rural Development Agency (DRDA) at District level, Panchayat Samiti, Block Development Officer (BDO) at Block level, Gram Panchayat at GP level in respect of financial and physical status of the works taken up during the year. On the other hand, the primary data were collected through interview schedule in the field survey. Further, the basic data were collected from the Case Record Files maintained for implementing the scheme at agency level.

**Research Methods**

For analysis, the study used correlation co-efficient and regression analysis.

- ❖ Correlation coefficient: Pearson's correlation co-efficient is used for calculating correlation by using the formula:

$$r = \frac{n(\sum xy) - (\sum x)(\sum y)}{\sqrt{[n\sum x^2 - (\sum x)^2][n\sum y^2 - (\sum y)^2]}}$$

**Variables Used for Correlation Analysis**

Variables	Description
Income increase (x)	Income increase d after employed under MGNREGA
Children's education (y)	Spending for Children's education increased after employed under MGNREGA
Any savings (y)	Any savings in bank / post office after employed under MGNREGA
Spending more for family (y)	Spending more expenses for family after employed under MGNREGA
Investing in assets (y)	Investing in assets after employed under MGNREGA

❖ Regression Analysis

Simple linear regression model is used for studying the impact of predictor variable (x) on responding variable (y) using an equation that expresses y as a linear function of x, plus e an error term, b is the slope of the fitted line, a is the intercept of the fitted line. Simple linear regression is calculated by using the formula:

$$Y = a + bx + e$$

The equation used for the study is

1. Children's education = a + b (income increase) + e
2. Any savings = a + b (income increase) + e
3. Spending more for family = a + b (income increase) + e
4. Investing in assets = a + b (income increase) + e

**Objectives of the Study**

- ❖ To study the socio-demographic profiles i.e. gender, age, education status and category of beneficiaries of MGNREGA in the chosen village.
- ❖ To analyze the gender difference in the economic empowerment of workers after employed under MGNREGA, and
- ❖ To study whether there is an upliftment in the economic well-being of the workers employed under MGNREGA in the chosen village.

**Hypotheses Development for the Study**

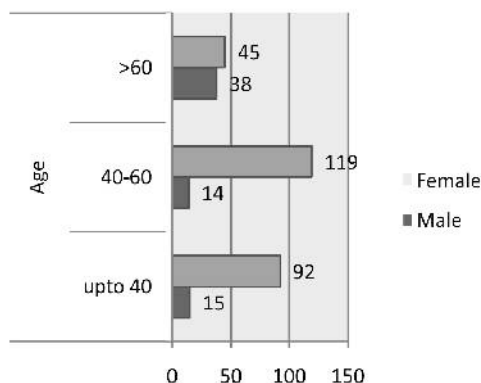
- H<sub>0</sub><sup>1</sup> = There is no significant upliftment in the economic well-being of the male workers employed under MGNREGA.
- H<sub>0</sub><sup>2</sup> = There is no significant upliftment in the economic well-being of the female workers employed under MGNREGA.

$H_0^3$  = There is no significant relationship between employment under MGNREGA and the children's education, savings in bank/post office, investment in assets and spending more for family.

$H_0^4$  = There is no significant impact of income increase on the children's education, savings in bank / post office, investment in assets and spending more for family.

### Demographic Profile of the Workers

**Figure – H Gender and Age of the Workers Employed under MGNREGA in Karaiyamputhur / Panayadikuppam Village**

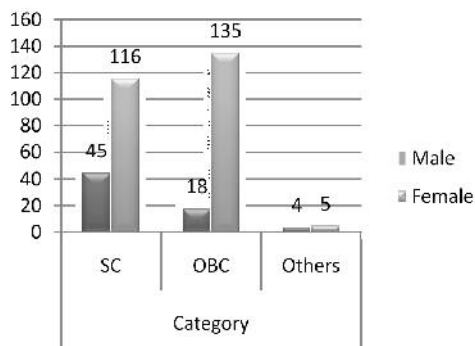


Source: Compiled data collected from primary source

Figure - H shows the demographic profile of the respondents viz., gender and age. Out of 323 workers, 67 (20.74%) are male and 256 (79.26%) are female. Out of 67 male respondents, 15 (22.39%) are under the age group of up to 40 years, 14 (20.89%) are in the age

category of 40-60 years and 38 (56.72%) fall in the age category of >60 years. Out of 256 female respondents, 92 (35.94%) fall under the age group of up to 40 years, 119 (46.48%) fall under 40-60 years category and 45 (17.58%) of them fall in >60 years category.

