

Impact of NREGS in Dharwad Taluka of Karnataka state

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■ **ABSTRACT** : The study was conducted to know the impact of Mahatma Gandhi National Rural Employment Guarantee scheme (MGNREGS) in Dharwad taluk of Karnatak state. The registered 270 respondents were equally drawn from five villages selected through multistage sampling method. The study revealed that MGNREGS has reduced migration of workers from rural to urban areas by providing work during slack period in their own villages. The profile of the beneficiaries revealed that most of them were illiterate and less educated labourers as the nature of work itself was suitable to them. MGNREGS also helped to reduce indebtedness, generated purchasing power in the rural local economy, provided extreme protection against poverty, improved economic independence among women and enhanced food security. The study also elicited the problems and it was reported by the beneficiaries that there were no sufficient work site facilities like drinking water, first aid, shed, crèche facility and lack of unemployment allowance. The beneficiaries suggested that wages and number of working days must be increased with the sufficient work site facilities.

■ **KEY WORDS** : NREGS, Impast, MGNREGS

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The world's largest number of poor live in India and overcoming poverty has been the biggest challenge in India's development efforts. Agricultural wage earners, small and marginal farmers and casual workers engaged in non-agricultural activities constitute the bulk of the rural poor. It has been realized that large and efficient use of available human and other resources is the most effective way of alleviating poverty reducing inequalities, improving nutritional level and sustaining a reasonably high pace of economic growth. Therefore the creation of employment opportunities for the unskilled force with food security has been an important objective of developmental planning in India. The National Rural Employment Guarantee Act which came into force in 2006 aims to enhance the livelihood security of people in rural areas by guaranteeing 100 days of wage employment in a financial year to a rural household whose members volunteer to do unskilled manual work. As per the law, employment is to be provided by local government when work is demanded by any worker or group of workers registered under the NREGA. Women and men are paid an equal wage, which is the statutory

minimum wage notified by the state government. There is much that the NREGA promises from the perspective of women's empowerment as well. It is also committed to ensuring that at least 33 per cent of the workers shall be women. A crèche is to be provided if there are more than five children under six years of age and that payment to the crèche in charge will not be included as a component of the work measurement. NREGA can play a substantial role in economically empowering women and laying the basis for greater independence and self-esteem.

NREGS is a milestone legislation that is bound to bring a qualitative change in the living standards of million of rural poor so that they would feel economically emancipated. According to Yadav and Garag (2010), majority of the workers joined NREGS in Rewari district of Haryana to fulfill their basic needs like food, shelter and clothing. Sankari and Muragan (2009), reported the NREGS programme has helped a lot in reducing the seasonal and disguised unemployment in the agriculture sector and also contributed to empowerment of the women folk in the rural areas. Further, this also reduced

the wage dissimilarity between men and women workers by increasing the minimum wages. It is also observed that the income levels of the workers have increased substantially.

Rajanna and Ramesh (2009) opined that NREGS has contributed substantially in Karimanagar district of Andhra Pradesh. According to them NREGS had increased the living and economic conditions by reducing the income in the rural areas. Reduced wage differences in various works by creating equal wages to male and female workers, helped to overcome the uncertainty in the employment and created work culture norms in bringing cohesiveness among the workers in the rural areas irrespective of caste and creed, gender and age. The present investigation is to find out how NREGS has been able to affect the lives of the rural people for whose benefit the scheme is intended.

■ RESEARCH METHODS

The study was conducted in Dharwad taluk of Karnataka state during the year 2010-2011. Five villages from Dharwad taluk namely, Halligeri, Uppinbetegeri, Mugad, Narendra and Hebballi were randomly selected for the study. Sample for the study was selected by the multistage sampling method. In the first stage, five villages from five Panchayats were randomly selected based on the good performance of the programme as per the official records. Further, the number of registered households were obtained from the official NREGA records of Dharwad district and Dharwad taluka. From these registered households, 270 beneficiaries were again randomly selected. The respondents were equally drawn from the five villages. Based on objectives of the study, a structured interview schedule was developed to elicit the relevant information from respondents. The data were collected by the personal interview method from the selected respondents. Beneficiaries were asked to list out the perceived benefits of the programme. They were asked to rank the benefits based on their perceptions. Garret ranking test was applied to the rankings of the respondents.

