

Expenditure of Beneficiaries before and after Joining Mgnregs a Study of Kurnool District of Andhra Pradesh

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Abstract

The National Rural Employment Guarantee Act came into effect in September 2005. It provides for 100 days of guaranteed employment in one financial year to all rural households members who are willing to do manual labour. The study covers a sample of 320 beneficiaries spreading over eight grampanchayats in three revenue mandals of Kurnool district. The debt on cultivation was Rs.5001 – 10000, above Rs.5000 for festivals, Rs. 1001-2000 on children's education and Rs. 1001-1500 for medical treatment before joining in MGNREGS. After joining the MGNREGS, the debt was above Rs.5000 on cultivation, above Rs.4000 on festivals, less than Rs.2000 on children's education and Rs.5001- 1000 for medical treatment. The decrease in debt is significant at 1 per cent level on all aspects and concluded that the MGNREGS has lot of impact on the beneficiaries in reducing the debt position after joining. It is very useful to the unemployed and rural poor.

Keywords: Employment; Expenditure; Income; Wages.

Introduction

MGNREGS provides for 100 days of guaranteed employment in one financial year to all rural households members who are willing to do manual labour. The Act not only guarantees wage employment as a right, but also promotes community monitoring through vigilance and monitoring committees, social audit through gram sabha and also makes provision for complete transparency as mandated by the Right to Information Act, 2005 [1]. Currently covering 330 districts, the National Rural Employment Guarantee Scheme (NREGS) has been expanded to all 600 districts from the financial year (2008-09) in India. A wage employment programme of such magnitude can be successful only if transparency, accountability and participatory provisions of the Act are strictly adhered to. The NREGA programme was in operation in India from 2nd, February 2006 onwards [2]. Various

studies have been conducted on the evaluation of NREGA programme in India in general and in Andhra Pradesh in particular. In Kurnool District this kind of micro level study is a first attempt where the chronic poverty and unemployment prevail and to evaluate the impact of NREGS on income and employment generations.

Objective

The major objective of the present study is to observe the debt pattern of the beneficiaries before and after join the MGNREGS.

Methodology

Sampling Design

A multi-stage random sampling technique has been adopted to select the sample beneficiaries for the study. Chittoor district, the area of the study, consists of three revenue divisions namely Adoni, Kurnool and Nandyal. In each revenue division one Mandal is selected randomly such as Adoni in Adoni Revenue Division, Bethamcherla Mandal in Kurnool Revenue Division and Mahanandi in Nandyal Revenue Division as the first stage units of sampling.

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In the second stage Grampanchayats are randomly selected from each selected mandal. Accordingly from Pandavagallu, Sambagallu and Bychigiri in Adoni Mandal; Ambapuram, Cement Nagar and M.Pendekal in Bethamcherla Mandal and Gopavaram and Gajulapalli from Mahanandi Mandal are selected. From each selected Grampanchayats, 50 sample beneficiaries are selected according to random sampling procedure as third stage units of sampling. But in Bethamcherla mandal, 25 beneficiaries in Ambapuram and Cement Nagar and 20 beneficiaries from M.Pendekal grampanchayats are selected since these are small villages and beneficiaries are limited. Finally, the study covers a sample of 320 beneficiaries spreading over eight grampanchayats in three revenue mandals as shown in the Table. No.1

Techniques of Data Collection

Both Primary and Secondary data were made use in the present study for analysis, drawing inferences and arriving at conclusions keeping in view the objectives of the study. Primary data were collected through personal interviews with the sample respondents with the help of pre tested. Sufficient cross checks have been made on the information provided by the sample respondents to ensure accuracy and reliability of data. Through scrutiny of data was made before the tabulation of data. The data collected from field survey was analyzed by employing appropriate statistical tools such as percentages, averages, ratios, ANOVA and cumulative growth rates etc.

Table 1: Selection of Sample villages based on the performance of NREGS

Name of the Revenue Division	Name of the Mandal	Name of the Village	No. of Respondents
Nandyal	Mahanandi	Gopavaram	50
		Gajulapalli	50
Adoni	Adoni	Pandvagallu	50
		Sambagallu	50
		Bychigiri	50
Kurnool	Bethamcherla	Ambapuram	25
		Cement Nagar	25
		M. Pendekal	20
		Total	320

Results and Discussion

Before Joining MGNREGS

The debt pattern of beneficiaries of MGNREGS before and after joining MGNREGS on cultivation, festivals, education of children and medical treatment has been analyzed and presented.

Debt for Cultivation

The information on whether the respondents have any debts and if have the size of debts before joining MGNREGS has been collected and presented in the table 2.

