

# CHAPTER - I

## INTRODUCTION

Development is both a physical reality and a state of mind in which a society, with some combination of social, economic and institutional processes secures the means for obtaining a better life.

Development in all societies must have at least the following three objectives.

1. To increase the availability and widen the distribution of basic life sustaining goods such as food, shelter, health and protection.
2. To raise the levels of living, including, in addition to higher incomes, the provision of more jobs, better education and greater attention to cultural and humanistic values, all of which will serve not only to enhance material well – being but also to generate greater individual and national self – esteem.
3. To expand the range of economic and social choices available to individuals and nations by freeing them from servitude and dependence not only in relation to other people but also to the forces of ignorance and human misery (Todaro, 2000).

Development must therefore be conceived as a multi – dimensional process involving major changes in social structures, popular attitudes and national institutions, as well as the acceleration of economic growth, the reduction of inequality and eradication of poverty. The goal of all development efforts is to raise the level of well – being of all the citizens of a state or a country. In recent years, the development paradigm has witnessed a shift in its focus from growth, increasing to non - economic factors like social justice, poverty alleviation, redistribution of income, equality then to sustainable development, incorporation of gender in development and human development

Achieving inclusive growth and development is undoubtedly a fundamental challenge facing developing countries today. Over the past few decades, the economic growth performance of developing countries as a group has improved markedly, with real GDP growth increasing from 4.7 percent in 1991–2002 to 7 percent in 2003–2007 and 5.3 percent in the post-crisis period 2008–2012 (United Nations, 2013). Compared with the 1990s, recent growth has led to significant reductions in poverty rates in developing countries. The proportion of

people living on less than \$1.25 a day, that is, extreme poverty, fell from 47 percent in 1990 to 27 percent in 2005 and 22 percent in 2010 (United Nations, 2013). Despite this positive development, in many countries, particularly in Africa and LDCs, recent growth has also been associated with an increase in the absolute number of poor people. For example, in sub-Saharan Africa the number of poor people rose from 289.7 million in 1990 to 413.8 million in 2010. There has also been an increase in inequality in many countries. These developments have raised concerns that the recent growth experienced by developing countries has not been inclusive, and that more needs to be done to ensure that growth is more broad-based and touches the lives of vulnerable groups in a positive way. One of the greatest problems facing the world today is the growing number of persons who are excluded from the meaningful participation in economic, social, political and cultural life of their communities. Such societies are neither efficient nor desirable. So, the current national and international concern with social inclusion has emerged in response to the challenges posed by persistent and increasing marginalization, discrimination and exclusion of vulnerable groups including STs, in all societies. In other words, inclusive growth should include all sections as beneficiaries as well as partners in growth and that inclusion of the excluded should be embedded in the growth process. Besely et al (2007) has defined inclusive growth as the “growth that has a high elasticity of poverty reduction”, i.e., it should have a higher reduction in poverty per unit of growth. There is now enough evidence to show that the extent to which economic growth translates into poverty reduction and to human development depends on what happens to inequality during the process of growth (UNDP 2010: Suryanarayan 2008). It is also defined in terms of reduction in inequalities in incomes, assets as well as in vertical inequalities (individual inequalities) and horizontal inequalities (group inequalities).

In short, in the context of developing countries, inclusive growth should have the following characteristics.

1. Growth has to include the poor and lagging socio-economic groups such as ethnic groups, weaker sections as well as lagging regions as partners and beneficiaries of growth.

2. Inclusion needs to be embedded in the growth process and not as an afterthought. The growth process therefore, has to address the constraints of the excluded and the marginalized, and has to open up opportunities for them to be partners in growth.

3. Inclusive growth is expected to reduce poverty faster in the sense that it has to have a higher elasticity of poverty reduction.

4. And finally, inclusive growth should reduce vertical as well as horizontal inequalities in incomes and assets.

Thus, inclusive growth is a process which yields benefits and ensures equality of opportunities for all i.e. equitable distribution or growth with social justice. The key components of the inclusive growth strategy includes a sharp increase in investment in rural areas, rural infrastructure and agriculture spurt in credit for farmers, increase in rural employment through a unique social safety net and a sharp increase in public spending on education and health care. There must be equality of opportunity to all with freedom and dignity, and without social or political obstacles. This must be accompanied by an improvement in the opportunities for economic and social advancement. In particular, individuals belonging to disadvantaged groups should be provided special opportunities to develop their skills and participate in the growth process.

