



## ECONOMIC IMPACT OF MGNREGP ON THE ENHANCEMENT OF LIVELIHOOD SECURITY IN SIVAGANGAI DISTRICT TAMIL NADU

**Dr. Lourdes Poobala Rayen<sup>1</sup>**

<sup>1</sup>Head and Associate Professor, Department of Commerce, St Xavier's College (Autonomous), Palayamkottai, Tirunelveli, Tamil Nadu, India

**S. John Vasantha Kumar<sup>2</sup>**

<sup>2</sup>Assistant Professor, Ananda College, Devakottai, Tamil Nadu, India.

### ABSTRACT

*The livelihood securities are the pivotal tool which paves a way for the quality of life and improves the economic well-being of the beneficiaries of any program. The MGNREGP is a vital program for eradicating the rural unemployment and poverty which guarantees 150 days of labour in the rural parts of the country. This program offers an alternative but a tangible means of livelihood security to the beneficiaries. It allots a skillful labour in the village level and alleviates poverty to a considerable margin. Thus, it makes villages to a level of self-sustainment through productive but common community assets creation viz., formation of new ponds, deepening the old ponds, oornanies, temple tanks, desilting of water tanks, desilting and strengthening of the water tanks and supply channels, formation of new roads, harvesting structures, preservation of soil conservation works, creation of rural connectivities, Planting the tree saplings under Green cover scheme, Construction & infrastructure works, Rural sanitation, Land development, Flood control & protection works, and Rural connectivity to provide all-weather access. In this paper, the researcher presents the potential Economic benefits of MGNREGP and the Economic force created by MGNREGP on the life of the beneficiaries towards the objective for which the program had been designed.*

**KEY WORDS:** MGNREGP, livelihood security, tangible benefits, legal entitlement, principle of self-selection

### INTRODUCTION

The major source of livelihood security of Indian population depends on the agriculture and agricultural-allied activities. According to the census 1991, the total population of the country stood with 84 crore. Today it stands with 130 crore. In the last 25 years, there has been about 25 per cent of growth in the population. There is about 10 per cent among the total population have been actively involved in the agriculture. In the agricultural-allied activities like domestic animals farming, allied coolee activities, there is about 53% of the population involved.

However, there has been a huge slow down in the agriculture and agricultural allied activities. It is true that from the year 1991, there has been a steady decrease in monsoon coupled with failure in agricultural production, and on an account of untimely and unapt formations of the policy by the policy-makers. Between 1991 to 2015 around 2 million persons abandoned the agriculture and made their livelihood in the textile mills and in a broader scale, they have enrolled in the MGNREGP.

There is a considerable amount of farmers who have had the agriculture as the only source of livelihood. There is about 72 per cent living in the villages and the fall down of the agriculture or rather divorce of the agriculture will have a great direct havoc in the livelihood of the people of India. As result of the failure in agriculture, in the last 20 years, about 2 lakhs farmers ended their lives. Today only 8 per cent of the people get involved in the production of the food i.e., agriculture and feed the food for the rest of 92 per cent of the population.

### OBJECTIVES OF THE STUDY

- ★ To study the economic impact of the program on the beneficiaries
- ★ To examine the impact on the enhancement of the livelihood securities

### METHODOLOGY

The study was made in the Sivagangai district of Tamil Nadu during the period of January to March 2015 taking into account 530 sample respondents from the 12 blocks of the district. The primary data were collected with the help of interview schedule. A pilot study was also made prior to the field data collection. The collected data were tabulated and an analysis of data was made with the help of SPSS package. The inferences were drawn for the purpose of the study.

### STATEMENT OF THE PROBLEM

Sivagangai district is basically an agricultural one. There are only few industries present. The district has a vast waste land untapped ground water and large number of traditional storage structures of small and big water tanks are under badly poor maintenance. The development in agriculture is not bright on the one hand and the industrial sector is not prioritized on the other hand. This study has taken an attempt to study the economic impact of this MGNREGP spelling out the means of enhancing the livelihood securities.

### BENEFITS OF THE EMPLOYMENT GUARANTEED ACT

The Mahatma Gandhi National Rural Employment Guarantee Program holds the following tangible benefits

to the rural households in the process of enhancement of economic growth and development. Few of them are as follows:

- ☞ An effective Employment Guaranteed Act would help to safeguard the rural households from poverty and hunger
- ☞ The Act envisages likely to a substantial reduction of rural – urban migration
- ☞ The Acts makes a provision of work available in the village and avoids heading towards the green pastures for the jobs
- ☞ As the major beneficiary of this Act is formed by women, the guaranteed employment will bestow some economic independence
- ☞ The Act is an opportunity to create useful common community assets in rural pockets of India
- ☞ The Act provides a plenty of scope for building productive water-harvesting structures through labour intensive methods
- ☞ The guaranteed employment is likely to change power equations in the rural parts and to foster a faster and more equitable social order
- ☞ The Act could afford the important universal legal entitlements such as minimum wages and socio-economic-financial security. It is based on the principle of self-selection.