■ RESEARCH FINDINGS AND DISCUSSION

The data in Table 1 show that majority of the beneficiary respondents were male (72.20), middle aged (31-50 years) and either illiterate or less educated. Most of them were landless labourers belonging to scheduled caste/tribes. The NREGS is an employment generation programme wherein those willing to do unskilled manual work, are given employment. It is therefore obvious that able bodied men in the age group of 31-50 years have registered for the programme. Since it is manual work many agricultural labourers are willing to do work under the programme. Members from landed families often hesitate to do such jobs as they consider that it would lower their status in the society. With regard to gender and caste categories, the scheme envisages that there should be at least

Table 1 : Personal and socio- economic characteristics of beneficiaries (n=270)

Demographic variables	Beneficiaries	
	Frequency	Percentage
Age(years)		
Young (18-30)	91	33.70
Middle (31-50)	148	54.80
Old (above 50)	31	11.50
Gender		
Male	195	72.20
Female	75	27.80
Caste		
SC/ST	112	41.50
OBC	99	36.70
Upper caste	59	21.80
Education		
Illiterate	124	45.90
Primary School	121	44.90
High School	23	8.50
Higher secondary	02	0.70
Occupation		
Labour	241	89.25
Agriculture	29	10.75
Any other	-	-
Family income (per month)		
1000-3000	153	56.70
3100-6000	98	36.30
6100-9000	13	4.80
Above 9000	06	2.20
Size of land		
Landless	197	73.00
Up to 2.5 acres	70	25.90
2.51-5 acres	03	1.10
5-10 acres	-	-

1/3rd women and 1/3rd of SC/ST beneficiaries. The findings are almost on par with the mandates of the programme. The nature of the work itself is suitable for the illiterate and less educated labourers and so, most of the beneficiaries who have registered for the programme are illiterate and less educated.

The results of the Table 2 revealed the perceived individual benefits of the programme. It could be seen that the most respondents (72.05%) felt that the programme helped to reduce the distress migration. The next in order was, it provides extreme protection against poverty (64.82%) by providing work during lean period. Redacted indebtedness was reported by 52.28 per cent of the respondents. NREGA generated purchasing power in rural local economy that was quoted by 47.68 per cent respondents. About 46 per cent said that the programme gave greater economic independence to

women. Enhanced food security was the feeling of 45.08 per cent. On the whole, more than 45 per cent respondents have quoted one or the other benefits of the programme.

The perceived benefits based on the preferred ratings are presented in Table 2. Maximum numbers of respondents have felt that the programme has succeeded in reducing distress migration. This was followed by extreme protection against poverty, reduced indebtedness, generation of purchasing power in the rural economy, greater economic independence to women and enhanced food security. Each of the benefits have been discussed under.

Reduction in distressed migration pattern:

A large number of rural youth have been migrating to the cities since independence. Therefore, it always remained the priority of the government to stop this exodus of population to the cities. Migration is seen as one of the natural phenomenon which gradually seeps in with the adoption of Neo-liberal policies. With the skewed style of development, where only the urban areas are experiencing an investment boom, the rural workers are left with no choice but to come to these places in the look-out for work. In the cities, every worker is in constant competition with each other in matters of work, which puts them into a highly vulnerable position giving the contractors and the employers' avenues for exploitation.

Distress migration can be viewed as a destabilizing factor economically and socially. Labourers are at the mercy of contractors who never fail to extract their maximum to meet the expenses of migration such as finding a place to stay in the cities, travel costs, food expenses and also to meet expenses back home. The contractors expect to be paid back this sum along with a 3-4 per cent interest rate. Seasonal migrants work normally in the construction sector either work freelance or under a contractor. Although the wages are reasonable, work is not available every day. Women may also work as domestic maids in nearby houses to supplement their income. Women coming to work alone, without a spouse or a brother, are extremely vulnerable to abuse. Working under a labour contractor gives labourers more days of work but they are often exploited by the contractors and mistreated.

The slow down of the employment in agriculture as well as the seasonal nature of rural employment clubbed with low wage rate has resulted in distressed migration of labour.

Migration has occurred rural areas to urban areas and from the economically backward states to the economically developed state. This has hampered agriculture in the out migrating state and added to the urban slums in the migrating states. NREGS is a strategic employment plan for the eradication of rural poverty and prevention of distressed migration.