Table 2: Debts taken for Cultivation before joining MGNREGS

SI. No.	Debt on Cultivation before MGNREGS	Nandyal	Adoni	Kurnool	Total
1	Nil	73 73.0%	56 37.3%	36 51.4%	165 51.6%
2	0-5000	1 1.0%	15 10.0%	0 0.0%	16 5.0%
3	5001-10000	2 2.0%	35 23.3%	19 27.1%	56 17.5%
4	10001-15000	2 2.0%	16 10.7%	7 10.0%	25 7.8%
5	15001-20000	7 7.0%	11 7.3%	2 2.9%	20 6.3%
6	Above 20000	15 15.0%	17 11.3%	6 8.6%	38 11.9%
	Total	100 100.0%	150 100.0%	70 100.0%	320 100.0%

Source: Field work

The table presents that 165 respondents (51.6 %) have no debts before joining MGNREGS and the remaining respondents have different size of debts. Of them, 56 respondents (17.5 %) had the debt of Rs.

5001-10000, 38 respondents (11.9 %) had the debt of above Rs. 20000, 20 respondents (6.3 %) had the debt of Rs. 15001-20000 and the remaining respondents had the debt of less than Rs. 5000. By and large it is

concluded that around 18 per cent of the respondents had the debt of Rs.5001 - 10000 on cultivation per annum before joining in MGNREGS.

Debts for Festivals

The information on whether the respondents took debts for Festivals before joining in MGNREGS has been elicited and presented in the table 3.

Table 3: Debts taken for Festivals before joining MGNREGS

SI. No.	Debt on Festivals before MGNREGS	Division			Total
		Nandyal	Adoni	Kurnool	
1	1001-2000	15	8	2	25
		15.0%	5.3%	2.9%	7.8%
2	2001-3000	4	1	5	10
		4.0%	0.7%	7.1%	3.1%
3	3001-4000	8	11	10	29
		8.0%	7.3%	14.3%	9.1%
4	4001-5000	24	29	15	68
		24.0%	19.3%	21.4%	21.3%
5	above 5000	49	101	38	188
		49.0%	67.3%	54.3%	58.8%
Total		100	150	70	320
		100.0%	100.0%	100.0%	100.0%

Source: Field work

The table presents that 188 respondents (58.8 %) took debt of above Rs.5000 for festivals per annum before joining MGNREGS, 68 respondents (21.3 %) had the debt of Rs. 4001-5000 and the remaining respondents had the debt of less than Rs. 4000. By and large it is concluded that above 80 per cent of the respondents took debt of above Rs.5000 for festivals

per annum before joining in MGNREGS.

Debts for Education of Children

The information on whether the respondents took debts for education of children before joining in MGNREGS has been elicited and presented in the table 4.

Table 4: Debts taken for Education of children before joining MGNREGS

SI. No.	Debt on Education before MGNREGS	Division			Total
		Nandyal	Adoni	Kurnool	
1	Nil	27	47	35	109
		27.0%	31.3%	50.0%	34.1%
2	0-1000	7	20	4	31
		7.0%	13.3%	5.7%	9.7%
3	1001-2000	16	33	11	60
		16.0%	22.0%	15.7%	18.8%
4	2001-3000	11	12	2	25
		11.0%	8.0%	2.9%	7.8%
5	3001-4000	9	5	6	20
		9.0%	3.3%	8.6%	6.3%
6	4001-5000	9	7	0	16
		9.0%	4.7%	0.0%	5.0%
7	above 5000	21	26	12	59
		21.0%	17.3%	17.1%	18.4%
Total		100	150	70	320
		100.0%	100.0%	100.0%	100.0%

Source: field work

The table presents that 109 respondents (34.1 %) did not take loan for their children's education and 211 respondents took loan. Out of the respondents who took loan, 60 respondents (18.8 %) took the loan to the tune of Rs. 1001-2000, 59 respondents (18.4 %) took the loan to the tune of above Rs.5000, 31 respondents (9.7 %) took the loan to the tune of less than Rs. 1000, 25 respondents (7.8 %) took the loan to the tune of Rs. 2001-3000, 20 respondents (6.3 %) took

the loan to the tune of Rs. 3001-42000 and 16 respondents (5 %) took the loan to the tune of Rs.4001-5000. By and large it is concluded that around 19 per cent of the respondents took the loan to the tune of Rs. 1001-2000 per annum before joining in MGNREGS.

