

## **SOCIAL PROTECTION THROUGH MGNREGS: A STUDY OF RAYALASEEMA REGION IN ANDHRA PRADESH**

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### **Abstract**

This article attempts to explain how far MGNREGS provides social protection for marginal and disadvantaged sections. To study this, the present paper focuses on backward regions that are in dire need of government support through welfare measures. The bottom sections of society should be given priority while implementing different social welfare schemes like employment guarantee, food security, pensions, scholarships, etc. In this context, this article aims at analysing the role of MGNREGS in providing social protection for different sections of society. The role of MGNREGS can be understood through employment and income generated by the households participated. How many rural households depend on MGNREGS for employment? How much employment was generated under MGNREGS in the backward regions? What is the contribution of MGNREGS to the household income? To what extent is MGNREGS providing social protection to the rural poor compared to other welfare schemes? The present article explores answers to these questions with reference to the Rayalaseema, one of the most backward regions in Andhra Pradesh.

**Keywords:** MGNREGS, Rayalaseema, Social Protection, Welfare Transfer.

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## Introduction

Erstwhile Andhra Pradesh bifurcation held on 2<sup>nd</sup> June, 2014 drew special attention of the whole nation to think of economic disparities between Telangana and residual Andhra Pradesh. After bifurcation, residual Andhra Pradesh (continues with the same name) is left as a deficit State without capital and administrative structures. The residual State of Andhra Pradesh comprises 13 districts, namely Srikakulam, Vizianagaram and Visakhapatnam from northern Coastal Andhra; East Godavari, West Godavari, Krishna, Guntur, Prakasam and Nellore from southern Coastal Andhra; and Anantapur, Chittoor, Kurnool and YSR Kadapa from Rayalaseema region. In Andhra Pradesh, Rayalaseema and northern coastal Andhra districts are more backwards than southern coastal districts. Rayalaseema region is agriculturally disadvantageous as it is characterised by ridges and clusters of rocky hills, hard soil, paucity of perennial rivers, lack of thick forest cover, scanty rainfall, enfeebling climate, etc. This region is also known for a long as the stalking ground of famines (Subramaniam & Rao, 1985). But, this region has a huge potential for industrial development as it is endowed by nature with valuable minerals such as barites, iron ore, limestone, asbestos, quartz, mica, copper, granite, dolomite, uranium, etc. No eclectic steps were taken to initiate the process of economic development in this direction. During the bifurcation time, some political voices were heard from the Rayalaseema region demanding a capital city, and a separate statehood, but both the demands were unfulfilled. Such demands arose from the utter negligence of economic development since independence. Since economic growth is capital-centric, it was expected that economic development could be boosted by income generation and sufficient employment opportunities if Rayalaseema region gets the capital city, as happened with Hyderabad. Even though this region produced more illustrious politicians, including Chief Ministers, its plight has been continuing, and it is condemned to perennial backwardness, drought and deprivation (Nageswar, 2016). Such

prolonged distress creates social unrest in any region, and it requires governmental intervention by providing some sort of welfare measures to avoid such social turbulence. In this direction, the ongoing Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) can be contemplated as one of such interventions to enhance the livelihood security of the rural poor. On 2<sup>nd</sup> February, 2006, former Prime Minister Shri Manmohan Singh launched MGNREGS in Bandlapalli village of Anantapur district in Rayalaseema region. As this region is in dire need of employment guarantee to address the problems of poverty and unemployment, the present study attempts to verify the performance of MGNREGS here.

## Review of Literature

Uneven economic development is caused by geographical, socio-economic, and political factors. But, the trickle-down process is very crucial for the equitable distribution of fruits of the economic growth across the regions. Otherwise, it will lead to the concentration of income and wealth, causing severe economic inequalities. The trickle-down failure accentuates regional disparities across the regions in any economy. Therefore, some special attention is required for backward regions to protect the destitute and marginal sections. After independence, economic and regional inequalities are expected to be reduced in India through 'planned efforts' (Minocha, 1983). But, our Five-Year Plans have continuously failed to reduce the economic disparities since they were designed within the framework of an immensely iniquitous property ownership system and heritage of regional inequalities. As a result, the chronic problems of poverty and unemployment have further aggravated. Therefore, the state's responsibility for social protection against poverty and unemployment has never come down even after 70 years of independence. Although numerous employment schemes were introduced to address the rural distress, they did not yield the expected results in generating employment and income in rural areas (Dogra, 2005). Unlike the earlier

schemes, the Government of India launched the Mahatma Gandhi National Rural Employment Guarantee Scheme in 2006 for providing at least 100 days of wage employment to every rural household who is willing to do unskilled manual work. Although the proposed objectives of MGNREGS may not be new, its Constitutional backup and legal framework make it significantly superior to former employment schemes. Over a decade of its long voyage, it has become one of the safety nets of the rural poor by providing employment on a large scale. But, employment generation under MGNREGS has steadily come down since 2010-11 (Gol, 2014; Desai et al., 2015). Ideally, its performance is expected to be better in backward regions where the problems of unemployment and poverty are quite high. Unfortunately, it failed to meet the expectations in poorer states like Bihar, Odisha and Uttar Pradesh. Employment generation under MGNREGS in these States is far below the national average. Reasons such as lack of active efforts (Dreze & Oldiges, 2011), less affordability to bear their respective share of costs and weak administrative structure, less empowered power and poor institutions (Dutta et al., 2012) are cumulatively responsible for the ineffective implementation of the scheme. At this juncture, it is quite interesting to see what happened to MGNREGS in backward regions in the States where its performance is relatively better. This study attempts to find an answer to this question - how far are better performing States providing social protection in their respective backward regions through MGNREGS.

### Objectives

The objectives of the study are as follows:

1. To analyse the role of MGNREGS in terms of employment and income generation in economically backward regions, and
2. To study the contribution of MGNREGS to the rural households' income compared to other welfare benefits.

