

## CHAPTER – I

### INTRODUCTION

Economic Development is assumed to take place when there is a rise in the standard of living of the population. Real per capita income is considered to be the best index for depicting the average standard of living of the population, and so it is widely used as an index of economic development. According to Gillis et al. (1983), “Economic development, in addition to rise in Per Capita Income (PCY), implies fundamental changes in the structure of the economy”. It implies a change in the capital structure, institutional frame-work, as well as infrastructure in order that the majority of the population can achieve a high standard of living as the goal. Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs. It means a better quality of life for everyone, now and for generations to come. It includes the protection of future economic growth and future development. It constantly seeks to achieve social and economic progress in ways that will not exhaust the earth’s finite natural resources. Sustainable development is a process of development in which economic and other policies are designed to bring about development which is economically, socially and ecologically sustainable. (Thomas 2017) The concept thus is pro-people, pro-job and pro-nature. It gives highest priority to poverty reduction, productive employment, social integration and environmental regeneration.

The Eleventh Plan paper envisioned an aggressive growth agenda aimed at achieving not only higher growth but also a growth mechanism that ensured broad-based improvements in people's quality of life, especially among the young, SCs/STs, OBCs, minorities, and women. Sustainable development is a theory that seeks to bring these underserved communities into society so that they can benefit from faster economic growth. Inclusive development is described as economic growth that creates jobs and helps to alleviate poverty. It involves ensuring equal opportunity for all, as well as empowering people through education and skill development, as Arvind (2014) pointed out. It also acts as a blueprint for environmental progress, good government,

and the creation of a gender-sensitive community. Inclusion and benefit-sharing are critical elements of long-term success because they ensure that everyone is included in the development process (both in decision-making and in growth) and that the gains of growth are distributed fairly (Suresh et al., 2019).

For long-term peace and survival, poverty must be eradicated. Poverty reduction has been a big issue in India since independence, and it is at the core of the country's national development agenda to build a more just and equitable community. Gaur and Rao (2020) remarked that poverty affects health, education, living standard, dignity of life; shelter etc, of the people under below poverty line. Given the limited resources, reliable estimation of poverty is the first step towards eradication of poverty as a basic input for design, implementation and monitoring of anti poverty programmes. Poverty measurement is also important to serve as a barometer of the extent of the success of strategies for inclusive growth and poverty reduction.

Poverty remains as the most significant impediment to human development. Poverty has been a big problem in India since independence. A person is deficient, according to (Kurinjumalar and Prasanna 2017), if he is unable to meet the bare minimum of acceptable living standards. Hundreds of millions of Indians continue to be unable to meet basic needs, with the government reporting a poverty rate of 220.1 million people in 2007. According to a report by the Planning Commission (2012), the number of people living in poverty in rural areas was expected to be 25.7 percent in 2011–2012, while the ratio in urban areas was predicted to be 13.7 percent. According to the 2011 Census, 83 million people live in poverty in rural India. According to the National Sample Survey, India has a population of seven crore unemployed people (2012). India's overall number of villages has increased by 2279 since the 2001 census, from 6,38,588 to 6,40,867 (Census of Population and Housing 2011). However, by 2015, an estimated 53 million people still lived in extreme poverty, and 23.6 per cent of the population still lives under \$1.25 per day. This number was expected to reduce to per cent by 2020.

The leading causes for poverty in India are as follows:

**Geographic Factors** are those factors which include natural weather, lack of natural resources, natural disasters etc.

**Social Factors** related to factors such as laws of inheritance, caste system, dowry system, traditions and customs, sickness, mental diseases, accidents, idleness, extravagance, illiteracy, unemployment, rapidly rising population, untouchability due to caste, class and gender etc.

**Political factors** are namely corruption, flawed decentralization system, war, improper implementation of the planning for the people etc.

**Economic factors** generally focused on low productivity in agriculture, low rate of economic development, high price rise, shortage of capital and able entrepreneurship and underutilized resources etc.

The agricultural nature of the nation is reflected in the Indian census of 2011, which indicates that 69 percent of Indians live in rural areas. In addition, India is home to about a third of the world's people, who survive on less than \$1.90 per day (World Bank 2016). Due to the country's rural existence and pervasive poverty, poverty alleviation, employment creation, and economic growth have all become top priorities in India. Since the country's independence in 1947, these goals have emerged in all the five-year plans. The founding of the planning commission in 1950 was a watershed moment in this respect and it presented India's economic objectives and strategies, with a particular emphasis on rural development (Desai, 2009).