#### **Plan Programs for Inclusiveness:**

India has grown at an impressive rate since the early nineties. According to the Economic Survey (2015), Real Gross National Income grew at the average annual rates of 7.8 percent, 7.6 percent, and 5.6 percent during the eleventh (2007-12), tenth (2002-07) and ninth (1997-2002) five year plans, respectively. These growth rates are quite remarkable both by international standards and compared to India's own past. India seems to have finally overcome the much-maligned path of "Hindu rate of growth". These positive factors notwithstanding, a major weakness in the economy is that the growth is not perceived as being sufficiently inclusive for many groups, especially Scheduled Castes (SCs), Scheduled Tribes (STs), and minorities. Gender inequality also remains a pervasive problem and some of the structural changes taking place have an adverse effect on women.

The lack of inclusiveness is borne out by data on several dimensions of performance, especially poverty. Poverty is wide-spread in the country, with nation estimated to have one-third of the World's poor residing in India. In 2010, the World Bank reported that 32.7 percent of the total Indian people falls, below the international poverty line of US\$ 1.25 per day (Purchasing Power Parity), while 68.7 percent live on less than US\$ 2 per day. A report by the

Oxford Poverty and Human Development Initiative (OPHI) states that eight Indian States have more poor people than 26 poorest African countries combined, which totals to more than 410 million poor in the poorest African countries. According to 2010 World Bank Report, by 2015 an estimated 58 million people would still live in extreme poverty and 23.6 percent of the population will still live under US\$ 1.25 per day. The number is expected to reduce to 20.3 percent or 268 million people by 2020. However, at the same time, the effect of world-wide recession in 2009 have plunged 100 million more Indians into poverty, increasing the effective poverty rate from 27.5 percent to 37.2 percent.

Other indicators of deprivation suggest that the proportion of the population deprived of a minimum level of living is much higher. As much as 93 percent of India's total work force is engaged in the informal sector, which amounts to about 370 million people (GESS official website). Being unrecognized and unprotected by law and the absence of unions makes the workers vulnerable to exploitation. In addition, over 70 percent of the work force is educated below the primary level or are illiterate (CSE draft, s.a.). According to the HDI for 2010, life expectancy in India was 64.4 years, the child mortality rate under the age of 5 was 69 deaths per 1000 births, and 22 percent of the Indian population suffered from undernourishment. In terms of education, the illiteracy rate in the country was 31.7 percent, and the mean years of schooling were only 4.4 year (HDI, 2010).

Since 1950s , the Indian policy-makers have initiated several programmes to alleviate poverty such as Small Farmers Development Agency (1972), Tribal Area Development Programme (1972), Minimum Needs Programme (1972), Drought Prone Area Programme (1973), Twenty Point Programme (1975, 1982, 1986), Food for Work Programme (1977), TRYSEM (1978), IRDP (1979), NREP (1980), RLEGP (1983), Urban Basic Services Scheme (1986), Nehru Rojgar Yojana (1986), JRY ( 1989), National Poverty Line Benefit Scheme (1995), PMIUPEP (1995), JGSY( 1999), SGRY (2001), NFFWP (2004), NREGA (2005) and MGNREGA (2009). Basically, all these programmes aimed at:

- Promoting growth and overall development;
- Promoting human development with emphasis on health, education and minimum needs; and
- Directly targeting poverty eradication through creation of employment, training and creating asset endowments of the poor.

## **Overview of MGNREGA:**

One of the flagship poverty alleviation programmes of the Government of India is MGNREGA. The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is an India job guarantee scheme enacted by legislation on 25<sup>th</sup> August 2005. The scheme provides a legal guarantee of at least one hundred days of employment in every financial year to adult members of any rural households willing to do public work-related unskilled manual work at a statutory minimum wages of Rs. 120 (US\$1.20) per day in 2009 prices. The Act covered 200 districts in its first phase, on February 2, 2006 and was extended to all the rural districts of the country in phases.

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) was enacted to reinforce the commitment towards livelihood security in rural areas. This employment guarantee Act is the most significant legislation in many ways. For the first time, rural communities have been given not just a development programme but a regime of rights. The MGNREGA is the legal guarantee that people can use to secure their entitlement of wage employment. It holds the Government responsible for making employment available to the people. It is a legal instrument in the hands of the poor based on the demand of the workers.