### Data Sources & Methodology:

Data has been collected from both primary and secondary sources to examine the performance of MGNREGS in the Rayalaseema region at both micro and macro levels. The secondary data was taken from the reports of MIS-MGNREGS (2006-19); and the Census of India 2011. Primary data was collected through a field survey conducted in 2013, in two villages of Kurnool district in Rayalaseema region, namely Masheedupuram and Pulimaddi, covering different agro-climatic conditions. The study adopted a stratified random sampling technique to collect the information in the chosen villages. At the village level, households are stratified into different groups based on social categories such as Upper Caste, Backward Classes (BCs), Scheduled Castes (SCs) and Muslim minorities. The selection of households followed simple random sampling, under which every third household from each social group was surveyed, covering not less than 30 per cent. This study covered a total of 303 households in both villages. Since the job card is a mandatory document for demanding work and receiving individual assets under the scheme, almost all the study households were found registered under MGNREGS and received job cards. Only 141 sample households participated in the MGNREGS works during the reference period. Therefore, this study concentrates only on participating households while analysing the role of MGNREGS in providing social protection. Statistical techniques like descriptive statistics and one-way ANOVA have been used to understand the scheme contribution across the study villages.

This article is divided into two sections. The first section explains employment trends in the Rayalaseema region for the period of 2006-19. The importance of MGNREGS in the context of employment and income generation in study villages is discussed in the next section.

### MGNREGS in Rayalaseema Region

Over 13 years of implementation, employment generation under MGNREGS has shown a

decelerating trend after the first five years (2006-07 to 2010-11) at the national and State levels. This declining trend continued till 2014-15 and started increasing thereafter. Possibly, the same trend reflects across the States; even better-performing ones are not exempted. In Andhra Pradesh too, there is a declining trend in employment generation across the different regions, although it placed a dedicated administrative set up at different levels. In the Rayalaseema region, MGNREGS currently covers around 4121 Gram Panchayats in 232 blocks. This region also experienced a steady decline in the MGNREGS employment generation from the financial year 2011-12. As shown in Table 1, the MGNREGS performance has gradually come down between 2011-12 and 2014-15 in the region in terms of households' coverage, average employment per household, and households that completed 100 days.

On average, MGNREGS covered around 38 per cent of total rural households (as per the Census 2011). In the region, the participation of women under MGNREGS is very high. The share of women in total person-days generated under MGNREGS is 57 per cent. The highest average employment provided is 80 days per household during the drought year of 2009-10, in which the region recorded the lowest rainfall. Thereafter, the employment generation never came close to this level and decelerated further. However, the MGNREGS employment generation in the region is fairly better than the State average. During 2006-19, the average employment given per household per annum is 60 days in the Rayalaseema region which is higher than the State average (50 days). Under MGNREGS, households always receive more employment in Rayalaseema compared to the State average since its inception (Figure 1). It implies that the MGNREGS employment generation in backward districts is relatively better where it is essential. It is possible only when backward regions are given priority (by the State) while implementing MGNREGS, keeping their

livelihood security in mind. Unfortunately, the proportion of participating households who received 100 days of employment is just 19 per cent. It was very high (around 29 per cent) in the year 2009-10, along with households' coverage and average employment for the past thirteen years (2006-19). Official statistics of MGNREGS reveal that funds availability has declined after 2009-10, despite continuous growth in demand for work under MGNREGS. Although Andhra Pradesh has given priority to its backward regions, declining funds availability adversely affected employment generation. Still, Rayalaseema region could receive relatively better employment under MGNREGS than other districts of the State.

Before independence, Anantapur, Chittoor, Cuddapah (present YSR Kadapa), Kurnool and Bellary (presently, in Karnataka) districts had been ceded by the Nizam of Hyderabad to the British. As per the British administrative terminology, these districts were referred as Ceded districts. After independence, this region got officially named as Rayalaseema. When the states were reorganized on linguistic basis in 1956, Bellary district became part of Karnataka state and remaining four districts of the region were left in the state of Andhra Pradesh.

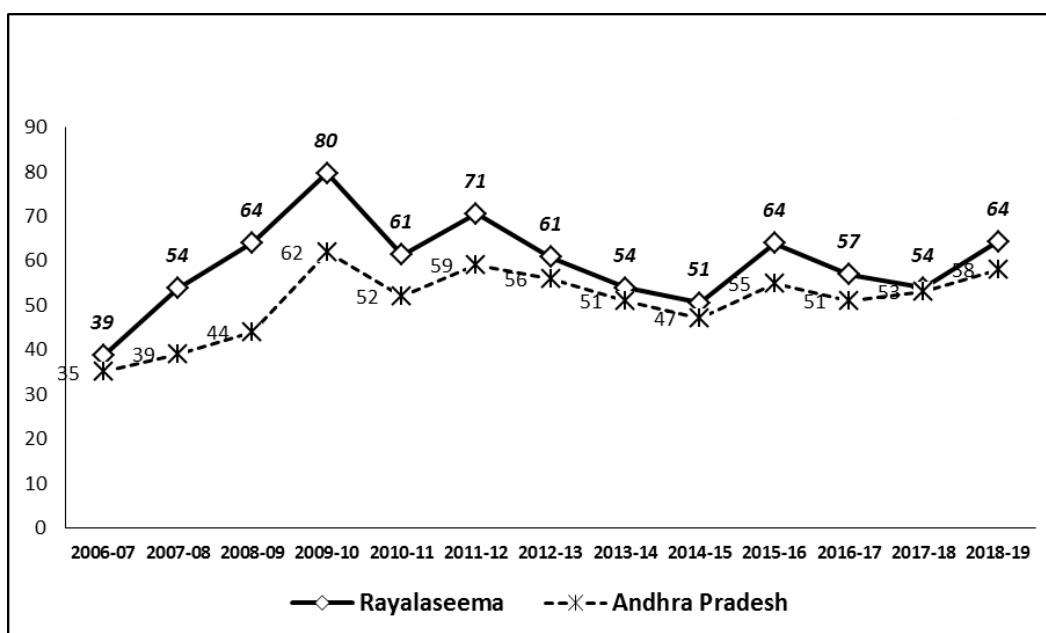
In Andhra Pradesh, Bandlapalli village is located in Narpala mandal of Anantapur district in Rayalaseema region. This is the village where Mahatma Gandhi National Rural Employment Guarantee Scheme was launched for the first time in the country.