To tackle hunger, the Indian government has taken a host of steps. Rural India's progress, according to Mukundan (2008), is vital for achieving prosperous and equal development as well as realising the enormous potential of the country's currently impoverished population. Poverty-relieving programmes such as wage works, rural housing schemes, and a proper distribution system have been introduced from time to time such as National Rural Employment Programme (NREP) 1980-89; Rural Landless Employment Guarantee Programme (RLEGP) 1983-89; Integrated Rural Development

Programme (IRDP) since 1980; Rural Housing: Indira Awaas Yojana: (IAY) since 1989-1996 it was merged with the Jawahar Rozgar Yojana (JRY) 1989-99; Employment Assurance Scheme (EAS) 1993-99; Jawahar Gram Samridhi Yojana (JGSY) 1999-2002; Sampoorna Grameen Rozgar Yojana (SGRY) since 2001; National Food for Work Programme (NFFWP) since, 2004; Food for Work Programme since 2000 – 2001; National Rural Livelihood Mission: Ajeevika 2011; SGRY and NFFWP merged with NREGS 2005; Pradhan Mantri Kaushal Vikas Yojana (PMKVY) since 2015; National Heritage Development and Augmentation Yojana (NHRIDAY) since 2015, were national-level rural employment generation schemes.

The Mahatma Gandhi Rural Employment Guarantee Act (MGNREGA) introduced in April 2008. Is the biggest job-creation programme ever launched by a country to develop its rural areas. It seeks to provide a rural family with 100 days of guaranteed paid work in a fiscal year if the adult participants volunteer to do unskilled manual labour. This strategy differs from previous efforts by the Indian government to build jobs. On the one hand, this scheme is demand-driven, and on the other, it views work as a right of rural households. As a result, the Scheme focuses on supplying employment in rural areas to low-wage employees.

MGNREGA is an Indian government-run poverty-relief scheme which seeks to provide the needy, disadvantaged, and marginalised with a decent and healthy lifestyle Divakar et al., 2016, Sarkar (2017) and Dey (2017). MGNREGA creates substantial job prospects for the rural poor while also assisting in the revitalization of urban economies. MGNREGA is both a drought-prevention and a drought-relief initiative. It holds enormous promise for revitalising India's rural economy. Enhancement of livelihood security in rural areas by providing 100 days of wage employment to every registered household every financial year, creating productive assets, protecting the environment, reducing migration, empowering rural women and the poor through the provision of a right-based law, fostering social equity, and providing a robust social safety net for vulnerable. It boosts the rural economy's productivity by increasing consumer demand. As a result, MGNREGA could be considered as an engine of growth.

The MGNREGS has made significant strides in a number of ways. The number of households receiving MGNREGA benefits, as well as the number of days of employment which workers are provided, has been gradually increasing. (Besavaraj et al., 2017) In 2008, the Planning Commission conducted a survey of 20 states in India to assess the impact of MGNREGS. The results showed a transition in low-income classes (roughly 50 percent) into the high-income segment, a substantial rise in expenditure on food and non-food products (6.0 percent), and a shift in spending patterns, including the buying of livestock (68 percent) and household objects (42 percent), as well as the clearing of unpaid debts. Non-provision of jobs within a defined period (80 percent) and non-payment of unemployees are among the other issues that have been recorded.

Roy and Singh (2010) investigated the impact of MGNREGS on beneficiary empowerment in the West Bengal cities of Burdwan and Dakshin Dinajpur. Since the Scheme was launched, the respondents' perceptions, self-confidence, and self-reliance both improved significantly. Many of the respondents were deemed under-empowered prior to MGNREGS. Since operating under MGNREGS, 75.5 percent of respondents were found to be above the low empowerment level, and 24.5 percent were found to be in the medium empowerment category. As a consequence, the scheme has a positive impact on the study's beneficiaries' empowerment.

An "Impact Assessment Study of the Usefulness and Sustainability of the Assets Created under Mahatma Gandhi Rural Employment Guarantee Act in Sikkim" was undertaken by the Institute of Rural Management (2010). According to the study, MGNREGS provided a supplementary source of income to households without discriminating between men and women, which explained why women are so interested in the scheme. The quality of food intake has improved as a result of the scheme, which has also created employment for unemployed rural residents.