Under MGNREGA apart from guaranteeing 100 days of wage employment, the Panchayat Raj institutions have been vested with the responsibility of planning, implementation and monitoring of activities taken up under the scheme. MGNREGA made the demand factor a conscious strategy as a right to obtained employment. Financial obligations both of the centre and state are part of the legal framework. The MGNREGA guidelines also detail operational and administrative modalities of implementation seeking to address the limitations of the earlier wage employment programmes, placing greater emphasis, for example on planning processes, and MIS for improving data management.

During the financial year 2012-2013 up to 31<sup>st</sup> December, the scheme has provided employment to around 4.16 crores households through about 70 lakh works with more than 141 crores person days of employment being generated at a total expenditure about of Rs. 25000 crores. The average wage rate per day has increased from Rs. 65 in 2006-2007 to about Rs. 115 in 2011-2012. The women workforce participation under the Scheme has surpassed the statutory minimum requirement of 33 percent and the trends indicate an increase in the

participation rate at the national level. Since inception, every year women's participation has been around 48 percent.

MGNREGA is the first ever law, internationally, that guarantees wage employment at an unprecedented scale. The primary objective of the Act is meeting demand for wage employment in rural areas. The work permitted under the Act address causes of chronic poverty like drought, deforestation and soil erosion, so that the employment generation is sustainable. The Act is also a significant vehicle for strengthening decentralization and deepening processes of democracy by giving a pivotal role to local governance bodies, that is, the Panchayat Raj Institutions. MGNREGA has also been a vehicle for inclusive growth and the marginalized sections of society have high percentage of participation under this Act. The participation rate of scheduled caste and scheduled tribes in financial year 2009-10 is 52 percent. The states with highest scheduled caste participation are Uttar Pradesh (53 percent), Tamil Nadu (56 percent), Bihar (46 percent), Haryana (56 percent) and Punjab (78 percent). The states with high Scheduled Tribe participation are Madhya Pradesh (43 percent), Jharkhand (44 percent), Sikkim (44 percent) and Chhattisgarh (38 percent). Women participation is also higher than the mandated 33 percent.

### **Objectives of the Scheme:**

The main objective of the Act is: "To provide for the enhancement of livelihood security of the households in rural areas by providing at least 100 days of guaranteed wage employment in every financial year to every household whose adult members volunteer to do unskilled manual work". Its other objectives are:

- Reduction of distressed migration from the rural to urban and from one part of the rural to another part of rural areas;
- Creation of durable and productive assets in villages;
- Drought-proofing and flood management in rural India.
- Strengthening decentralized, participatory planning through convergence of various anti-poverty and livelihood initiatives.
- Invigoration of civic and community life and enlivening of Panchayat h Raj Institutions (PRIs) (the village level democratic bodies), as they have been entrusted to formulate, implement and monitor the scheme;

- Empowerment of rural women by providing them the opportunity to earn income independently and to participate in social groups (workers);
- Promotion of inclusive growth and development;
- Facilitation of multiplier effects on the economy and
- Overall development of the rural economy.

MGNREGA is just not a welfare initiative. It is a development effort that can take the Indian economy to a new trajectory. It has three distinct goals –

- Protective,
- Preventive and
- Promotive.

It protects the rural poor from vulnerabilities by providing them demand based employment. It prevents risks associated with agricultural investment and forced migration of the rural poor. It brings in buoyancy in rural economy via increased consumption demand. All these pertain to suggest that MGNREGA can act as a growth engine by expanding rural resource base and integrating the rural economy with the rest.

### **Salient Feature of MGNREGA:**

#### **Rights based framework**

- All the adult member of a rural household willing to do unskilled manual work has the right to demand employment.
- After verification, the Gram Panchayat h will issue a job card (contain details of the members) to the household with a photograph free of cost within 15 days of application.

#### **Time bound guarantee**

- Employment will be provided by the Gram Panchayat h within 15 days of work application or else unemployment allowance will be paid.
- A household may avail 100 days of guaranteed employment in a financial year, depending on its need.