NREGS has reduced migration of workers from rural to urban area. The NREGS income in wages has two dimensions. The families owning small agricultural land, which is insufficient to generate food security for the whole of the year or create additional surplus of cash to meet other basic needs, are supplementing the agricultural income with the wage income of NREGS. There are large numbers of small land holding families having low agricultural produce. NREGS income provides a significant value addition to meet their higher order needs, the income is useful for their survival or growth and development of their families. There are families who are completely landless and depend on wage labour. They look for work in the agriculture sector or civil works. In the off season of agriculture, such families migrate to towns. Civil works opened up in village have given them options to earn in their village itself, even if the wage rates are lower in the NREGS civil works. Even if the younger family members migrate as skilled labourers, middle aged unskilled family members prefer to stay in the village and work under NREGS. Among the sample villages, overall half of the villages reported that migration has been considerably decreased due to the availability of jobs at the local level. Now, migration has reduced in the NREGS villages and labourers are able to spend more time with their families as they do not have to migrate in search of work. The guaranteed employment increased the income of labourers which could be used for fulfilling their daily needs like food, cloth, etc. and ensures the dignity of labour.

By securing livelihood and creating employment opportunities at the village level itself, NREGS mitigates seasonal/distress migration which has been a significant source of employment and income for a large proportion of rural population.

According to Kumar and Haorei (2010) the scheme has prevented migration in five panchayats in Tamil Nadu, NREGS beneficiaries say that the scheme is enough for getting extra

Table 2 : Perceived individual benefits of NREGS		
	(n=270)	
Perceived benefits	Average	Ranking
Helped to reduce distress migration	72.05	I
Provide extreme protection against poverty	64.82	II
Helped to reduce indebtedness	52.28	III
Generated purchasing power in the rural local economy	47.68	IV
Gave greater economic independence to women	45.74	V
Has enhanced food security	45.08	VI

employment.

Provide extreme protection against poverty:

Poverty is an extremely complex phenomenon, which manifests itself in a range of overlapping and interwoven economic, political and social deprivations. These include lack of assets, low income levels, hunger, poor health, insecurity, physical and psychological hardship, and discrimination, and lack of political power. Therefore, policy instruments should be designed to address not only the low income and consumption aspect of poverty, but also the complex social dimensions. Poverty alleviation has thus assumed a new thinking and new practices have emerged through integrated community participation of the poor.

The NREGS is possibly the most ambitious income security programme for Indian's rural poor in post independence era. Evolving the design of the wage employment programmes to more effectively fight poverty, the Federal Government formulated the National Rural Employment Guarantee Act (NREGS) in 2005, a paradigm shift from earlier programmes. With its legal framework and rights-based approach, NREGS provides employment to those who demand it. Low levels of income continues to be the barrier for the poor to escape the poverty trap. NREGS aims to provide the safety net to the poor from the "poverty that kills". Besides the legal guarantee of 100 days of work in a financial year, NREGS households are also assured of basic minimum income.

Around 30 per cent of Indian's live in absolute poverty. Most of the vulnerable are from the scheduled caste and scheduled tribes, the minorities and the other backward classes. The rural poor principally comprise of landless labourers, who are not even assured of finding work on a daily basis. It is in this context that the NREGS assumes importance since guarantees 100 days of works to anyone desirous of it at the minimum wages. The purpose of the scheme is to employ labour to create rural assets. NREGS is a ray of hope for the rural poor and unskilled labourers who are in the clutches of poverty, deprivation and discrimination, particularly on economic and social fronts.

The NREGS is a programme that aims to provide wage employment to the rural poor programme. The labour surplus economy of rural population in our country depend on the wages they earn through unskilled casual manual labour their poverty may worsen in the event of inadequate labour demand specially during slack agriculture periods. The provision to include women under this act is a refreshing welcome change. Most of the laws passed so far simply concentrated on development to eradicate poverty and controlling hunger with the advancement and participation of women in each and every sphere of society, their inclusion was inevitable. The objective of this programme is to keep poverty at bay and at the same time create durable assets for the community and strengthen the livelihood base of the rural poor.