Himanshu (2016) argued in his article that MGNREGA's importance in rural areas goes beyond its effectiveness in generating public jobs and its effect on wages. The Scheme has generated over 19.86 billion person-days of employment, benefiting 276 million people, with a large percentage of jobs going to women and scheduled

castes and tribes. There was clear evidence that the asset quality was higher than equivalent government programmes, according to the study.

Leelavathi (2010) looked at the effect of MGNREGA on institutional, socioeconomic, and other factors such as low household integration, rural-urban migration, and credit access. The study concluded that the benefits achieved from MGNREGA projects resulted in a decrease in distressed migration and a rise in human capital spending. In West Bengal, Ghosh (2011) attempted to investigate the effect of MGNREGA on wage rates, food security, and rural-urban migration. According to the report, MGNREGA salaries were higher than the pay for agriculture workers in the state, causing wage labour market distortion.

The MGNREGA Program, according to Dutta (2009), decreased seasonal and disguised unemployment in the agricultural sector. MGNREGA acted as a stimulus in the rural economy by eliminating contractors and middlemen. According to Narayanan and Das (2009), women's participation in MGNREGA increased by more than 10 percent in states like Kerala, Himachal Pradesh, Sikkim, West Bengal, Meghalaya, and Bihar. They also noted that since the MGNREGA programme is demand-driven, it should be able to hire anybody who is looking for jobs.

Murthy and Indumati (2011) analysed MGNREGA performance at the macro level in drought-prone Karnataka and Rajasthan, as well as irrigation-dominated Andhra Pradesh. The effect of the MGNREGA wage on labour shortages was comparatively minimum, according to the report, as opposed to the impact of an increase in non-farm incomes.

According to Singh (2013), In the Bundelkhand region of Madhya Pradesh. MGNREGA had not given a 100-day employment guarantee to those willing to work under this scheme in the region; there were also irregularities in the implementation of MGNREGA. It was also found that Muster rolls were not well prepared, and pay disparities between men and women were discovered. However, another perspective was that it created some employment opportunities in the region.

Any culture or civilization can only thrive if its citizens can actively engage in its growth. Over the last decade, the Indian government had initiated a series of programmes to assist tribal people in improving their lives. In comparison to African countries, India is one of the few countries with a significant tribal community. According to the 2001 census, India's tribal population was 8,43,26 million, accounting for 8.2 percent of the country's total population. The scheduled tribe (ST) population was 104.2 million, accounting for 8.6 percent of the country's total population (Census 2011).

The study of tribal households has taken centre stage in the social sciences. The tribal population's economic situation is influenced by a wide range of social, geographic, social, and ecological factors. Employment of the rural poor increases their livelihood prosperity by increasing their wages and spending, as well as improving their standard of living, in circumstances that range from basic wage protection and recharging the rural economy to a transformative political mobilisation process. With approximately 645 tribes and sub-tribes, India has the world's second-largest tribal population. One of the government's most critical challenges since independence has been to achieve the required degree of social reform in tribals' lives in order to protect and improve their welfare. However, after a few years of preparation, it has become clear that the tribals' success is falling short of expectations for a variety of reasons. Furthermore, when development projects are carried out, the gains do not hit tribals in rural areas in a timely manner. Similarly, since tribals are not used to saving and have a low per capita income, the problems they face are greater than those faced by the majority of the rural population. They are plagued by economic, social, and cultural exploitation, as well as territorial unemployment, education, and other problems.

The majority of tribes once lived in isolated woodland areas have been dispersed, untouched by development and civilization. The tribes will be able to fulfill their basic needs as long as they have access to forest-generated resources. As a consequence of large-scale industrialization, urbanisation, and resource extraction as a result of deforestation to satisfy urban and man - made demand for that had a significant impact on subsistence patterns of living. Poverty, illiteracy, malnutrition, a

lack of clean drinking water, poor hygiene, unhealthy working environments, and a lack of nutritional services have all contributed to their precarious situation.

The tribals are often unconcerned about their own survival. They seek medical help only when they are nearing the end of their illness. Disease is a threat to tribal people in general and primitive tribal cultures in particular. They don't have the required access to basic medical services. They are the most exploited, overlooked, and vulnerable to diseases that result in severe malnutrition, morbidity, and mortality (Nathan and Xaxa, 2012, Singh, 2012 and Balgir, 2004).