#### **Permissible Work**

- Water conservation
- Drought proofing (including plantation and afforestation)

- Flood protection
- Land development
- Minor irrigation.

#### **Labour Intensive Work**

- A ratio of 60:40 will be maintained between wage and material.
- No contractors/ machinery.
- Wage payment will be made through bank/ post office accounts and will be made every week and in any case not later than a fortnight.

#### **Decentralized Planning**

- Gram Sabhas will recommend works to be taken up.
- At least 50percent of works will be executed by Gram Panchayat h.
- PRI will have principal role in planning, implementation and monitoring

#### **Work site management and facilities:**

- Work should be provided within 5 km radius of the village.
- Creche, drinking water, first aid and shade provided at worksites.

#### **Women empowerment:**

- At least one-third of the beneficiaries should be women.
- Equal wages should be paid to both men and women,

#### **Transparency & Accountability**

- Proactive disclosure through wall writings, citizen information boards and MIS and Social Audits.

#### **Funding**

- 100 percent cost towards unskilled wage and 75 percent towards skilled, semi-skilled and material is borne by central Government
- 25 percent of skilled and material costs is contributed by States.

- In addition 6percent administrative expenses are borne by the Centre for effective implementation of the Act.
- Unemployment allowance will be borne by the State government.

Thus, Mahatma Gandhi NREGA is a powerful instrument for inclusive growth in rural India through its impact on social protection, livelihood security and democratic empowerment. (Mihir Shah Committee, 2012).

### **MGNREGA in Tamil Nadu**

Tamil Nadu being a welfare state, more thrust is given to the development of rural areas, directly impacting its economic growth, deliverance of social justice and improvement in standard of living of the people, focusing on poverty alleviation, provision of basic amenities and infrastructure facilities as its stated objectives and goals. These goals will be achieved through effective implementation of various well conceived development programmes with the active participation of Panchayat h Raj Institutions. This Government has taken various measures for effective implementation of Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) viz.

- i) execution of more than one work in each Village Panchayat at any point of time,
- ii) judicious selection of water harvesting structures using satellite based maps,
- iii) IEC activities to generate awareness among the workers to get their entitled wages,
- iv) payment of wages through banks,
- v) establishing better worker's interface by appointing 'Worksite facilitators' and
- vi) continuous on-line monitoring to ensure habitation wise participation of workers.

Efforts have been taken for the provision of irrigation facilities, plantation, horticulture and other land development activities in the lands owned by households of SC/ST, Small and Marginal Farmers, beneficiaries of land reforms, Indira Awaas Yojana and BPL families, based on the sustained efforts of this Government, an amount of Rs. 3,000 crores have been disbursed as wages to the MGNREGS workers within a span of ten months by generating 33 crore man days. This is the highest expenditure incurred so far since inception of the MGNREG scheme in Tamil Nadu.

The primary objective of the scheme is to augment the wage employment and the auxiliary objective is to strengthen natural resource management through works that address causes of chronic poverty like drought, deforestation, soil erosion, etc., and thus encourage sustainable development. In Tamil Nadu, the scheme was first notified on 2.2.2006 in 6 districts of the State, which was subsequently extended to other districts in a phased manner.

**TABLE 1.1**  
**COVERAGE OF DISTRICTS IN PHASES UNDER MGNREGA**

Phase – I (2.2.2006 onwards)	Phase –II (1.4.2007 onwards)	Phase – III (1.4.2008 onwards)	
1.Cuddalore	1.Thanjavur	1.Kanchipuram	11.Trichy
2.Villupuram	2.Tiruvarur	2.Tiruvallur	12.Perambalur
3.Tiruvannamalai	3. Karur	3.Vellore	13.Ariyalur
4.Nagapattinam	4.Tirunelveli	4.Salem	14.Pudukkottai
5.Dindigul		5.Namakkal	15.Madurai
6.Sivagangai		6.Dharmapuri	16.Theni
		7.Krishnagiri	17.Ramanathapuram
		8.Erode	18.Virudhunagar
		9.Coimbatore	19.Thoothukudi
		10.Nilgiris	20.Kanniyakumari
			21.Tiruppur

**Salient Features of the Scheme (Specific to Tamil Nadu):**

- Provision of 100 days of guaranteed wage employment for all registered households of the Village Panchayat.
- The Central Government bears 100 percent wage cost of unskilled manual labour and 75 percent of the material cost including wages of skilled and semi-skilled workers.
- No contractors or machineries are allowed.
- The wage and material component ratio has to be maintained at 60:40. In Tamil Nadu, 100 percent labour intensive works alone are taken up under MGNREGS.
- As per the guidelines, the shelf of projects for a Village should be recommended by the Grama Sabha and 50 percent of the works should be allotted to Village Panchayats for execution. In case of Tamil Nadu, only the Village Panchayats execute the works.
- Adult members of rural households willing to do unskilled manual work may register in writing or orally, with the Village Panchayat.