Debts Taken for Medical Treatment

The information on whether the respondents took

debts for medical treatment before joining MGNREGS has been elicited and presented in the table 5

Table 5: Debts taken for medical treatment before joining in MGNREGS

SI. No.	Debt on Medical before MGNREGS	Nandyal	Division Adoni	Kurnool	Total
1	0-500	14 14.0%	6 4.0%	3 4.3%	23 7.2%
2	501-1000	19 19.0%	29 19.3%	24 34.3%	72 22.5%
3	1001-1500	32 32.0%	61 40.7%	23 32.9%	116 36.3%
4	1501-2000	7 7.0%	22 14.7%	12 17.1%	41 12.8%
5	2001-2500	7 7.0%	3 2.0%	1 1.4%	11 3.4%
6	Above 2500	21 21.0%	29 19.3%	7 10.0%	57 17.8%
	Total	100 100.0%	150 100.0%	70 100.0%	320 100.0%

Source: field work

The table presents that 116 respondents (36.3%) took the loan to the tune of Rs. 1001-1500 for medical treatment before joining in MGNREGS, 72 respondents (22.5%) took the loan to the tune of Rs. 501-1000, 57 respondents (17.8 %) took the loan to the tune of above Rs. 5000, 41 respondents (12.8%) took the loan to the tune of Rs. 1501-2000, 23 respondents (7.2%) took the loan to the tune of less than Rs. 500 and 11 respondents (3.4%) took the loan to the tune of Rs. 2001-2500. By and large it is concluded that more than 36 per cent of the respondents took the loan to the tune of Rs. 1001-

1500 for medical treatment before joining in MGNREGS.

After Joining MGNREGS

Debts Taken for Cultivation

The information on whether the respondents took debts for cultivation after joining MGNREGS has been elicited and presented in the table 6.

Table 6: Debts taken for Cultivation after joining MGNREGS

SI. No.	Debt on Cultivation after MGNREGS	Nandyal	Division Adoni	Kurnool	Total
1	Nil	72 72.0%	56 37.3%	36 51.4%	164 51.3%
2	0-5000	2 2.0%	23 15.3%	14 20.0%	39 12.2%
3	5001-10000	3 3.0%	36 24.0%	9 12.9%	48 15.0%
4	10001-15000	6 6.0%	15 10.0%	5 7.1%	26 8.1%
5	15001-20000	7 7.0%	12 8.0%	1 1.4%	20 6.3%
6	Above 20000	10 10.0%	8 5.3%	5 7.1%	23 7.2%
	Total	100 100.0%	150 100.0%	70 100.0%	320 100.0%

Source: field work

The table presents that 164 respondents (42.5 %) did not take loan for cultivation and the remaining respondents took loan towards agriculture. Among the loan holders, respondents of above Rs.1000 on maintenance of house per annum, 49 respondents (10.6 %) used to incur an expenditure of Rs. 4001-5000 and the remaining respondents used to incur an expenditure of less than Rs. 4000. By and large it is concluded that around 79 per cent of the

respondents used to incur an expenditure of above Rs.5000 on clothing per annum before joining in MGNREGS.

Debts for Festivals

The information on whether the respondents took debts for Festivals before joining MGNREGS has been elicited and presented in the table 6.

The table presents that 102 respondents (31.9 %) took loan of above Rs.5000 for festivals, 58 respondents (18.1 %) took loan of Rs. 4001-5000, 56 respondents (17.5 %) took loan of Rs. 2001-3000, 53 respondents (16.6 %) took loan of Rs. 1001-2000 and

39 respondents (12.2 %) took loan of Rs. 3001-4000. By and large, it is concluded that 50 per cent of the respondents incur an expenditure of above Rs.4000 on festivals per annum after joining in MGNREGS.

Table 7: Debts taken for Festivals after joining MGNREGS

Sl. No.	Debt on Festivals MGNREGS	Nandyal	Division Adoni	Kurnool	Total
1	0-1000	6 6.0%	3 2.0%	3 4.3%	12 3.8%
2	1001-2000	22 22.0%	15 10.0%	16 22.9%	53 16.6%
3	2001-3000	20 20.0%	26 17.3%	10 14.3%	56 17.5%
4	3001-4000	10 10.0%	18 12.0%	11 15.7%	39 12.2%
5	4001-5000	18 18.0%	32 21.3%	8 11.4%	58 18.1%
6	above 5000	24 24.0%	56 37.3%	22 31.4%	102 31.9%
	Total	100 100.0%	150 100.0%	70 100.0%	320 100.0%

Source: field work

Debts taken for Education of Children

The information on whether the respondents took debts for education of children before joining in

MGNREGS has been elicited and presented in the table 8.