Most tribal groups in India have historically been agriculturists since their economy is based on the forest. Hunting, livestock raising, and agriculture are among their professions, which they continue to do even today. They depend on agriculture for the majority of their revenue. Indian tribes are spread over all the States and Union Territories of India except for Chandigarh, Punjab, Haryana, Pondicherry and National Capital Territory of Delhi. There are 705 ethnic groups notified as Scheduled Tribes according to the constitution of India. The number of scheduled tribes under the Constitution of India is quite large, and the heterogeneity is massive. Each tribe is quite distinct from the other. Their economic backwardness is a result of their primitive features, geographical isolation, distinct community of traditions, languages, and a lack of contact with the rest of the world. The northern Indian states of Madhya Pradesh, Maharashtra, Orissa, Gujarat, Rajasthan, Jharkhand, Chhattisgarh, Andhra Pradesh, West Bengal, and Karnataka have the most scheduled tribals. About 93 percent of them live in rural areas and work in agriculture or related fields. Jammu and Kashmir, Himachal Pradesh, and Uttarakhand are located in the west, while Assam, Meghalaya, Tripura, Arunachal Pradesh, Mizoram, Manipur, and Nagaland are located in the northeast. In the northeastern states of Arunachal Pradesh, Meghalaya, Mizoram, and Nagaland, tribalism account for more than 90 percent of the population. Despite the fact that the tribal population in these areas accounts for just about 10 percent of the region's total, the country's major tribes live in Central Indian states and account for about 75 percent of the overall tribal population. Tribals make up about one percent of the population in Kerala and Tamil Nadu, and about six percent of the population in

Andhra Pradesh and Karnataka (Census 2011). Coimbatore district accounts for four percent of the total Scheduled Tribal population in the state, while Erode district accounts for 2.75 percent, Madurai district accounts for 1.40 percent, and Tirunelveli district accounts for 1.29 percent. Despite the fact that Nilgiris has 4.13 percent of the state's overall Scheduled Tribal population, it is classified as a primitive tribal region due to the presence of ancient and pre-agricultural tribes such as the Toda, Kurumba, and Kota in the district. The other primitive tribes in the region are the Irular, Paniya, and Kattunaikan. Schedule Tribes make up 3.4 percent of the general population in Salem district, 3.7 percent in Thiruvannamalai district, and 4.5 percent in Nilgiri district, according to tribal concentration areas. In all of the dispersed territories, Schedule Tribes make up less than one percent of the general population of their respective districts.

The MGNREGA was first introduced in six districts in Tamil Nadu, namely Cuddalore, Dindigul, Nagapattinam, Sivagangai, Tiruvannamalai, and Villupuram, from 02.02.2006 onwards, and then in four more districts, namely Thanjavur, Tiruvarur, Tirunelveli, and Kaur, from 01.04.2007 onwards. The scheme was extended to the remaining twenty districts of the state on April 1, 2008, including Ariyalur, Dharmapuri, Perambur, Pudukottai, Ramanathapuram, Namakal, Vellore, Thoothukudi, Virudhunagar, Salem, Erode, Tiruchiraapalli, Kancheepuram, Theni, Tiruvallur, Madurai, Nilgiris, Kanniyakumari.

The Paniyans, also known as Paniyas, are a people who dwell in Karnataka, Kerala, and Tamil Nadu in southern India. They are mostly found in the Gudalur and Pandalur taluks of Nilgiris district in Tamil Nadu's. According to 2011 census, the paniyans in the Nilgiris district have a total population of 9,824 (4741 males and 5083 females). Paniyans are thought to be the forefathers of Africans and the Dravidian Tribes' predecessors.

Among tribals, unemployment and seasonal work are widespread, and their earnings are poor in contrast. Paniyans as they are mostly landless laborers; illiterate, leaderless, unorganized and therefore generally unable to demand the minimum wages fixed by the Government. The Paniyas, as a whole are the poorest of the poor among

other tribal communities. Vast majority of the Paniyan work hard as coolies in tea estates and agricultural fields, from morning till evening, earn approximately Rs.150 to 200 per day. Paniyan children hardly attend school. Most of the parents do not take effort to send their children to school; they are not even ready to spend money to purchase school bags and stationeries for their kids. The Paniyan tribal community is anti-saving as well; their spending habits differ from their savings habits. Their investment and consumption habits paint a grim picture of their standard of living. They have been discovered to be reluctant to consume a variety of nutritious food. It was observed from the research studies (Dey 2014, Mareeswaran et al. 2017, Jayakumar 2014) that illiteracy is said to be the root cause of their social backwardness and lack of awareness about various developmental programmes.