- The Village Panchayat will issue a job card, bearing the photo and register number, free of cost.
- Job card is issued within 15 days of application / oral request.
- Job card holders may apply for employment in writing. In such cases, the Village Panchayat will issue a dated receipt which will stand as a guarantee to provide employment within 15 days.
- The worksite is ordinarily within a radius of 5 kms of the Village Panchayat and if the distance exceeds 5 kms, additional wage of 10percent of existing wage rate is payable to meet the additional transportation and living expenses.
- The wages are paid according to the Minimum Wages Act 1948, for agricultural labourers in the State.
- Wages are equal to both men and women.
- Disbursement of wages is normally done on weekly basis and should be paid within 15 days.
- One third of the beneficiaries should be women.
- The wage notified by GOI per person per day is Rs.119/- till 2011-12. GOI has increased and notified the wage as Rs.132/- for the year 2012-13.The notified wage rate for 2013-14 is Rs.148/-.
- Work site facilities such as drinking water, first aid kit, shade, etc., are provided.
- Grama Sabha conducts the social audit in respect of MGNREGS through Village Social Auditors.
- Grievance redressal mechanism is in place to ensure quick response and a Toll free Help line (1299) has also been provided.
- All accounts and records of the Scheme are available for public scrutiny.
- Under Section 12 of the MGNREG Act, Government of Tamil Nadu has constituted State Employment Guarantee Council to advise, evaluate and monitor the implementation of the Scheme.

### **Permissible Works:**

The permissible work under MGNREGS in Tamil Nadu includes:

- Water conservation and water harvesting including contour trenches, contour bunds, boulder checks, gabion structures, underground dykes, earthen dams, stop dams and spring shed development;

- Drought proofing including afforestation and tree plantation;
- Irrigation canals including micro and minor irrigation works;
- Provision of irrigation facility, dug out farm pond, horticulture, plantation, farm bounding and land development on land owned by households belonging to the Scheduled Castes and the Scheduled Tribes or Below Poverty Line families or the beneficiaries of land reforms or the beneficiaries under the Indira Awaas Yojana of the Government of India or that of the small or marginal farmers as defined in the Agriculture Debt Waiver and Debt Relief Scheme, 2008, or the beneficiaries under the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006 (2 of 2007).
- Renovation of traditional water bodies including delisting of tanks;
- Land development;
- Flood control and protection works including drainage in water logged areas including deepening and repairing of flood channels;
- Rural connectivity to provide all weather access (Earthen Roads); and
- Works in coastal areas like belt vegetation, rural drinking water related works such as soak pits and recharge pits.

### **Disbursement of Wage Payment**

In 2008, the central government ordered all wage payments to be made directly to workers' bank and post office accounts, as an anti-corruption measure. Tamil Nadu is the only state that continues to make wage payments in cash, on the grounds that it helps to avoid delays. In order to ensure greater transparency, it has been ordered to disburse the wages to the workers in the presence of at least four members of the following committee:

- a) President of the Village Panchayat.
- b) Vice – President of the Village Panchayat.
- c) Ward Member of the area where the work is executed
- d) An SC/ST Ward Member, if none of the persons in Sl. Nos. 1, 2 and 3 belongs to SC/ST Community.
- e) Two animators of graded Self Help Groups.
- f) A representative of the Panchayat level federation.

Recently with the mandate of government of India to disburse the wages through eFMS the State Government is gradually planning to disburse the wages to the beneficiaries through the Banks in a phased manner. Bank accounts have been opened for 82 lakh workers under the scheme.