Planning in India continued to be aggregative and sectoral, devoid of spatial dimensions. This makes integration of plans at different levels and between different sectors difficult. The efforts that were made under different plans by implementing various welfare schemes, they were not so effective in addressing the problems of unemployment, poverty and income inequalities.

**Table 1***MGNREGS Employment Trends in Rayalaseema*

Year	Households Coverage (Percentage)	Women Share in Person-days (Percentage)	Average Employment per Household (Days)	Households completed 100 days (Percentage)
2006-07	25.9	59.1	39	4.9
2007-08	43.2	59.3	54	13.6
2008-09	43.3	56.3	64	14.7
2009-10	45.0	55.7	80	29.5
2010-11	42.3	55.8	61	19.6
2011-12	31.8	56.4	71	26.2
2012-13	35.9	56.4	61	21.3
2013-14	36.6	57.2	54	14.2
2014-15	33.3	58.3	51	14.6
2015-16	37.9	56.8	64	23.6
2016-17	40.7	57.2	57	18.6
2017-18	41.4	58.5	54	16.2
2018-19	45.0	58.6	64	25.4
<b>Average</b>	<b>38.1</b>	<b>57.2</b>	<b>60</b>	<b>19.1</b>

Source: MIS – MGNREGS Reports (2006-19), Government of India.

**Figure 1***MGNREGS Employment: Comparison between Rayalaseema and Andhra Pradesh (Days)*

There has been no uniformity among the four districts of the region with regard to employment generation under MGNREGS over the years. There is not much difference in the employment received across the districts at the aggregate level. The average employment given per household is 62 days and 61 days, respectively, in Anantapur and Chittoor districts, whereas it is 58 days and 59 days in Kurnool and YSR Kadapa, respectively (Table 2). Surprisingly, the average employment touches 88 days in the Kurnool district, which is close to the proposed target. It is also one of the reasons for choosing the Kurnool district for conducting the field survey. In the drought-affected year, the

average household employment is more than 80 days per household in the districts of Chittoor, YSR Kadapa and Kurnool for the period of 2009-10. Excluding the first year (2006-07), the average employment is always maintained to be above 50 days per household in the three districts of Anantapur, Chittoor and YSR Kadapa. The decline in MGNREGS employment is observed in all districts of the region after 2011-12 and 2014-15. For the recent four years (2015-19), the MGNREGS employment has improved in the region over the years. In this period, Anantapur has received relatively better employment under the scheme than the others.

**Table 2**

*District-wise MGNREGS Employment Per Household (in Days)*

Year	Anantapur	Chittoor	Kurnool	YSR Kadapa	Aggregate
2006-07	37	39		40	39
2007-08	50	57	56	53	54
2008-09	53	81	70	53	64
2009-10	70	81	88	82	80
2010-11	62	55	61	67	61
2011-12	79	63	71	66	71
2012-13	68	63	58	53	61
2013-14	60	60	44	54	54
2014-15	57	55	37	53	51
2015-16	76	63	56	59	64
2016-17	62	56	52	59	57
2017-18	60	54	46	56	54
2018-19	72	63	54	71	64
Average	62	61	58	59	60

*Source:* MIS – MGNREGS Reports (2006-19), Government of India.

Being an economically backward region, Rayalaseema region receives more attention while implementing MGNREGS for providing employment to the rural poor. Demand for MGNREGS works could probably be much higher in this region. As a result, employment generation under MGNREGS reached 60 days per household in the region, which is better than the State's remaining districts. A good proportion of

participating households could receive 100 days of employment, which indicates that rural households properly utilise MGNREGS for their livelihood security. After the first five years of implementation, this region also faced a decline in employment generation under MGNREGS as it happened at the national and State levels. However, this region always continued to perform better in Andhra Pradesh.

### Social Protection through MGNREGS: An Empirical Analysis

In the Rayalaseema region, the study was carried out in two villages of Kurnool district, namely Pulimaddi and Maseedupuram. Pulimaddi village is located in Nandyal mandal, an arid village. At the same time, Maseedupuram is an irrigated village that receives water through the Telugu Ganga Project canal, which geographically falls in Mahanandi mandal. The study covered 154 households from Pulimaddi and 149 households from Maseedupuram village, cumulatively equal to 34 per cent of the total Census households (as per Census 2011), as illustrated in Table 3. Different social groups structure these villages like Reddy and Vysya communities of upper caste, Bondeli,

Boya, Goud, Jangama, Kummari, Mangali, Mudiraj, Rajaka, Padmasali, Vaddera, Vadrangi and Yadava communities of backward class, Madiga and Mala of scheduled caste, and Muslim minorities. Among them, the Reddy community is economically and politically dominant in both the villages. More than 50 per cent of the land is under the control of the Reddy community, whose population is just 22 per cent. The upper caste households are basically supervisory sections who never form the part of rural labour market. The remaining groups of BCs, SCs and Muslim minorities are involved in farming, and farm and non-farm activities. In the total population, the share of BCs and SCs is very high in the sample villages, and it is significantly less for Muslim minorities, which accounts for just 6 per cent.