### ECONOMIC IMPACT ON THE ENHANCEMENT OF THE LIVELIHOOD SECURITIES

The economic impact of MGNREGP has been included as one of the effectiveness of MGNREGP in the present study. It explains the economic up liftment among the respondents due to the MGNREGP. It is measured with the help of five variables. The respondents are asked to rate these variables at five point scale. The mean score of the variables in economic impact among the male and female respondents have been computed separately along with its 't' statistics. The results are given in Table 1

**Table 1 Impact of NREGS on the Economic enhancement**

Sl. No.	Variables in Economic Impact	Mean Scores		't' Statistics
		Male	Female	
1	Enhances the family income	3.3044	3.7903	-2.1887*
2	Reduces the movement to other places in search of employment	3.2089	3.8607	-2.4669*
3	Basic needs are met	3.2446	3.8117	2.5904*
4	Domestic needs are comfortably fulfilled	3.1173	3.8084	-2.7343*
5	Needs of parents /aged parents are taken care of.	3.0118	3.7889	-2.6069*

Source: Primary data \*significant at five per cent level

The highly viewed variables in economic impact by the male respondents are 'enhanced the family income' and 'basic need are met' since their mean scores are 3.3044 and 3.2446 respectively. Among the female respondents, these are 'reduction in the movement to other towns' and 'basic needs are met out' since their mean scores are 3.8607 and 3.8117 respectively. Regarding the view on the variables in economic impact, significant difference among the male and female respondent have been seen in the case of all five variables since their respective 't' statistics are significant at five per cent level.

## RELIABILITY AND VALIDITY OF VARIABLES IN ECONOMIC IMPACT

The score of the five variables in economic impact have been included for Confirmatory Factor Analysis (CFA) in order to examine the reliability and validity of variables in it. It results in standardized factor loading of the variables in it. Its 't' statistics, composite reliability and average variance are extracted. The overall reliability of variables in economic impact has been measured with the help of Cronbach Alpha. The results are shown in Table 2

**Table 2 Reliability and Validity of Variables in Economic Impact**

Sl. No.	Variables in Economic Impact	Standardize d Factor Loading	't' Statistics	Composite Reliability	Average Variance Extracted
1	Basic needs are met	0.8449	3.3844*	0.7211	53.34
2	The need of the parents / aged parents are taken care of	0.8243	3.2088*		
3	Enhances the family income	0.7909	2.9344*		
4	Domestic needs are completely fulfilled	0.7511	2.6489*		
5	Reduces the movement to other places in search of employment.	0.6809	2.3911*		
Cronbach alpha:0.7549					

Source: Primary data \*significant at five per cent level

The standardized factor loading of the variables in economic impact are ranging from 0.6809 to 0.8449 which reveals the content validity. The significance of 't' statistics of the standardized factor loading of the variables in it reveals the convergent validity. It is also proved by the composite reliability and average variance extracted since these are greater than its standard minimum of 0.50 and 50.00 per cent respectively. The included five variables in economic impact explain it to an extent of 75.49 per cent since its Cronbach alpha is 0.7549.

## LEVEL OF ECONOMIC IMPACT

The level of economic impact among the respondents has been measured by the mean score of variable in it. It is denoted by score on economic impact. In the present study, the score on economic impact is confined to less than 2.00, 2.01 to 3.00, and 3.01 to 4.00 and above 4.00. The distribution of respondents on the basis of their score on economic impact is shown in Table 3

**Table 3 Scores on Economic Impact**

Sl. No.	Score on Economic Impact	Number of Respondents		Total
		Male	Female	
1	Less than 2.00	22	36	<b>58</b>
2	2.01 - 3.00	31	96	<b>127</b>
3	3.01-4.00	34	168	<b>202</b>
4	Above 4.00	26	117	<b>143</b>
<b>Total</b>		<b>113</b>	<b>417</b>	<b>530</b>

Source: Primary data

The important score on economic impact among the respondents are 3.01 to 4.00 and above 4.00 which constitutes 38.11 and 26.98 per cent to the total respectively. The important score on economic impact among the male respondent are 3.01 to 4.00 and 2.01 to 3.00 which constitutes of 30.09 and 27.43 per cent to its total respectively. Among the female respondents, these two are 3.01 to 4.00 and above 4.00 which constitutes 40.29 and 28.06 per cent to its total respectively. The analysis reveals that the level of economic impact is higher among the female respondents than that among the male respondents.

### CONCLUSION

The MGNREGP Act provides employment opportunities to rural labourers as a matter of right. It is

also a major departure from elitist economic policies and a potential stepping stone towards other forms of social security. This Act is a real 'break-through' in India giving a new lease a life of economic liberty and development to the labour movement in large parts of India.

### REFERENCES

1. Nithya & Mariola, (2012) *Right to Food – A resource book*, Commission for Justice, Peace and Development, New Delhi.
2. Victor Louis Anthuvan, (2006) *The Dynamics and the Impact of Globalization*, Amirtham Publications, Madurai.
3. *NREGA Operational Guidelines – 2008*, 3rd edition
4. *Right to food campaign*: [www.righttofoodindian.org](http://www.righttofoodindian.org)
5. *Ministry of Rural development* : <http://nrega.nic.in/>
6. *Ministry of Rural Development* : <http://www.drd.nic.in/>