### **Social Audit**

In line with MGNREG Audit of Schemes Rules 2011 of Government of India, an independent organization SASTA (Social Audit Society of Tamil Nadu) has been registered under the Tamil Nadu Societies Registration Act. Director, Joint Director and Assistant Director have been placed and the social Audit piloting has been done. The State has planned to take up social audit as per the new Rules from 2013- 14 onwards.

### **Performance of the Scheme**

The State has taken many innovative steps for which the scheme is performing well at the ground. During 2011-12, Thanjavur and Tiruchirappalli districts of Tamil Nadu had bagged the award for Best Performing District by Government of India. Likewise, 10 Village Panchayat s from all over the country have been selected for Best Village Panchayat Award under MGNREGS. Kadambadi Village Panchayat, Sulur Panchayat Union from Coimbatore District was one among them.

In order to provide more employment opportunities to MGNREGS workers, the Government has committed to take up more number of works in a Village Panchayat based on the number of habitations and number of workers regularly attending the MGNREGS works. Hence, the habitations in a Village Panchayats are grouped into clusters in such a way that whenever the work is being executed in a habitation of a particular cluster, all the workers can come to the worksite from the habitations of that particular cluster. Thus, the number of allowed works in a Village Panchayat is equal to the number of clusters. The MGNREGA is the latest in a series of poverty alleviation programmes under taken by the government for regenerating the tribal economy by providing employment, which would have a beneficial impact on health, education and other determinants of social welfare by breaking the cycle of poverty in tribal areas.

### **Successes and challenges of the MGNREGA**

The MGNREGA is slowly changing the lives of the rural poor for the better. A study conducted by Dreze and Khera in 2009, covered 1000 workers under the MGNREGA in six states in northern India. Their article states that the wages are increasing, productive assets are generated, large sections of marginalized social groups such as the SC and ST people have participated in the scheme, the migration from rural to urban areas has decreased and people have avoided exploitation and hazardous working conditions by working under the Act. Furthermore, beneficiaries of the MGNREGA have expressed that their participation have enabled them to escape hunger, to improve their selection of food ingredients, making it easier to repay debt, enhanced their capacity to seek healthcare, increasing their affordability to pay for school books and uniforms to their children and also to invest in different agricultural outputs such as fertilizers (Dreze and Khera, 2009). For the women, and especially for widows and single women, engagement in the MGNREGA has meant increased independence from male family members as they have been able to earn money for themselves (Dreze and Khera, 2009, Khera and Nayak, 2009).

However, the implementation of the MGNREGA has encountered a number of challenges such as; delays of payment, low wages, limited funding and qualified staff (Dreze and Khera, 2009, IFPRI, 2010 and Ambasta et al, 2008), and lack of worksite facilities, providing employment, lack of awareness about the Act among the rural poor and heavy corruption (Dreze and Khera, 2009, IFPRI, 2010). Even though the MGNREGA is a right-based Act, ignorance about the various rights within the law (right to employment for 100 days when applied, the right to a minimum wage, the right to worksite facilities to mention a few) or even its existence, deprives possible beneficiaries to gain from the Act.

Corrupt practices have constituted one of the main criticisms towards the credibility of the Act. Fudging of master rolls has proved to constitute one such problem. Fake names have been listed as attending the works, whereby wages are paid and end up falling in wrong hands. In addressing the problem of corruption, the Central government has promoted payment of wages through Banks or Post Offices in favour of by hand to limit the chances of corruption (Dreze and Khera, 2009). However, the shift has not been problem-free. A field study made in the state of Orissa has showed that illiteracy and lack of knowledge among the villagers on how Banks operate has caused hesitation to open Bank account (Vanaik, 2008).

Another initiative by the government to ensure transparency and accountability, not only in the MGNREGA, but in all governmental related work, is the Right to Information Act (RTI). Also

introduced in 2005, the RTI requires the public authorities to share their activities and spending with the people, either given available on the internet, through reports and other documents, or given by request from the people (GOI-Legislative Dept., 2005b). The states where corruption has showed least significance has been Rajasthan and Andhra Pradesh (Dreze and Khera, 2009).

It has also been observed that although the allocation of job cards and photographs should be free of cost, applicants have had to pay to receive both of them (IFPRI, 2010). In addition, the quality of the works completed under the MGNREGA has been criticized for being too poor, for instance in Madhya Pradesh and Gujarat. This jeopardizes the long-term effects of the Act to enhance rural growth by improving rural infrastructure (Ambasta et al, 2008).