**Table 3**

#### *Sample Households Coverage and Distribution (in number)*

Category	Pulimaddi	Maseedupuram	Aggregate
Total Census Households	416	466	882
Sample Households	154 (37)	149 (32)	303 (34)
Distribution of Sample Households			
Upper Caste	27 (18)	42 (28)	69 (23)
BCs	63 (41)	43 (29)	106 (35)
SCs	48 (31)	59 (40)	107 (35)
Minorities	16 (10)	5 (3)	21 (7)
Total	<b>154</b> <b>(100)</b>	<b>149</b> <b>(100)</b>	<b>303</b> <b>(100)</b>

*Note:* Parentheses indicate horizontal percentages.

*Source:* Field Survey.

#### **Participation under MGNREGS:**

**Households' Participation:** Being a demand-driven programme, rural households can demand work and participate as per their need. However,

demand for MGNREGS employment may not arise from all the households at the same time. The households' participation is determined by several factors such as involvement in farm and non-farm

activities, employment availability, economic and social status, cultural practices and so on. Out of 303 sample households, 141 have participated in the MGNREGS works in the reference period, which is about 46.5 per cent. In general, demand for the MGNREGS works arises much in agriculturally backward areas by more households for a longer time. The same is noticed during the field survey in the Rayalaseema region. Under MGNREGS, the highest participation is found in Pulimaddi at 53.2 per cent, whereas it is about 39.6 per cent in Maseedupuram. The involvement of

households is not unique across social groups (Table 4). High participation of households is observed in SCs (about 67.3 per cent), whereas it is moderate in BCs (46.2 per cent) and Muslim minorities (38.1 per cent). In the study villages, the lowest participation is noticed among the upper caste households, which is around 17.4 per cent. The participating households mostly come under the category of landless, marginal, small and semi-medium farmers whose primary source of livelihood is wage income.

**Table 4**

*Sample Households Participation and Non-participation under MGNREGS (in Number)*

Category	Pulimaddi			Maseedupuram			Aggregate		
	Participating HHs	Non-participating HHs	Total	Participating HHs	Non-participating HHs	Total	Participating HHs	Non-participating HHs	Total
Upper Caste	6 (22.2)	21 (77.8)	27 (100)	6 (14.3)	36 (85.7)	42 (100)	12 (17.4)	57 (82.6)	69 (100)
BCs	38 (60.3)	25 (39.7)	63 (100)	11 (25.6)	32 (74.4)	43 (100)	49 (46.2)	57 (53.8)	106 (100)
SCs	31 (64.6)	17 (35.4)	48 (100)	41 (69.5)	18 (30.5)	59 (100)	72 (67.3)	35 (32.7)	107 (100)
Minorities	7 (43.8)	9 (56.3)	16 (100)	1 (20.0)	4 (80.0)	5 (100)	8 (38.1)	13 (61.9)	21 (100)
Total	82 (53.2)	72 (46.8)	154 (100)	59 (39.6)	90 (60.4)	149 (100)	141 (46.5)	162 (53.5)	303 (100)

*Note:* Parentheses indicate horizontal percentages.

*Source:* Field Survey.

All rural households may not depend on MGNREGS for their livelihood. The households' participation varies across the regions depending upon the availability of employment opportunities in the countryside. During the field survey, it was found that more than half of the sample households did not participate in the MGNREGS works. The rate of non-participation is 53.5 per cent in the study villages. It is quite high in Maseedupuram (about 61.1 per cent), due to the availability of farm employment for a little longer period. Not surprisingly, the non-participation rate is relatively lower in the dry village of Pulimaddi. On the whole, non-participation is found to a greater extent among the households that belong to the upper

class (82.6 per cent) and Muslim minorities (61.9 per cent). The number of households involved under MGNREGS from the Reddy community is much less. Out of 69 Reddy households, just 12 participate in the MGNREGS works that are landless or marginal farmers, which equals 17.4 per cent. The remaining 82.6 per cent enjoy a better economic and social status in sample villages. Among 21 minority households who belong to the Muslim community, only eight have participated in the MGNREGS works, which is equal to 38.1 per cent and the remaining 13 were not involved in it. From the minority households in the sample villages, male workers mostly engaged in the activities like animal rearing, fishing, digging,



tailoring, tractor driving, woodcutting, and other petty business activities like a hotel, fruit shop, Kirana shop, etc. Usually, females from Muslim households take care of domestic responsibilities rather than work outside. Probably, it could be a religious compulsion too (Sudarshan et al., 2010). As a result, Muslim households' participation is found to be very limited, even though they are landless.

**Workers' Participation:** From 141 participating households, 253 workers from different social groups were involved in the MGNREGS work (Table 5). Majority of them belong to the SCs and BCs. The workers' participation from the upper caste and Muslim community is marginal (less than 20 workers from each). Out of the total workers, 161 were women (63.6 per cent), and 92 (36.4 per cent) are men. The participation of women is very high across social groups. It confirms the highest female participation under MGNREGS as observed from official statistics of MGNREGS.

**Table 5**

*Workers' Participation in MGNREGS from Sample Households (in Number)*

Category	Male	Female	Total
Upper Caste	7 (36.8)	12 (63.2)	19 (100)
BCs	37 (37.4)	62 (62.6)	99 (100)
SCs	43 (35.5)	78 (64.5)	121 (100)
Minorities	5 (35.7)	9 (64.3)	14 (100)
Aggregate	92 (36.4)	161 (63.6)	253 (100)

*Note:* Parentheses indicate horizontal percentages.

*Source:* Field Survey.