**Figure – I Gender and Category of the Workers Employed under MGNREGA in Karaiyamputhur / Panayadikuppam Villages**

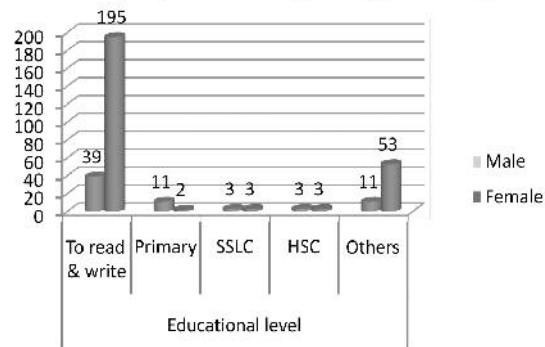


Source: Compiled data collected from primary source

Figure - I shows the demographic profile of respondents viz gender and category. Out of 323 workers, 161 workers belong to SC category out of whom 45 (27.95%) are male and 116 (72.05%) are female. 153 fall under OBC category out of whom 18 (11.76%)

are male and 135 (88.24%) are female. 9 workers fall under 'others', which means general category out of which 4 (44.44%) are male and 5 (55.56%) are female

**Figure - J Gender and Educational Status of the Workers Employed under MGNREGA in Karaiyamputhur / Panayadikuppam Villages**



Source: Compiled data collected from primary source

Figure - J shows the demographic profile of the workers viz gender and educational status. Out of 323 respondents, 39 (12.07%) male and 195 (60.37%) female workers know to read and write, 11 (84.62%) male and 2 (15.38%) female workers have education

upto primary level education, 3 (50%) male and 3 (50%) female workers have education upto SSLC and HSC respectively, and 11 (17.19%) male and 53 (82.81%) female workers fall under 'others' category of education.

**Table 4 Awareness and Job Details of the Scheme**

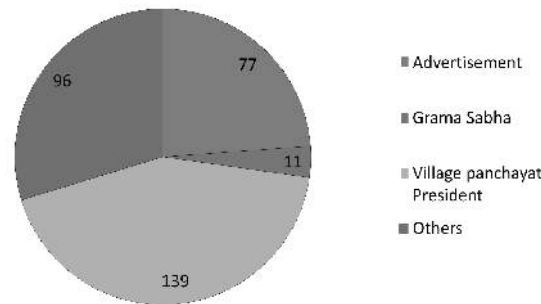
Awareness about MGNREGA	No. of Respondents	%
Advertisement	77	23.84
Grama Sabha	11	3.41
Village Panchayat President	139	43.03
Others	96	29.72
Total	323	100.00
<b>Time gap between job card registration and job given</b>		<b>%</b>
< 1 week	312	96.59
1-3 weeks	11	3.41
Total	323	100.00

Source: Compiled data collected from primary data source

Table 4 and figure K shows the awareness of the workers about the scheme (MGNREGS). 77 (23.84%) workers came to know about the scheme through advertisement, 11 (3.41%) of them came to know about the scheme through grama sabha, 139 (43.03%) of them came to know about the scheme through village panchayat president and 96 (29.72%) of the workers came to know about the scheme through neighbours. When asked about the time gap

between date of job card registration and date of employment given to the workers it is found that majority (96.59%) of the workers opined that they were given employment within a week from the date of registration for employment under the scheme. According to them, job card is given freely for all the workers and the work done is covered under the permissible works of MGNREGA.

Figure – K Awareness about MGNREGA



Source: Compiled results Collected from primary data source

Table 5 Correlation Matrix of Economic Upliftment of Male Workers of Karaiyamputhur / Panayadikuppam Villages

Variables	Income increase	Children's Education	Any savings	Investing in assets	Spending more for family
Income increase	1				
Children's Education	.681** (.000)	1			
Any savings	.656** (.000)	.971** (.000)	1		
Investing in assets	.146 (.232)	.165 (.176)	.134 (.272)	1	
Spending more for family	.847** (.000)	.589** (.000)	.564** (.000)	.054 (.658)	1

Source: Computed data collected from primary source. Figures in parentheses denote p values \*\*. Correlation is significant at the 0.01 level (2-tailed).

