

**University Grants Commission
Final Report of the Minor Research Project
Entitled**

**A STUDY ON
EVALUATION OF EFFECTIVENESS IN THE
IMPLEMENTATION OF THE
MAHATMA GANDHI NATIONAL RURAL
EMPLOYMENT GUARANTEE SCHEME
AS A MEASURE OF POVERTY ALLEVIATION
IN KERALA STATE**

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DECLARATION

I, Dr. P. M. James, hereby declare that the dissertation entitled "A STUDY ON EVALUATION OF EFFECTIVENESS IN THE IMPLEMENTATION OF THE MAHATMA GANDHI NATIONAL RURAL EMPLOYMENT GUARANTEE SCHEME AS A MEASURE OF POVERTY ALLEVIATION IN KERALA STATE "has been prepared by me and also declare that this is a bonafide record of research work done by me during the course of minor research project allotted to me by the University Grants Commission, New Delhi and no part of this study has been presented before for any Degree, Diploma, Associateship, Fellowship or other similar title or recognition of any university to the best of my knowledge and belief.

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I am very much delighted to present the Minor Research project work entitled A STUDY ON EVALUATION OF EFFECTIVENESS IN THE IMPLEMENTATION OF THE MAHATMA GANDHI NATIONAL RURAL EMPLOYMENT GUARANTEE SCHEME AS A MEASURE OF POVERTY ALLEVIATION IN KERALA STATE.

I bow my head before God almighty for having showered up on me all the blessings to complete this work successfully

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EXECUTIVE SUMMARY

Though the Indian Economy has been growing fast at a high rate in the recent past, still the problems encountered by the rural people remained unabated. Over 30000 farmer suicides in India since the mid-1990s is an indicator of the chronic state of affairs prevailing in the Indian economic scenario . To alleviate the problem of acute rural unemployment and the resultant poverty, the Government of India announced the National Rural Employment Guarantee Act (now the MGNREGA) in 2005, and implemented in three phases in all the 619 rural districts in India. This Act purportedly guarantees 100 days of employment at minimum wage to every rural household.

Enactment of MGNREGA and implementation of the job guarantee scheme is a bold experiment in providing a minimum livelihood security to rural households through public works-based employment scheme, the primary objective of which is to ensure the transfer of a minimum income to rural households through self-seeking wage employment, and is a departure from the erstwhile employment and public works programme. The demand-based entitlement to 100 days of employment at minimum wages and a corresponding legal obligations on the agencies of the state to provide it within a stipulated period of time is a major departure from traditional approaches adopted hitherto. .

Critics of the programme are, however skeptical about its success. Nonetheless, questions are raised about the viability and operational aspects as well as many other aspects of the scheme. .Then, there are questions about the objectives as well.

Questions are being frequently asked since the commencement of this programme. Numerous plausible explanations and vague answers have who been provided, although firm trends and clear picture about its compacts are yet to be

gauged into and established. There are divisions of opinion about the way the programme should have been designed and structured. There are divergent views on the thrust of the objectives as well. There are divergent views on its working and success as well.

This project work is an earnest, but humble attempt to answer some of these questions based on empirical evidences offered by published sources as well as primary data collected by sample survey.

Regarding the effectiveness in the implementation of the scheme reports from various parts of the country, are not very lucrative, particularly from the state of Kerala. An audit report on the MGNREGS has slammed the State Government for non-performance and poor maintenance of records in implementing the scheme from 2007 to 2012. (The Hindu, April 2013)

In this context, it is considered appropriate to conduct a study to bring to light the real facts and experience that incumbents in the field of MGNREGS in Kerala do face and the make suggestions and recommendations. Hence the problem is stated as 'A Study on Evaluation of the Effectiveness in the Implementation of Mahatma Gandhi National Rural Employment Guarentee Scheme as a Measure to Alleviate Poverty in the State of Kerala'

Even though reports of some studies at the national level as well as outside the state are available , no in depth and comprehensive a study has been carried out in Kerala, except that, reports of some stray and isolated studies are coming out. Hence, it is felt imperative to bridge this yawning gap by conducting a systematic and in depth study of a comprehensive nature.

