



## ERADICATION OF POVERTY THROUGH EMPLOYMENT SCHEMES FOR THE MARGINAL FARMERS AND AGRICULTURAL LABORERS IN KURNOOL DISTRICT OF ANDHRA PRADESH

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### **ABSTRACT**

*Eradication of poverty through employment schemes for the marginal farmers and agricultural laborers in Kurnool districts of Andhra Pradesh is studied on wage employment and self employment aspects in different locations in the district and it is concluded that there is self employment schemes are like Pasukranti and Rajiv Yuvasakti programmes are high impact on marginal farmers compared to agricultural laborers in the district. The study revealed that incomes generated from both self employment and wage employment scheme are high impact on women compared to men from both marginal farmers and agricultural laborer households in the district. The study based on primary data. Stratified random sampling method is using in selection of sample. Total sample size is 300 i.e., (173 from marginal farmers and 127 from agricultural laborer households). In addition, the study discussed that majority of the marginal farmers and agricultural laborer households are poor. The results and conclusions of this study would certainly enrich the knowledge of policy makers for effective implementation of various schemes for Poverty Alleviation and Agricultural Development in Andhra Pradesh state. The study revealed has made suggestions based on the research findings that may be considered while formulating policies for the development of marginal farmers and agricultural laborers.*

**Keywords:** poverty, self employment, wage employment, marginal farmers, agricultural laborers.

## **Introduction**

The government is following a focused approach through various schemes in the areas of poverty alleviation and employment generation to achieve inclusive development. As the last exercise conducted in 2002 to identify people living in poverty in rural areas had several limitations, Dr. N.C. Saxena Committee was constituted to advice on the methodology for conducting a Below Poverty Line (BPL) census. Consequently, a Socio-Economic and Caste Census (SECC) was undertaken in June 2011 through a door-to-door enumeration across the country, which after due deliberation formed the basis for targeting beneficiaries under various social-sector programmes. Some important poverty alleviation and employment generation programmes (Pasuktanti, Rajivyuvasakti and MGNREGA) are examined in the following lines.

This study NSSO 68<sup>th</sup> has estimated the Poverty Line Round (2011-12). The poverty line comes to Rs. 15,377.4 per capita, per annum at current prices<sup>1</sup>.

## **Review of Literature**

The Government of India's poverty alleviation programmes are broadly of five categories; they are Self Employment Programmes, Wage-employment programmes, Area Development Programmes, Social Security Programmes and other programmes such as Integrated Rural Development Programme, Jawahar Rozgar Yojana, Annapurna, Antyodaya Anna Yojana and Pradhan Manthri Gram Sadak Yojana and National Rural Employment Guarantee scheme<sup>2</sup>.

The programme has been financed partly by government subsidies and partly by bank credit. The programme has been implemented by an autonomous agency, the District Rural Development Agency (DRDA) set up especially for the purpose. The management of the programme has been coordinated at the State level under the guidance of a High Power Coordination Committee. The responsibility for providing the policy frame and general guidelines for implementation has rested with the Ministry of Rural Areas and Employment at the national level. The IRDP suffered from several defects which include sub-critical investment, unviable projects, illiterate and unskilled beneficiaries with no experience in managing an enterprise, indifferent delivery of credit by banks, overcrowding of lending in certain projects such as dairy, underemphasize on activities like trading, service and even simple processing, poor targeting and selection of non-poor<sup>3</sup>. As regards the performance of Integrated Rural Development Programme in Andhra Pradesh, leakages, retention of assets, employment and income gains have been noticed<sup>4</sup>.

Employment guarantee scheme was experimentally started in 1965 and was subsequently expanded as part of an Integrated Rural Development Programme (IRDP)<sup>4</sup>. To implement a basic set of social and an economic objective, the Common Minimum Programmes (CMP) was announced in 2004 to address the hunger and food security in rural areas. In August 2005, the Indian Parliament passed the National Rural Employment Guarantee (NREG) Act. This is hailed as one of independent India's most ambitious interventions to address rural poverty and empower poor people. The NREGA follows a set of legally enforceable employment norms. Its aim is to end food insecurity, empower village communities, and create useful assets in rural areas. It is based on the assumption that every adult has a right to basic employment opportunities at the statutory minimum wage. Under the scheme, one member of every rural poor family is guaranteed 100 days of work at the minimum wage of Rs 60 a day. All rural poor are eligible, not just those designated below the poverty line (BPL). One-third of the beneficiaries must be women. If five or more children accompany their mothers to any site, the implementing authority must appoint a woman to look after them on the site. Panchayats at district, intermediate and village levels are entrusted with the work of identifying and monitoring the project, together with a programme officer. Social audits of the work are expected to be done at gram sabhas. Work will, as far as possible, be provided within a radius of 5 km. The work includes water harvesting, drought-proofing, and micro and macro irrigation works, renovation of traditional water bodies, flood control barriers and rural connectivity<sup>6</sup>. But, The World Bank (2009) has described the National Rural Employment Guarantee (NREGA) scheme as a policy barrier hurting economic development and poverty alleviation. It is also noted that various schemes of the Indian government like NREGA, watershed programmes and schemes for development of small and medium towns are acting as "policy barriers to internal mobility". The internal mobility, the report argued, is necessary as "lifting people out of poverty requires shifting populations from villages to cities". The World Bank has also insisted that the process of migration should be encouraged<sup>7</sup>.