The correlation results (see table 5) show that economic upliftment (*income increase*) of male workers has a significant positive correlation with the children's education ( $r = .68, p < 0.01$ ) and that of with any savings in bank / post office ( $r = .65, p < 0.01$ ) and that of with spending more for family ( $r = .84, p < 0.01$ ). Thus the hypothesis  $H_0^1$  that “there is no significant relationship between the income increase of male workers due to employment under MGNREGA and children's education, savings, and spending for family among the male workers” is rejected at 1% level. Hence, it is inferred that the increase in income of male workers after employment under MGNREGA has a positive relation with children's education, savings, as well as spending for family.

The correlation results show (see table 6) that economic upliftment

of female workers has a significant positive correlation with the children's education ( $r = .15, p < 0.05$ ) and the savings in bank / post office ( $r = .14, p < 0.05$ ) and investing in assets ( $r = .13, p < 0.05$ ) and spending more for family ( $r = .46, p < 0.01$ ). Thus the hypothesis  $H_0^2$  that “there is no significant relationship between the income increase of female workers due to employment under MGNREGA and children's education, savings, investing in assets, and spending for family among the female workers” is rejected at 1% (*spending more for family*) and 5% level (*children's education, savings, investing in assets*) respectively. Hence, it is inferred that the increase in income of female workers after employment under MGNREGA has a positive relation with children's education, savings, investing in assets as well as spending for family

**Table 6 Correlation Matrix of Economic Upliftment of Female Workers of Karaiyamputhur / Panayadikuppam Villages**

Variables	Income increase	Children's education	Any savings	Investing in assets	Spending More for family
Income increase	1				
Children's education	.154* (.014)	1			
Any savings	.143* (.022)	.067 (.283)	1		
Investing in assets	.139* (.026)	.004 (.950)	.084 (.180)	1	
Spending more for family	.465** (.000)	-.067 (.286)	-.081 (.197)	.232** (.000)	1

Source: Computed data collected from primary source.

\*. Correlation is significant at 0.05 level (2-tailed).

\*\*. Correlation is significant at 0.01 level (2-tailed).

The correlation results show (*see table 7*) that the economic upliftment of workers (both male and female) has a significant positive correlation with children's education ( $r = .13$ ,  $p < 0.05$ ) at 5% level and with savings ( $r = .16$ ,  $p < 0.01$ ) as well as with spending more for family ( $r = .25$ ,  $p < 0.05$ ) at 1% level. Therefore,

$H_0^3$  is rejected and concluded that the increase in income of workers due to employment under MGNREGA has significant positive relation with children's education, savings, as well as with spending more for family.

**Table 7 Overall Correlation Matrix of Economic Upliftment of Workers of Karaiyamputhur / Panayadikuppam villages**

Variables	Income increase	Children's Education	Any savings	Investing in assets	Spend more for family
Income increase	1				
Children's Education	.137* (.013)	1			
Any savings	.165** (.003)	-.008 (.892)	1		
Investing in assets	.062 (.266)	-.041 (.460)	.421** (.000)	1	
Spend more for family	.254** (.000)	-.011 (.848)	.304** (.000)	.346** (.000)	1

Source: Computed data collected from primary source.

\*. Correlation is significant at 0.05 level (2-tailed).

\*\*. Correlation is significant at 0.01 level (2-tailed).

**Table 8 Regression Results of Economic Upliftment of Workers of Karaiyamputhur / Panayadikuppam Villages**

Variables	Un-standardized Coefficients Beta Value			
	Children education	Any savings	Spend more for family	Investing in assets
<i>(Constant)</i>	1.307 (.000)	1.227 (.000)	.969 (.000)	2.632 (.000)
<b>Income Increase</b>	.179* (.013)	.214** (.003)	.610** (.000)	.181 (.266)
<i>R<sup>2</sup></i>	.019	.027	.065	.004
<i>Adj-R<sup>2</sup></i>	.016	.024	.062	.001
<i>F statistics</i>	6.173* (.013)	9.024** (.003)	22.213** (.000)	1.240 (.266)