Table 8: Debts taken for Education of children after joining MGNREGS

Sl. No.	Debt on Education after MGNREGS	Nandyal	Division Adoni	Kurnool	Total
1	Nil	27 27.0%	47 31.3%	35 50.0%	109 34.1%
2	0-1000	20 20.0%	38 25.3%	15 21.4%	73 22.8%
3	1001-2000	23 23.0%	23 15.3%	3 4.3%	49 15.3%
4	2001-3000	7 7.0%	11 7.3%	4 5.7%	22 6.9%
5	3001-4000	6 6.0%	6 4.0%	5 7.1%	17 5.3%
6	4001-5000	4 4.0%	8 5.3%	0 0.0%	12 3.8%
7	above 5000	13 13.0%	17 11.3%	8 11.4%	38 11.9%
	Total	100 100.0%	150 100.0%	70 100.0%	320 100.0%

Source: field work

The table presents that 109 respondents (34.1%) have no debt on education after MGNREGS. But 73 respondents (22.8%) incur an expenditure of Rs. 0-1000, 49 respondents (15.3%) incur an expenditure of Rs. 1001-2000 and the remaining respondents incur an expenditure of above Rs.2000. By and large it is concluded that more than 38 per cent of the respondents incur an expenditure of less than Rs.2000 on children's education per annum after joining in MGNREGS.

Debts Taken for Medical Treatment

The information on whether the respondents took debts for medical treatment before joining MGNREGS has been elicited and presented in the table 9.

The table presents that 116 respondents (36.3%) took loan of above Rs.501 - 1000 for medical treatment, 85 respondents (26.6%) took loan of less than Rs.500, 57 respondents (17.8%) took loan of Rs. 1001-1500 and 30 respondents (9.4%) took loan of above Rs. 2500. By and large it is concluded that more than 36 per

Table 9: Debts taken for medical treatment after joining MGNREGS

SI. No.	Debt on Medical after MGNREGS	Nandyal	Division Adoni	Kurnool	Total
1	Nil	0 0.0%	8 5.3%	1 1.4%	9 2.8%
2	0-500	31 31.0%	28 18.7%	26 37.1%	85 26.6%
3	501-1000	38 38.0%	49 32.7%	29 41.4%	116 36.3%
4	1001-1500	14 14.0%	35 23.3%	8 11.4%	57 17.8%
5	1501-2000	9 9.0%	2 1.3%	1 1.4%	12 3.8%
6	2001-2500	2 2.0%	8 5.3%	1 1.4%	11 3.4%
7	Above 2500	6 6.0%	20 13.3%	4 5.7%	30 9.4%
	Total	100 100.0%	150 100.0%	70 100.0%	320 100.0%

Source: field work

cent of the respondents took the loan of Rs.5001- 1000 for medical treatment after joining in MGNREGS.

Statistical Analysis

Paired T-Test

A paired (samples) t-test is used when you have two related observations (i.e., two observations per subject) and you want to see if the means on these two normally distributed interval variables differ from one another.

Debts

The Summary of Paired sample t-test on debts of the respondents before and after joining MGNREGS has been presented in the Table 10

The table presents that the debt of the respondents on cultivation, education, medical, others and finally the total expenditure was substantially low before joining the MGNREGS but the debt on all the aspects has substantially increased after joining MGNREGS programme. The increased debt is significant at 1 per cent level on all aspects.

Table 10: Summary of Paired sample t-test on Debts

		Mean	N	Std. Deviation	t-value	p-value
Debt on Cultivation	Before MGNREGS	1.48	320	1.802	7.006**	0.000
	After MGNREGS	1.28	320	1.623		
Debt on Festivals	Before MGNREGS	5.20	320	1.213	17.078**	0.000
	After MGNREGS	4.20	320	1.612		
Debt on Education	Before MGNREGS	2.31	320	2.260	11.696**	0.000
	After MGNREGS	1.85	320	2.025		
Debt on Medical	Before MGNREGS	3.36	320	1.502	14.997**	0.000
	After MGNREGS	2.41	320	1.535		
Debt on Others	Before MGNREGS	.00	320	.000	1.343	0.180
	After MGNREGS	.01	320	.125		
Total debts	Before MGNREGS	19879.25	320	23315.27	6.754**	0.000
	After MGNREGS	13659.37	320	13676.82		

Source: field work

Conclusion

Mahatma Gandhi National Rural Employment Guarantee Programme is providing employment and raising productivity. It is one of the popular wage employment programme. The overall impact of MGNREGS on the lives of the poor people is quite positive in many ways. The present study reveals that the debt on cultivation was Rs.5001 – 10000, above Rs.5000 for festivals, Rs. 1001-2000 on children's education and Rs. 1001-1500 for medical treatment

before joining in MGNREGS. After joining the MGNREGS, the debt was above Rs.5000 on cultivation, above Rs.4000 on festivals, less than Rs.2000 on children's education and Rs.5001- 1000 for medical treatment. The decrease in debt is significant at 1 per cent level on all aspects. It is concluded that the debt on festivals has decreased after joining MGNREGS. It is finally concluded that the MGNREGS has lot of impact on the beneficiaries in reducing the debt position after joining the MGNREGS.

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