NREGS helped to reduce indebtedness:

Low income and consumption levels, unstable and less-developed agriculture (the main occupation in the village), and lack of adequate employment avenues have pushed many households into debt. Households seem to incur debts for consumption smoothing, social functions such as funerals, marriages, etc; sudden emergencies, like ill health; education of children and, for production purposes (buying capital and other inputs). Since financial institutions do not give loans for consumption, the households have to borrowed from private sources including from local money-lenders, employers, large farmers, relatives, etc. These loans are usually unfavourable in terms of rate of interest charged and other conditions and the households frequently find it difficult to get out of the debt trap. The debt/loans for production constitute only 16 per cent of total debt and only 9 per cent of the households are able to access it. About 48 per cent of the households have incurred debts for consumption and 37 households (9.01 %) have incurred debt for production purposes. About 65 per cent of the indebted households (for consumption loan) are labour households and 19 per cent are farmers (all marginal farmers). That is, the highest incidence of indebtedness is on agricultural labour households and small farmers. NREGS has come into existence to eradicate these type of problems by generating employment opportunities for rural poor. In the present study the beneficiaries have perceived rural indebtedness as the least beneficial probably because NAREGA provides only short term wage employment to the poor for about 100 days while for the rest of the year they are left to fend for themselves. This amount is just enough for them to keep off hunger. Rural folk especially landless labourers still borrow money for social and productive purposes. Long term sustainable poverty reduction can come about only if other sectors of the economy grow rapidly and loans for production purposes are available on easy terms.

NREGS generated purchasing power in the rural local economy:

NREGS is an opportunity to put purchasing power in the hands of most needy parts of our population. The involvement of NGOs, social clubs, educated rural youth may help to increase the purchasing power of rural poor. The social audit team comprise of educated village youth with the help of village committees can check the irregularities in the implementation of the NREGS programme and can bring equilibrium in the rural labor market. The institutionalization of social audit may check the leakages of the programme.

Wages earned under NREGS have increased the purchasing power of rural poor and propelled them towards a better life. There has been a "significant dent" in poverty in rural areas as the implementation of NREGS has increased the income of rural households thereby increasing their purchasing power. NREGS has suddenly increased purchasing

power of the poor and there is visible local economic development. This is particularly true of Wayanad which was ridden with farmer suicides. The peasants have managed to get substantial relief from NREGS by getting over their inhibition in working as labourers in richer farmer's lands by moving on to the now-respectable public works.

Economic independence of women:

Majority of the rural women depend on the wages they earn through unskilled, casual and manual labour. Inadequate labour demand adversely affects their employment opportunities. In general, empowerment is a social action process that promotes participation of people in organization and communities in gaining control over their levies in the communities.

As far as women's participation in the NREGS is concerned, first, there is a clear rise in share of women in NREGS as a whole. Though women's participation in NREGS is often higher than women's participation in other forms of recorded work so far, and women's participation is negatively correlated with the existing gender wage gap in unskilled agricultural labour. Which means that where women's actual wages as a share of men's is lower in the private sector, women are flocking to work in this government administered programme. This will have an impact on women's agricultural wage and their bargaining power, and is potentially a critical factor in reducing gender disparities in the labour market.

There is much that the NREGS promises from the perspective of women's empowerment especially in rural areas which are marked by stark inequalities between men and women. In the opportunities for gainful employment afforded as well as wage rates. NREGS represents action on both these counts. The act stipulates that wages will be equal for men and women. It is also committed to ensuring that at least 33 per cent of the workers shall be women. By generating employment for women at fair wages in the village, NREGS can play a substantial role in economically empowering women and laying the basis for greater independence and self-esteem.

By putting cash incomes into the hands of women, NREGS is beginning to create a greater degree of economic independence among women. It is expected that NREGS's with the increased participation of women in NREGS the household income-generation a positive contribution to gender relations can be made. Studies in various parts of the country, Dasgupta and Sudarshan (2011), Jandu (2007), Pankaj and Tankha (2010) studied on empowerment effect of the NREGS on women workers, covering four states namely, Bihar, Jharkhand, Rajasthan and Himachal Pradesh, Sudarshan *et al.* (2010) studied women's participation in the NREGS in three states of Himachal Pradesh, Kerala and Rajasthan suggest that women workers are more confident about their roles as contributors to family expenditure and their work decisions, and that they are also becoming more assertive about their space in the

public sphere.

Empowerment of rural women has emerged as an unintended consequence of NREGS. Women have benefited more as workers than as a community. Women as individuals have gained because of their ability to earn independently, it has been made possible due to the paid employment opportunity under NREGS. Independent and monetized earnings have increased consumption choices and reduced economic dependence. This has helped women in registering their tangible contribution to the household's income. The overall effects of these have translated into an increased say for women in household affairs.