### **Research Gap:**

Many studies have been undertaken during the past years on the working of MGNREGA in different parts of India. These studies mostly covered the working of MGNREGA scheme in the States of Karnataka, Andhra Pradesh, West Bengal, Tamil Nadu and Kerala (Murthy et al., 2011; Bagchi and Sujith Majumdar, 2010; Venkataraman et al., 2011 and Shihabuden, 2013 ). Several studies (Prabeena Kumar Bebartha, 2013; Murthy et al., 2011 and Shashikumar, 2013) discussed implementation and performance of MGNREGA scheme. Other studies (Channaveer et al., 2011; Kareemulla et al., 2013; Ajay Kumar Singh et al., 2012; Neha Tiwari and Rajshree Upadhyay, 2012) assessed level of migration, issues and challenges in the implementation of MGNREGA scheme.

The effectiveness and impact of the development programmes on quality of life before and after implementation and satisfaction level of tribal people on the employment scheme have not been thoroughly evaluated in the country except in a few pockets. Hence, in the present study an attempt was made to evaluate the impact of MGNREGA in enhancing income, employment and improving the quality of life of the tribal population before and after implementation of the scheme in Karamadai and Periyanaickenpalayam blocks of Coimbatore district. This would enable us to understand and examine the institutional mechanisms under which the entire programme is being implemented. The study mainly focuses on understanding and assessment of the strengths and gaps of the schemes, and identification of the factors that contributed to good performance and positive outcomes as well as those that contributed

towards uneven performance within the state. All these lessons are very much useful to implementers as well as to the policy makers for effective implementation of the Scheme.

### **Rationale for the Study:**

While employment and job creation are increasingly recognized as being central to poverty reduction, (UN Statistical Division, for new a MDG Target 1.B on employment), creating a sufficient number of jobs solely through market-driven mechanisms can be a challenge even in the best of times, particularly in the face of globalization, financial and trade liberalisation, technical change and economic restructuring. For example, the ADB (2006) points out that “during the 1980s, a 3 percent growth rate of output in the People’s Republic of China was needed to induce a 1percent increase in employment. In the 1990s, a growth rate of almost 8 percent was needed to achieve the same result.

Experience from emerging countries suggests that an appropriate framework of state should not only establish a longer-term development planning framework, but also takes on the role of an ‘Employer of Last Resort’ (ELR). ELR would in fact have a much stronger effect on the economies of low-income, ‘labour surplus’ developing countries, where the poor could help to alleviate shortages of infrastructure, goods and services through work. Mitchell and Wray (1998, 2005) propose using the analogy of a buffer stock to understand the role played by the state when it acts as an ELR and guarantees a job to everyone willing and able to work at a given wage. During periods of economic growth, the private sector will hire people from the pool of unemployed (at a higher wage). During downturns, the government can enforce the minimum wage by maintaining the buffer stock and therefore raising the wage currently being earned by the working poor in the informal economy. In this way, it can provide a floor for securing a minimum standard of living even as it helps to maintain overall wage and price stability.

The International Commission on Peace and Food first proposed to the United Nations in 1994 that employment be considered a basic human right to be constitutionally guaranteed. At the time, the proposal appeared visionary and unlikely to be given serious consideration. After a decade later, the proposal has been endorsed by the Government of India and enacted MGNREG Act. Naturally, it is neither possible nor desirable that Government tries to directly create all the necessary jobs. What it can do is to make the necessary adjustments in laws, policies and institutions and supplement them with some selected programme initiatives that will accelerate the creation of new employment opportunities by the society. Job guarantee

programs range from the temporary Jefes project operated by Argentina to India's Mahatma Gandhi National Rural Employment Guarantee Scheme.

Randall Wray (2009) presented compelling evidence to show that government-sponsored employment guarantee programs of this type are a viable option for addressing unemployment in a wide range of developed and developing countries. Wray also observed that the social costs of high unemployment in terms of loss of human capital, poverty, social isolation, crime, regional deterioration, health issues, family breakdown, school dropouts, social, political and economic instability, violence, ethnic hostility, and even terrorism far outweigh the cost of public jobs programs capable of generating full employment. Thus suitably designed EG programmes can contribute to the MDGs in a variety of ways ranging from the provision of employment per se to addressing MDG-related infrastructure and service delivery deficits.