**Table 6**

*Distribution of Sample Households by Workers' Participation (in number)*

Category	Average Worker Participation	1 worker	2 workers	3 workers	4 workers	Aggregate
Upper Caste	1.58	6 (50)	5 (41.7)	1 (8.3)	0 (0)	12 (100)
BCs	1.99	15 (30.6)	26 (53.1)	4 (8.2)	4 (8.2)	49 (100)
SCs	1.68	34 (47.2)	29 (40.3)	7 (9.7)	2 (2.8)	72 (100)
Minorities	1.75	4 (50)	2 (25)	2 (25)	0 (0)	8 (100)
<b>Total HHs</b>	<b>1.75</b>	<b>59 (41.8)</b>	<b>62 (44)</b>	<b>14 (9.9)</b>	<b>6 (4.3)</b>	<b>141 (100)</b>

*Note:* Parentheses indicate horizontal percentages.

*Source:* Field Survey.

In the sample villages, the average worker participation is 1.75, which means one or two workers from each participating household go for the MGNREGS work. It is slightly better among the BC households than the remaining social groups. Out of 141 participating households, one to two workers involved in the MGNREGS works from 121 households, which is about 85.8 per cent. The workers' participation is three members from 14 households and four from six households, as depicted in Table 6. These 20 households exclusively depend on wage income for their livelihood by selling their labour-power. Among them, seven households belong to Pulimaddi village, and another 13 are from Maseedupuram village. They include one Reddy household, eight BC households, nine SC households and two minority households.

#### Employment Generation:

In sample villages, employment generation under MGNREGS is around 84 days per household in a year, which is quite close to the target of 100 days of employment. It is better than the macro-level employment figures of the Rayalaseema

region, as discussed in the previous section. Around 45 per cent of participating households received 100 days of employment in the reference period. The workers of Pulimaddi utilised MGNREGS better for getting employment compared to Maseedupuram. It confirms that MGNREGS is reaching needy people. In the agriculturally backward village of Pulimaddi, the average household employment is about 87 days a year.

Interestingly, 54 per cent of the total participating households received 100 days of employment in this village. Compared to Pulimaddi, some water resources are available for irrigation in Maseedupuram village. As a result, workers of Maseedupuram prefer to work in agriculture first, due to attractive wages for both men and women; and participate under MGNREGS later. It makes a difference in received employment under MGNREGS in both the sample villages. Hence, the average employment given per household is about 79 days per annum in Maseedupuram, and just 34 per cent of households have worked up to 100 days.

**Table 7**

*Employment Generation under MGNREGS among the Sample Households*

Category	Average Employment per Household (in days)			Households completed 100 days (in number)		
	Pulimaddi	Maseedupuram	Aggregate	Pulimaddi	Maseedupuram	Aggregate
Upper Caste	77	31	54	2 (33.3)	1 (16.7)	3 (25.0)
BCs	86	91	88	20 (52.6)	5 (45.5)	25 (51.0)
SCs	89	84	86	19 (61.3)	14 (34.1)	33 (45.8)
Minorities	83	40	78	3 (42.9)	0 (0)	3 (37.5)
All HHs	87	79	84	44 (53.7)	20 (33.9)	64 (45.4)

*Note:* Parentheses indicate the Percentage of households completed 100 days among the participated households.

*Source:* Field Survey.

As illustrated in Table 7, employment generation varies across different social groups depending on their participation. It is observed that households belonging to scheduled castes and backward classes received relatively more employment than others. They have received employment around 84-91 days per household in a year. It confirms that MGNREGS guarantees livelihood security to the bottom sections of society. Although minority households' participation is less, they received moderate employment, around 78

days per household. Among the sample households, Muslim households received 83 days in Pulimaddi and 40 days in Maseedupuram during the reference period. At the aggregate level, more than 45 per cent of participating households among BCs and SCs have received employment for up to 100 days. In the case of Muslim minorities and upper castes, the households that completed 100 days are 37.5 per cent and 25 per cent, respectively.

**Table 8**

*Duration of Households' Participation under MGNREGS in Study Villages (in Number)*

Category	Up to 35 days	36 to 70 days	71 to 100 days	100 above	Total HHs
Upper Caste	6 (50)	2 (16.7)	3 (25)	1 (8.3)	12 (100)
BCs	1 (2.1)	10 (20.4)	35 (71.4)	3 (6.1)	49 (100)
SCs	1 (1.4)	21 (29.2)	44 (61.1)	6 (8.3)	72 (100)
Minorities	0	5 (62.5)	1 (12.5)	2 (25)	8 (100)
Total HHs	8 (5.7)	38 (27.0)	83 (58.9)	12 (8.4)	141 (100)
<b>Average HH Employment #</b>	<b>18</b>	<b>58</b>	<b>96</b>	<b>123</b>	<b>84</b>

*Note:* 1. Parentheses indicate horizontal percentages.

2. # indicates the average number of days worked by the households in each category.

*Source:* Field Survey.

In sample villages, most households have worked for 71-100 days (Table 8). Such households accounted for 58.9 per cent of total participating households and worked for 96 days of average employment per household. Another 27 per cent of households have worked for 36 days to 70 days, with average household employment of 58 days. Since it is a drought-prone region, households are permitted to work up to 150 days

under MGNREGS. Interestingly, 12 households (8.4 per cent) worked beyond the 100 days and received 123 days of average household employment in the reference period. Among them, nine households belong to Pulimaddi village, and the remaining three are from Maseedupuram. The number of households which have worked up to 35 days is very less (just 5.7 per cent), with 18 days of average employment per household. None of the

Muslim households had less than 36 days of employment under MGNREGS. Around 50 per cent of the upper caste households have worked for a very short period. The percentage of households working beyond 100 days is found to be better among the Muslim minorities (up to 25 per cent), though their number is less. About 62.5 per cent of Muslim households worked for 36-70 days. Most BC (71.4 per cent) and SC (61.1 per cent) households have worked for a longer period in the range of 71 days to 100 days. Among the BCs and SCs, 6-8 per cent of households could get beyond 100 days of employment. The share of households belonging to BCs and SCs that have worked for a very short period, i.e., up to 35 days, is quite less, which is not even more than 2.1 per cent. It further confirms that the demand for MGNREGS employment arises from economically weaker sections like BCs and SCs for a longer period.