The women beneficiaries of NREGS opined that the income through this wage rate has helped the household to purchase low cost furniture, kitchen materials and even better clothes for their children and even spend on the education of the children to purchase books, copies and other need of their school going children. The income has enabled them to purchase additional amount of pulses, vegetables and other nutritional items for their households by Khera and Nayak (2009).

Enhanced food security:

NREGS aims to address poverty and ensure food security for the rural poor through cash transfer in terms of wages. Through short term employment NREGS provides income transfers to poor households during critical times such as lean agricultural seasons and enable consumption smoothening. The choice of work suggested in the NREGS addresses causes of chronic poverty like drought deforestation and soil erosion, so that the process of employment generation is maintained on a sustainable basis.

NREGS is rights based legislation which aims at eliminating hunger and deprivation. The auxiliary objective of NREGS is natural resource base generation and addresses growing concerns of the food security with emphasis on water and soil conservation through increasing squeeze on water availability and new irrigable land for expanded crop production, facilitating dual cropping and crop diversity. Cultivation of bio-fuels has also been encouraged under NREGS and works relating to drought proofing and flood protection are aimed to provide resistance to climate shocks and natural disasters. Thus, NREGS can actually be seen moving towards its objective of food and livelihood security and long term sustainable development through ecological regeneration. NREGS is a probably the worlds largest ecological security programme.

The present study revealed that food security ranked VI meaning that beneficiaries are not as satisfied as the policy makers intended. The wages paid to the beneficiaries have not kept pace with the increase in prices. More over the respondents feel that being assured of only 100 days of work is not really sufficient to keep poverty at bay. The earlier wage employment programmes were self targeting in the sense only

the poor came for work at minimum wage rates. These programmes played a major role in protecting consumption patterns of the rural poor during natural calamities. However the present programme is not meant only for the labour class but all able bodied individuals willing to work regardless of their status and caste. Sample for the study consists of respondents from better of families also where availability of food is not a problem.

It was a general response that due to the employment generation under the scheme, some changes occurred in terms of their food security, which resulted in improvement in their diet. In some cases, the diet pattern of labourers has also changed considerably since some people have reported that they have also been able to include meat occasionally in their diet. The additional income has transformed the composition of the food consumption pattern. Very poor families are also able to supplement nutritional items like vegetables and pulses and are having a more balanced diet.

It can thus be concluded that NREGS has enhanced food security for families worked under NREGS:

- Families are able to include vegetables in their food.
- Increased food availability for more months than previous year.
- Due to increase in income they occasionally eat meat too.
- Many families previously got one time food, now they are getting one and half times more food.
- Decrease in migration and higher wage payments ensured food security.

The results in Table 3 indicated that, 33 per cent beneficiaries said that there was no sufficient work site facilities provided by panchayat and 24 per cent women beneficiaries said there is no crèche facility at work site. Only five per cent beneficiaries said that there they had not paid unemployment allowance wherever work was not be given.

About 93 per cent had suggested that there should be increase in wages and 70 per cent beneficiaries said that government should increase the number of working days beyond

100 days per year and 33 per cent beneficiaries had suggested that sufficient work site facilities should be provided.

Some of the problems expressed by the respondents are listed here under:

- Very few worksites have the mandatory facilities. For instance, most worksite have no first-aid kit and no child-care facilities. Some do not even have shade or water.
- Wherever child care facilities are available, women hesitate to bring their children because they are discouraged from bringing children to the worksite.
- In most villages, workers know very little about their entitlements under NREGS. Right to demand for work, unemployment allowance worksite facilities and social auditing of the programme are some aspects about which most respondents are ignorant.

Conclusion:

The study revealed that MNREGS enhanced the food security, created economic independence among women which reduced indebtedness. But the rural beneficiaries indebtedness were the least beneficial probably because MNREGS provides only short term wage employment to the poor for about 100 days. Rural folk especially landless labourers still borrow money for social and productive purposes. Long term sustainable poverty reduction can come about only if other sectors of the economy grow rapidly and loans for production purposes are available on easy terms. Lack of first aid kit, drinking water facilities, shed and crèche facilities were reported. Therefore, MNREGS should include proper worksite facilities for its effectiveness.

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Sr. No.	Particulars	Frequency	Percentage
Problems faced			
1.	Work site facility	90	33.00
2.	Creche facility	65	24.00
3.	Unemployment allowance	12	4.44
Suggestions given			
1.	Increase in wages	252	93.33
2.	Increase working days	189	70.00
3.	Provide sufficient work site facility (drinking water, shed and first aid)	90	33.00

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