In this background, the MGNREGS was launched by Government of India to have a direct impact on the rural households in terms of their increased opportunity for wage employment on one hand, and in creating livelihood assets in the farm and non-farm sector, on the other. However, the initial six years of implementation of the MGNREGS suggests mixed experiences including successes/failures across districts and States. Needless to say, the success of the programme may largely depend upon the processes of its implementation. Undoubtedly the MGNREGA has addressed many of the weaknesses of the earlier programmes through the introduction of rights-based framework, time bound access to fulfill guarantee, incentive and disincentive structures, demand based resource availability, accountability and the like. However, there are still certain pertinent issues that need our attention. It is, thus, necessary to assess the awareness level of various stakeholders regarding the scheme and the mechanisms of information dissemination. This is especially true in the case marginalized group in the society, specially the tribal community.

A large number of tribal communities in India are backward from technological, economic and educational point of view. At the same time, a very few number of tribal people have achieved development under the impact of Christianity or Urbanization as found in north – east India and to some extent in middle India. With the introduction of MGNREGA scheme there has been an improvement in the socio – economic status of tribal communities. There are many studies suggesting the successes of MGNREGA scheme in empowering the socio – economic status of tribal people. But some of the important questions that arise here are: Whether the MGNREGA scheme enhanced the living conditions of tribal people? Are tribal

people aware about the allowances and facilities under MGNREGA scheme? This study attempts to examine these questions and arrive at a conclusion regarding quality of life of tribal people.

### **Scope of the Study:**

India is one of the countries having a large concentration of tribal population. In this, it ranks second in the world and comes next only to Africa. The extreme economic and educational backwardness of the tribals in the country has drawn the attention of the state and Central Governments. Many socio-economic measures to uplift the tribals were initiated by India under the Colonial British rule. Ever since the planning process was initiated in the country through five-year plans, the tribal uplift in the country has gained importance. The post-independence era witnessed a large number of developmental measures, policies and programmes that focused on the overall development of the tribal areas. The Constitutional provisions and legislative measures both during the British rule and during the Post-independent period to protect the tribal rights, property, culture, had a significant bearing on the overall tribal economy and socio-cultural system but they failed to have any impact on the improvement of the economic conditions of the tribal population.

After the initiation of the planned development programmes in the country from the first five year plan during 1960s till the present Tenth five year plan, many programmes were implemented for the socio-economic upliftment of the tribals both by the State and the Central Governments. The effectiveness and impact of these programmes have not been thoroughly evaluated. Further, it is necessary to evaluate thoroughly the tribal development programmes in the state of Tamil Nadu, which has the highest tribal population. This study attempts to thoroughly evaluate the socio- economic impact of the MGNREGS programmes in ensuring better living conditions for the tribal population at the grass-root level.

### **Objectives of the Study:**

- ❖ To profile the socio – economic and living conditions of the selected tribal population.
- ❖ To assess the impact of MGNREGA on savings, indebtedness, asset holding, income and consumption expenditure, employment and quality of life of the tribal households.

- ❖ To ascertain the awareness of and facilities under MGNREGA scheme among the selected tribal households.
- ❖ To assess the attitude of the respondents about the MGNREGA scheme.
- ❖ To examine the impact of economic self reliance, quality of life, better community life, work related issues and operational issues on beneficiary's satisfaction towards MGNREGA scheme.
- ❖ To suggest measures for enhancing performance of MGNREGA scheme.

**Hypothesis:**

- The socio – economic conditions of the tribal households are similar in Karamadai and Periyanaickenpalayam blocks.
- There was significant reduction in inequalities in own income, family income and consumption expenditure in the post-MGNREGA.
- MGNREGA scheme has created more employment opportunities for the tribal population, besides enhancing their income and quality of life.
- Quality of life index of the households depends on annual per capita income, living area per person and annual food expenditure.
- Economic self reliance, quality of life, better community life, work related issues and operational issues significantly impact the level of satisfaction of the beneficiaries from MGNREGA activities.

The findings of the study will be of immense significance to the policy – makers to understand the tribal dynamics in Tamil Nadu and help them to formulate suitable policies and programmes for improving the living standards of the tribal population. The outcome of the study will also help in formulating the better policy and strategy for the future.