#### Descriptive Statistics and ANOVA Results

Some significant inferences can be drawn from the estimated descriptive statistics on the number of employment days, average wage rate and income received under MGNREGS (Table 9).

Despite the variability being observed up to 33 per cent, the distribution appears to be fairly good since it is cross-sectional data. In the study villages, the employment given per household ranged between 15 and 140 days. The average wage rate received under the scheme is Rs. 108, less than the notified wage rate of Rs. 137 during the reference period. None of the participated households received the notified wages in the study villages. Like employment generation, the income received by sample households ranged from Rs. 1350 to Rs. 14400. Out of 141 participating households, around 35.5 per cent of households received income under MGNREGS above the median income, depending upon the households' participation. A strong correlation (0.96) exists between employment days and the incomes received. However, the incomes received under the scheme vary across the study villages. The estimated one-way ANOVA results suggest that the differences in mean MGNREGS incomes between the sample villages are statistically significant at 99 per cent confidence levels, negating the null hypothesis that no differences exist (Table 10).

**Table 9**

*Descriptive Statistics on MGNREGS Employment and Income*

Statistics	No. of Days	Wage rate	Income
Mean	84	108	8915
Standard Error	2	1	252
Median	90	100	10000
Mode	100	100	10000
Standard Deviation	26.13	10.23	2988.37
Kurtosis	0	-1	0
Skewness	-1	0	-1
Range	125	50	13050
Minimum	15	80	1350
Maximum	140	130	14400
Coefficient of	31.3	9.5	33.5
Count	141	141	141

*Source:* Authors' Estimation.

**Table 10**  
*ANOVA Results*

Source of Variation	Sum of Squares	df	Mean Square	F	Sig.
Between the Villages	113366564	1	113366564	13.86	0.000
Within Villages	1136880897	139	8178999		
Total	1250247461	140			

Source: Author's Estimations.

**Income Generation:** In rural areas, MGNREGS provides only supplementary employment for up to 100 days for the participating households. Therefore, its contribution to the total household income would also be small. On average, sample households received Rs. 8915 in the reference period, which is 7.8 per cent of their total income. Like employment generation, income obtained through participation in the MGNREGS works is observed to be higher in the dry village than in the other. Average household incomes received under MGNREGS are Rs. 9602 and Rs. 7961 in Pulimaddi and Maseedupuram, respectively. Since both BC and SC households worked for more days under MGNREGS, they received more than Rs. 9000 per annum at the aggregate level. In the case of Muslim minorities, the average household income is also better, about Rs. 8800. Like employment days, there is a considerable gap in the incomes received by the minority households between the two villages. The households belonging to the upper caste received less income (Rs. 4438) from MGNREGS.

Another important observation from Table 11 is the contribution of MGNREGS to household income. Surprisingly, the share of MGNREGS income to the total household income is found to be a little more in Maseedupuram, though they receive lesser absolute income from MGNREGS than Pulimaddi village, where workers get relatively more employment. During the reference period, workers of Pulimaddi village received more employment from the farm and non-farm activities (at higher wages). As a result, they received a major portion of their income from these sources. So, the share of MGNREGS in their total income became too small.

On the other hand, majority of the workers in Maseedupuram engaged mostly in farm operations and their involvement in non-farm activities is found to be less. So, the households of Maseedupuram received relatively lesser aggregate incomes. Consequently, the share of MGNREGS in total household income is shown as a better proportion in Maseedupuram village.

**Table 11**  
*Average MGNREGS Household Income (in Rupees)*

Category	Pulimaddi	Maseedupuram	Aggregate
Upper Caste	5908 (6.0)	2967 (2.1)	4438 (3.7)
BCs	9909 (8.7)	9355 (9.7)	9784 (8.9)
SCs	9979 (6.8)	8405 (9.8)	9083 (8.1)
Minorities	9429 (6.0)	4400 (5.2)	8800 (5.9)
All HHs	9602 (7.4)	7961 (8.5)	8915 (7.8)

Note: Parentheses indicate the share of MGNREGS in their total household income.

Source: Field Survey.

**Table 12***Shares of Different Sources in Total Wage Income of Sample Households (in Percentages)*

Category	Pulimaddi			Maseedupuram			Aggregate		
	Agri.	Non-Agri.	MGNREGS	Agri.	Non-Agri.	MGNREGS	Agri.	Non-Agri.	MGNREGS
Upper Caste	55.8	28.3	15.9	89.8	0.0	10.2	70.7	15.9	13.4
BCs	39.6	40.5	19.9	69.1	14.7	16.2	47.0	34.0	19.0
SCs	60.4	19.2	20.4	77.5	7.1	15.4	70.6	12.0	17.4
Minorities	22.9	66.5	10.6	0.0	0.0	100.0	22.7	66.1	11.2
<b>All HHs</b>	<b>45.4</b>	<b>36.1</b>	<b>18.5</b>	<b>76.3</b>	<b>8.3</b>	<b>15.4</b>	<b>58.3</b>	<b>24.5</b>	<b>17.2</b>

*Source:* Field Survey.