In the light of the above discussion, the current study on “Impact on Mahatma Gandhi National Rural Employment Guarantee Programme on Economic Conditions of Paniyan Tribal Population” has been undertaken with the following objectives:

**Objectives of the study are:**

1. To study the socio-economic and demographic profile of the Tribal population.
2. To find out the factors influencing the decision of tribal population participating in MGNREGA.
3. To assess and compare the impact of MGNREGA on tribal population in terms of select indicators like improvement in economic conditions and living conditions.
4. To examine the health conditions of the tribal population due to their participation in MGNREGA
5. To find out the various problems and constraints faced by the respondents in the study area.

**Hypotheses:**

The following hypotheses were tested in the course of the study:

1. There is association between participation of respondents in MGNREGA and socio demographic variables.

2. There is enhancement in quality of life of paniyan respondents before and after the involvement in MGNREGA.
3. There is significant relationship between Total family income and select economic factors.
4. There is significant relationship between MGNREGA programme and standard of living of tribal population.

### **Statement of Problem**

Most countries are struggling with poverty and unemployment as big issues. Faster economic development is impossible to achieve without expanding jobs and income prospects. India's population is more insecure as a result of a lack of gainful employment options and they become too reliant on agricultural industries, adding fuel to the flames. In India, workfare programmes have a long tradition, in which the central and state governments provide jobs to help poor people secure their livelihoods. Previous policies and employment programmes in the nation struggled to address the issues and had little effect. As a result, the Mahatma Gandhi National Rural Employment Guarantee Scheme is the world's most comprehensive Employment Guarantee Act aims specifically at enhancing rural wellbeing (MGNREGS) and various population groups. The areas where the MGNREGS are being applied have been highlighted as having many important problems. Benefit and Lack of information among rural communities about their rights, a lack of qualified staff members, a small number of people having work due to a lack of awareness of the recruitment process, and unreliable and ineffective processes are only a few of them. . Implementation issues have proven to be a significant roadblock to realising the full potential of the MGNREGS. The present study focuses on explaining the MGNREGS' core concept, its effectiveness in securing rural tribal employment, eradicating rural poverty, providing rural assets, and the scheme's impact on tribal development will be analysed and critically evaluated.

## **Significance of the study**

Many studies on various aspects of MGNREGA have been undertaken by scholars and social scientists. Ravindar (2016), Kantharaju (2016), Karthika (2015), Ashok (2016), Pankaj (2010), have studied the effect of MGNREGA on socio-economic conditions and women empowerment. MGNREGA has improved incomes, demand for work, rural employment, and reduced migration, according to Ahuja (2011), Azhagaiah (2011), and Debi (2017); further, Geetha and Shanthi(2014), Kurunjimalar (2017), Ajay (2017), and Hemalatha (2016) have concentrated on the development of durable assets, increase in the quality of living, and poverty alleviation through MGNREGA. Vivek (2012), Yoganandham (2017), Manojan (2018), Ratheesh (2011), Liya (2018), Anjali (2017), and other research on the Paniyan population have centred on their health conditions and habits, savings and indebtedness, educational status, socio-economic conditions, and culture. All these studies indicate that MGNREGA is a good safety net for the rural poor, as it provides significant income to the households participating in the scheme. However, the influence and efficacy of MGNREGA implementation may or may not be consistent and uniform across the country and among various demographic groups. To highlight on the issue, the current study has been undertaken.

## **Limitation of the study**

The researcher has made sincere attempt to gather accurate information. However, the study's results were focused on information supplied by respondents, which may have shortcomings of its own. The study was limited to 645 beneficiary respondents only. A broader coverage may be useful for a more detailed generalisation. Despite the shortcomings listed above, the findings of the study showed a general pattern.

1. The investigator has only obtained data from the Gudalur block for the analysis. Among the Paniyan class, those who did not participate in the MGNREGA programme were excluded.

2. The research just looked at one tribe, the Paniyan, which does not constitute the whole tribal population.
3. Since the respondents gave details from their memories, the distortion in primary evidence applies to this study as well.