Source: Computed data collected from primary source. Note: Figures in parentheses denote 'p' values  
\*.Significant at 0.05 level \*\*.Significant at 0.01 level

The regression results show that (*vide table 8*) income increase (.17,  $p < 0.05$ ) has a significant positive coefficient with children's education at 5% level. The F statistics is significant in case of children's education at 5% level ( $F = 6.173$ ,  $p < 0.05$ ) indicating that they vary with the variation in the explanatory variables. Income increase (.21,  $p < 0.01$ ) has a highly significant positive coefficient with savings in bank / post office at 1% level. The F statistics is highly significant for savings in bank / post office at 1% level ( $F = 9.024$ ,  $p < 0.01$ ) indicating that they vary with the variation in the explanatory variables. Income increase (.61,  $p < 0.01$ ) has a highly significant positive coefficient with spending more for family at 1% level. The F statistics is highly significant for spending more for family at 1% level ( $F = 22.213$ ,  $p < 0.01$ ) indicating that they vary with the variation in the explanatory variables. However, the income increase has an insignificant positive coefficient with investing in assets. Thus, the hypothesis  $H_0^4$  is rejected proving that the income increase influence the selected *predictor variables* (*children's education, savings and spending more for family*) thereby uplift the economic well being of the workers employed under MGNREGA in the selected villages of Puducherry Union Territory.

#### Concluding Remarks and Policy Prescriptions

The MGNREGS is a major new invention having potential to transform the rural socio-economic relations at micro-individual as well as macro-societal levels. However, the potential is still incipient and requires to be substantially supported in many different ways, since the very orientation of MGNREGA and the presentation of involvement in public works as a right is a very new concept in rural India, which will take time still to permeate, especially at the local levels. But all of us must understand that the MGNREGA may not be a long term solution to the unemployment problem of rural India. The present 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. However, still 100 days of work is not provided to the workers for a year is the evil side of the scheme. Pondicherry region is very small area and most of the villages are with major population who are involved in the works under MGNREGA and the work allotted is completed in a scheduled time.

#### Limitations of the Study

The study is based on the responses of only 323 respondents of the Karaiyamputhur / Panayadikuppam villages of the Bahour Panchayat of the Pondicherry region which is the most populated village of the Pondicherry region as far as the MGNREGA is concerned, hence the outcome of the research may not represent the picture of the other regions of Pondicherry Union Territory.

#### Suggestions for Proper Implementation of MGNREGA

The determinants of MGNREGA employment days identify the crucial factors for the successful implementation of the programme. The 'long delays' in wage payment must be minimized because such delay is not consistent with the provision of the MGNREGA. Another issue is the provision of work when alternative employment opportunities are scarce; the MGNREGA has to fulfill the gap by providing extra employment days during the lean season. Gram Panchayat has to prepare the proper shelf of schemes and to explore different or innovative works with new ideas. The overall awareness of the programme and information regarding the job should be widespread for better participation. Therefore, the following are some preliminary recommendations:

- ❖ Quality awareness campaigns with a focus on details of the provisions and entitlement of the scheme should be launched by targeting the expected beneficiary groups.
- ❖ Appointing full-time professionals for implementing MGNREGA at all levels which is vitally necessary to implement the scheme.
- ❖ Proper monitoring of the number of employment days generated should be made essential to ensure that the scheme does not fall behind the national average.
- ❖ Specific efforts should be made to reduce the time gap between work done and payment received by rural workers in MGNREGA.
- ❖ It is strongly suggested to ensure the timely completion of the scheme, the mode of payment is universalized to wage payment through the bank and post office accounts.

### Scope for Further Studies

Further studies could be undertaken in the following aspects:

- Women have benefited more as workers than as a community. Women as individuals have gained because of their ability to earn independently, made possible due to the paid employment opportunity under NREGS so, further study can be undertaken to analyze the empowerment of women workers involved in MGNREGA.

- Studies can also be undertaken:

To study the socio economic determinants of participation in MGNREGA with the emerging strengths and weaknesses for wider dialogue for improvement in the selected area.

To analyze the extent of additional employment generated through MGNREGA to the rural poor.

To assess the implementation and functioning of MGNREGA and to suggest suitable policy measures to supplement and strengthen the scheme further.

To evaluate the achievements of MGNREGA in accessing social services benefitted by the beneficiaries.

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