In general, casual labourers hire their labour power for different activities such as agricultural operations, non-farm activities and public works like MGNREGS. In rural areas, most households depend on agriculture for their livelihood. As shown in Table 12, sample households receive 58.3 per cent of their wage income from agriculture, whereas they usually receive 24.5 per cent from non-agriculture and 17.2 per cent from MGNREGS in the total wage income. There are some interesting observations from the field study. Compared to other social groups, BCs and minority households receive relatively less employment from agriculture and more employment from non-agricultural activities. The upper caste labour households depend much on agriculture for employment. In this region, the land is concentrated in the hands of upper castes, especially the Reddy community. In rural areas, social status influences workforce participation. The workers belonging to Reddy community neither work in the farm nor involve in non-farm activities of the SCs and BCs. They prefer to work in the fields of their community and public works like MGNREGS to some extent. Most of these workers get employment in the agricultural fields that belong to the Reddy community. As a result, the share of agriculture in their total wage income is quite high. Muslim workers depend more on non-agricultural activities for their livelihood. For minority households, around 66 per cent of wage income arises from non-agricultural activities. The BCs

receive 34 per cent wage income from non-agriculture activities. Since SCs received a smaller proportion of wage income from non-agriculture, their involvement could be less in non-agriculture for wage employment. The share of MGNREGS in total wage income varies from 11 per cent to 19 per cent across social groups. In the case of BCs and SCs, MGNREGS contribution to total wage income is relatively higher than upper caste and minority households like their participation under MGNREGS.

The contribution of MGNREGS to wage income is observed to be high at 18.5 per cent in Pulimaddi. Both agriculture and non-agriculture works are equally important in providing livelihood enhancement for rural households in this village. Being a dry village, workers of Pulimaddi get less employment within the village; they go to nearby villages to work in both farm and non-farm activities. Consequently, the share of agriculture in total wage income is relatively less, and the non-agriculture share in total wage income is quite good in Pulimaddi village. In the better-irrigated village of Maseedupuram, 76.3 per cent of wage income generates from agriculture alone. In Maseedupuram, the households receive more wage income from agriculture, which provides more employment to the people. In this village, the share of agriculture in total wage income varies from 69 to 89 per cent across the social groups, except for Muslim minorities. The study covered only one Muslim household in Maseedupuram that

participated exclusively under MGNREGS. Although they receive 100 per cent of its wage income, their primary source of livelihood is self-employed petty trade activity. After agriculture, the households receive another 10 to 16 per cent of wage income from MGNREGS. The households' dependency on non-farm wages is found to be less in Maseedupuram.

**Welfare Transfers:** In developing and underdeveloped countries, the State cannot avoid its responsibility of providing welfare to the people. Since independence, India has been offering various welfare measures to protect the poor. MGNREGS is also one such welfare measure that has continued since 2006. In addition, the Central and State governments have been implementing different welfare schemes to protect the poor against hardships in rural areas. All these schemes contribute to the total welfare of households in different ways. While analysing total welfare transfers, in addition to MGNREGS, five more welfare schemes were considered such as Public Distribution System (PDS), Integrated Child Development Scheme (ICDS), Midday Meals, Pensions and Scholarships. These schemes are different and are not comparable to each other. Except for MGNREGS and PDS, the remaining four

schemes are pure transfer payments that do not have any connection with exchange and productivity. Although these schemes are not comparable with MGNREGS, these all are part of the disposable incomes of the households. However, these transfers will have a positive influence on rural livelihoods in multiple ways. These schemes' applicability depends on the eligibility and participation of the people. They may not be applicable to all rural households. Therefore, benefits received through these schemes differ across the households. Still, an attempt is made to understand the share of MGNREGS in total welfare transfers among the participating households. The welfare benefits from all the six schemes were aggregated and expressed in monetary terms for the analysis. Fair prices of the different commodities (rice, kerosene, sugar, etc.) were used for monetising the benefits under public distribution. The amount spent on each child is considered for calculating the benefits of ICDS and mid-day meals. At the same time, the direct monetary value of the MGNREGS income, pensions and scholarships of the beneficiaries is used to measure the benefits of each household. The estimated total welfare benefits of the sample households are given in Table 13.

**Table 13**

*Welfare Transfers across Social Groups in Study Villages (in Rupees)*

Category	Pulimaddi	Maseedupuram	Aggregate
Upper Caste	80511 (6.9)	46568 (5.0)	127079 (6)
BCs	565401 (48.3)	179323 (19.2)	744724 (35.4)
SCs	400408 (34.2)	695691 (74.4)	1096099 (52.0)
Minorities	125205 (10.7)	13272 (1.4)	138477 (6.6)
Total	1171525 (100)	934854 (100)	2106379 (100)

Source: Field

Note: Parentheses indicate horizontal percentages Survey.

As expected, the poor and marginal sections received more welfare benefits from various schemes among the sample households. It is clear from the field study that government rescues the poor and backward regions by providing more welfare to the people. Pulimaddi received relatively more income transfers than the irrigated village of Masedupuram. At the aggregate level, SCs have received a large chunk of welfare transfers from different schemes compared to other social groups. As shown in Table 10, more than 50 per cent of total welfare money is received by SC households. The households that belong to the upper caste and

Muslim minorities have received a small quantum in welfare transfers (up to 7 per cent). The upper caste households get welfare benefits mostly through MGNREGS and PDS, though their participation under MGNREGS is very less. Since there are just eight households belong to the Muslim community in the study villages, they received a 6.6 per cent income in total welfare transfers. But, on average, each Muslim household received welfare benefits of around Rs. 17,310, which is quite better than SCs and upper-caste households (Table 14).

**Table 14**

*Social Group-wise Implicit Income Transfers through Different Schemes*

Category	Average Income Transfer per Household (in Rupees)						Total
	PDS	Pensions	ICDS	Mid-Day Meals	Scholarships	MGNREGS	
Upper Caste	4518 (44.5)	700 (6.9)	147 (1.4)	159 (1.6)	200 (2.0)	4438 (43.7)	10161 (100)
BCs	4996 (28.7)	1298 (7.5)	90 (0.5)	849 (4.9)	392 (2.3)	9784 (56.2)	17409 (100)
SCs	5011 (29.3)	1017 (5.9)	171 (1.0)	1411 (8.3)	400 (2.3)	9083 (53.1)	17092 (100)
Minorities	4836 (27.9)	600 (3.5)	220 (1.3)	2254 (13.0)	600 (3.5)	8800 (50.8)	17310 (100)
Aggregate	4954 (29.8)	1064 (6.4)	144 (0.9)	1157 (7.0)	391 (2.4)	8915 (53.6)	16625 (100)

*Note:* Parentheses indicate horizontal percentages.