### **Objectives of the study**

The specific objectives of the present research study are:

1. To assess the impact of poverty alleviation programmes on sample households.
2. To study the getting beneficiaries under poverty alleviation programmes on sample households.

## **Data and Methodology**

The present study based on multi-stage random sampling technique relates to the year 2012-13. Kurnool district was purposely selected in the first stage. In the second stage, one village each was selected randomly from developed and less developed divisions of the district. From these villages 300 households (173 belonging to the marginal farm size category and 127 to the agricultural laborer category) were randomly selected and investigated, by taking 15 per cent households from the total number of marginal farmers and agricultural laborers. The data was collected from the sampled households through personal interviews. The data collected from different sources are processed and analyzed by using various statistical tools such as percentages, averages, dispersion, paired-test, etc. used at appropriate contexts in the study.

## **Results and discussions**

### **Self-employment income of Sample households**

Income constitutes the earnings of all the earners and earning dependents who are the members of the households. In addition to the income of the family accruing from property, cultivation of land, livestock, homegrown products are the major source of income. The main purpose of Pasukranti and Rajiv Yuvaskati schemes is to augment household income by creating employment opportunities. In the preceding section, the impacts of schemes on self-employment by were assessed sex-wise. In the present section, it is proposed to examine the differential impact of the schemes on household income of the samples. As usual, an examination of the comparative statistics of household income of marginal farmer and agricultural laborer households is made. The table 1 makes it clear that 20 per cent men and 19 per cent women marginal farmer households are getting benefit of both schemes in Koduru village. The increase in self-employment income for men and women was of the order of 114, 86 per cent and 106, 89 per cent of both schemes. The overall increase in the supplementary income from Pasukranti pathakam is higher than that of Rajiv Yuvasakti programme. There is a significant difference between pre and post scheme period in both schemes (p value 0.00\*) at 5% level in developed village. In less developed village, 19 and 13 per cent of beneficiaries are getting aggregate employment in men and women. In addition, their income increased at 120, 156 per cent and 201, 163 per cent under less developed village of both schemes. It is observed that there is a significant difference between pre and post scheme period in both schemes (p value 0.00\*) at 5% level of significance.

In the developed village the increase in the incomes of both men and women agricultural laborer beneficiaries were in the order of 37 per cent, 104 per cent and 143 per cent, 100 per cent in both schemes. The overall income increased from self-employment was of higher order for women than the men in Rajiv Yuvasakti scheme but Pasukranti is with inverse relationship. In the less developed village 8 per cent men and 6 per cent women beneficiaries are getting benefit from these schemes. Their income also increased significantly (p value 0.00\*) at 5% level of significance in both the villages and both schemes between pre and post scheme period. The striking feature of employment generation is the significant difference in employment for women compared with men in Pasukranti scheme. Finally, the developed village gets more benefit of both schemes compared with the less developed village. The striking feature of employment generation is the significant difference in employment for women compared with men in Pasukranti scheme. It is because they contribute to the empowerment of women and thereby their economic emancipation. Finally, the less developed village and marginal farmers are getting more income from both schemes compared with the developed village and agricultural laborers.

### **Wage-employment income of Sample households**

MGNREGA is the enforcement of minimum wages in rural areas. The Indian Minimum Wages Act of 1948 was created to ensure a subsistence wage for workers, with each state of India determining their own minimum amount of income needed to stay out of poverty. MGNREGA incentivizes the minimum wage payment by covering the wages of unskilled workers using the federal budget while putting the onus on local governments to cover unemployment benefits for those in their constituency. Local governments have a financial incentive to implement MGNREGA and keep unemployment low in their villages. Table 2 incorporates the wage employment of marginal farmers and agricultural laborer households under MGNREGS. It is clear that 34 and 50 per cent of average wage earners of men and women are getting benefit of MGNREGS scheme. Their wage income also increased at 15 per cent and 21 per cent for men and women in developed village. The less developed village is getting 22 and 29 per cent benefit of average wage earners and their income from wage employment also increased to 18 per cent and 38 per cent of men and women. Paired t-test calculated. There is significant difference between pre and post scheme periods in the both villages (p value 0.00\* at 5% level of significance). In addition wage employment of agricultural laborer households of 62 per cent and 77 per cent of average wage earners of men and women are getting benefit of MGNREGS scheme. Their wage