The study is conducted with the overall objective of gauging the performance of the state government in the matter of implementing this programme in the state of Kerala over the past years. The study aims to bring out the effectiveness as well as lacunae and snag, if any, in its implementation and throw some light on the various aspects of the wide spectrum in MGNREGS, and

aims to put for the suggestions and recommendations for its effective implementation.

More specifically, the study aims to ascertain whether the MGNREGS is successful in enhancing livelihood security of households in rural areas and to ascertain whether the scheme is successful in creating durable assets and strengthening the livelihood resource – base of the rural poor. It also intends to examine whether the works by the schemes address the causes of chronic poverty, like drought, deforestation and social erosion and also to examine whether the process of employment generation is on a sustainable basis. The study inter alia, intends to check whether the scheme is able to improve the purchasing power of the rural people below poverty line, to ascertain whether the introduction of scheme has led to the shifting of the economic basis of the rural poor, to examine whether in the execution of the scheme, priority as envisaged in the Act is given to the rural women (33% is set apart for women), to examine whether the implementing authority is properly adhering to the various provisions of the Act for its proper execution, whether shelf of projects are prepared, proper redressal mechanism introduced etc.

In this study 300 sample respondents are selected from six panchayaths in three districts (two panchayaths from each districts) situated in the three regions- North, Central and South –of Kerala, based on multi-stage sampling technique. For collecting the samples, the state of Kerala is, first of all, divided into three regions – North comprising five districts, Central comprising five and the South comprising four districts. One district from each region is selected at random and from each district, as the second stage, two panchayats are randomly selected. As the third stage, fifty samples are selected at random from each of these panchayaths, thus constituting a total of 300 samples from the target area- the state of Kerala. Their responses collected and tabulated with the help of statistical tables. Appropriate statistical measures are computed using various statistical tools for analyzing and interpreting the data and for establishing certain vital relationship between variables and reaching at meaningful conclusions.

The study throws light on the important areas examined. Participation of the male members in the MGNREGS is negligible. It is fully dominated by females. Majority of the beneficiaries are not only females, but mostly upper-middle aged and married. Young and unmarried beneficiaries are negligible. All sections of the society are not found taking advantage of this mega wage-employment scheme. Only less educated section of the society are found attracted to this scheme as well as most of them are from the BPL category, though there is no restriction on the APL category to join the scheme. The income levels of the beneficiaries are found to have risen considerably after joining the MGNREGS. The houses of most of the respondents have either tiled roof or concrete roof and mostly electrified also. Ownership is vested either with themselves or with their spouses, in most of the cases. Almost all the families of the respondents have basic domestic facilities such as toilet, drinking water, LPG as main fuel and majority own amenities of life such as mixer, TV, fridge, mobile phones etc. The guaranteed 100 days are found to have provided only to a very minority of beneficiaries; whereas majority of the projects undertaken are in conformity with the schedule projects envisaged in the Act. However, only scanty attention is found to have given on minor irrigation and irrigation of SC/ST land. Majority of the respondents have more than three years' experience in the scheme. Majority of respondents hold only less than 8 cents land; however, there is considerable rise in their monthly income after joining the scheme. Perceptions of the respondents on various implementation aspects of the schemes which throw light on the effectiveness of the implementation are mostly positive and favourable. However, in respect of most of the cases, homogeneity is not found between the regions.

The study brings out that, to a considerable extent, MGNREGS is successful in enhancing livelihood security of households in rural areas and the scheme is successful in creating durable assets and strengthening the livelihood resource – base of the rural poor. It can be observed that the works by the schemes address the causes of chronic poverty, like drought, deforestation and social erosion and the process of employment generation is more or less in a sustainable basis. The scheme is able to improve the purchasing power of the rural people below poverty

line, and it can be said that introduction of scheme has led to the shifting of the economic basis of the rural poor and in the execution of the scheme, priority as envisaged in the Act is given to the rural women (33% is set apart for women). Though there are divergent views on the working and success of the schemes and adverse reports from various corners, it can be said that, to a considerable extent, the implementing authority is properly adhering to the various provisions of the Act for its proper execution by preparing the shelf of projects promptly and by constituting proper redressal mechanism etc.

In the light of all these observations and inferences, it can, thus be concluded that MGNREGS acts as an effective and useful tool to alleviate the problem of poverty, to a considerable extent, in the state of Kerala.