*Source:* Field Survey.

In the study villages, the average welfare benefit received by households, which participate in the MGNREGS works, from different schemes is Rs.16,225. The average household benefit varied across the social groups depending on the number of beneficiaries. The upper caste households received less welfare, about Rs. 10611 per household. The households belonging to BCs, SCs and Muslims received more than Rs. 17,000 in the reference period. The sample households received the highest welfare income through participation under MGNREGS, which is about 53.6 per cent. It

again confirms the importance of MGNREGS in providing social protection to the rural poor. The average household income through MGNREGS ranged from Rs. 8800 to Rs. 9784. The average income received through MGNREGS is relatively better in BC, SC and Muslim households, varying from 50.8 to 56.2 per cent. Interestingly, the upper caste households received slightly more income from PDS (44.5 per cent) than MGNREGS (43.7 per cent). It is mainly because of their less participation under MGNREGS, as discussed earlier.



This is followed by PDS, which provided around 29.8 per cent of their total welfare transfer. There is not much difference among the social groups in receiving benefits under PDS, ranging from Rs. 4518 to Rs. 5011. All households participating in the MGNREGS works possess BPL (Below Poverty Line) ration cards (White, Annapoorna and Antyodaya). Hence, all these households received benefits under PDS in sample villages. Compared to SCs and BCs, the number of pension beneficiaries (old-age, widow and disabled) is found to be less among the upper caste and Muslim minorities. As a result, on average, they get less amount, which is up to Rs. 700 per household. The average amount received through pensions is Rs. 1298 for BCs and Rs. 1017 for SCs.

Another important observation is the difference in children's enrolment in government schools. The mid-day meal scheme is mostly utilised by the children of the SCs, Muslim and BCs households. The mid-day meals contribution to total welfare transfer is about 13 per cent for Muslims, 8.3 per cent for SCs and 4.9 per cent for BCs. During the field survey, it is noticed that the upper caste households prefer private schools for their children's education. Even though they admitted their children to the government schools, parents do not allow their children to eat food prepared by SHG (Self-Help Group) women who belong to BCs and SCs. The social factor is most influential in this concern. It is noticed that only one boy from the Reddy community who belongs to a landless and economically poor household takes food at the government school.

Similarly, none of the upper caste households admitted their children to anganwadi centres in the study villages. But, they never opposed vaccination administration by ANMs (Auxiliary Nurse Midwife) and ASHA (Accredited Social Health Activists) workers, or refused to accept food material (eggs, Tur dal, Balamrutham, iron supplements, etc.)

supplied to pregnant women, lactating mothers and adolescent girls from the anganwadi centres. The number of students enrolled for higher education in government colleges is very few. Among the scholarship recipients, the majority of the students belong to scheduled castes. The average amount of scholarship receipts varied from Rs. 200 to Rs. 600 across the social groups. However, there is a marginal contribution of the schemes like mid-day meals (7 per cent), pensions (6.4 per cent), scholarships (2.4 per cent) and ICDS (0.9 per cent) in total welfare transfer. To conclude, it is stated that MGNREGS significantly contributes to the total welfare transfers to enhance livelihood security compared to other social welfare schemes.

### Conclusion

In backward regions, the need for employment is high due to the massive poverty and chronic unemployment problems compared to economically progressive ones. Hence, these regions should be given priority while implementing any welfare programme. In Andhra Pradesh, the MGNREGS employment generation is quite better in the Rayalaseema region, which is the most backward one. In the backward region also, less than half of the total households only depend on MGNREGS for employment. Most of the non-participating households belong to the upper caste requiring no employment guarantee. On the ground, marginal sections like BCs and SCs utilise the employment guarantee scheme. Though MGNREGS provides supplementary employment, it significantly contributes to the wage income of rural households. This contribution would greatly support the participating households to enhance livelihood security. MGNREGS has emerged as an important welfare scheme in rural areas by contributing to more than 50 per cent of the total welfare transfer. Therefore, the role of MGNREGS is quite essential in providing social protection to rural households in the backward regions.

**End Notes:**

1. Before independence, Anantapur, Chittoor, Cuddapah (present YSR Kadapa), Kurnool and Bellary (presently, in Karnataka) districts had been ceded by the Nizam of Hyderabad to the British. As per the British administrative terminology, these districts were referred as Ceded districts. After independence, this region got officially named as Rayalaseema. When the States were reorganised on linguistic basis in 1956, Bellary district became part of Karnataka and remaining four districts of the region were left in Andhra Pradesh.
2. In Andhra Pradesh, Bandlapalli village is located in Narpala mandal of Anantapur district in Rayalaseema region. This is the village where Mahatma Gandhi National Rural Employment Guarantee Scheme was launched for the first time in the country.
3. Planning in India continued to be aggregative and sectoral, devoid of spatial dimensions. This makes integration of plans at different levels and between different sectors difficult. The efforts that were made under different plans by implementing various welfare schemes, they were not so effective in addressing the problems of unemployment, poverty and income inequalities.
4. Government of India notifies the MGNREGS wages for different States/UTs every year as per Consumer Price Index for Agricultural Labour (CPI-AL).
5. Balamrutham is the weaning food prepared of wheat, Bengal gram, milk powder, oil, sugar, etc. In Andhra Pradesh, Balamrutham is supplied to the children aged between seven months to three years for providing supplementary nutrition under Integrated Child Development Scheme.

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