employment also increased to 26 per cent and 33 per cent for men and women respectively in the developed village. In the less developed village, 22 per cent and 29 per cent are getting benefit of average wage earners. Their wage employment also increased to 29 and 35 per cent men and women. There is significant difference between pre and post scheme periods (p value 0.00\* at 5% level of significance), in both men and women.

### **Impact of anti-poverty programmes**

Pasukranti and Rajiv Yuvasakti programmes are being implemented in Andhra Pradesh and the MGNREGS is implemented at national level where rural poverty is highly concentrated among the agricultural laborers and marginal farmer households. These programmes have been formulated and implemented primarily due to the high incidence of mass poverty. The overall impact of these schemes on employment and income and therefore on the incidence of poverty is presented in table 3 and a closer examination of the proportion of poverty alleviation programmes (Pasukranti, Rajiv Yuvasakti and MGNREGS) beneficiaries significantly varies across sample villages. The impact of anti-poverty programmes on employment generation is quite significant as far as self-employment is concerned. In respect of income generation, the proportion of households crossing the poverty line is higher in the case of marginal farmer households (42 per cent) than that of agricultural laborer households (26 per cent). Further, it may be noted that the impact of the anti-poverty programmes is also not uniform between men and women. The reduction in wage employment among women is higher when compared to men in both marginal farmer and agricultural laborer categories. The growth of self-employment is higher among women than in men.

### **Policy implications**

The above conclusions suggest that the following measures may be considered while formulating poverty alleviation policies and programmes.

- The positive relation existing between beneficiaries' size and their income indicates a strong case for effective implementation of poverty alleviation programmes. This may benefit majority of the farmers at the lower strata and the agricultural laborers.
- Improving irrigation facilities and ensuring adequate through government schemes may improve yield and income from farming activities.

- Since agricultural laborer, households and also majority of the marginal farmer households eke out their livelihood through wage employment, Minimum Wages Law may be implemented effectively to improve their income levels.
- Provision of financial assistance to take up activities like dairying, poultry etc., and setting up of agro-based industries will enable them to improve their income levels.
- Finally, effective implementation of rural development and employment generating programmes, and also the welfare schemes meant for uplifting the rural poor by the concerned officials with honesty and transferency at different levels will help in creating income yielding assets, employment opportunities and improving income levels of the rural poor, particularly of the small and marginal farmers and agricultural laborers.

**Table 1**

**Income generation under Self-employment Schemes of Marginal Farmers and Agricultural Laborer Households**

<b>Self-employment of men Marginal Farmers (income in Rs.)</b>										
<b>Village</b>	<b>Pasukranti</b>					<b>Rajiv Yuvasakti</b>				
	<b>No. of Bs</b>	<b>Pre-S</b>	<b>Post-S</b>	<b>P.I</b>	<b>Paired t- test (p-values)</b>	<b>No. of Bs</b>	<b>Pre-S</b>	<b>Post-S</b>	<b>P.I</b>	<b>Paired t- test (p-values)</b>
<b>Koduru</b>	4(9)	18525	39625	114	26.273(0.00*)	5(11)	23873.6	44523.6	86	14.865 (0.00*)
<b>Thernekal</b>	6(5)	12733	28051	120	33.937(0.00*)	18(14)	11904	30516	156	20.187 (0.00*)
<b>A( E. no. of Bs)</b>	10(6)	15049.8	32680.6	117		23(13)	14506.1	33561.1	131	
<b>Self-employment of men Agricultural Laborers (income in Rs.)</b>										
<b>Koduru</b>	2 (3)	24908	34241	37	11.742(0.00*)	6 (9)	18224.67	37215	104	19.031 (0.00*)
<b>Thernekal</b>	1 (2)	18927	25543	35		4 (6)	10525	22352	112	22.739 (0.00*)
<b>A( E. no. of Bs)</b>	3 (2)	22914.3	31341.7	37		10 (7)	15144.8	31269.8	106	
<b>Self-employment of women of Marginal Farmers (income in Rs.)</b>										
<b>Village</b>	<b>Pasukranti</b>					<b>Rajiv Yuvasakti</b>				
	<b>No. of Bs</b>	<b>Pre-S</b>	<b>Post-S</b>	<b>P.I</b>	<b>Paired t- test (p-values)</b>	<b>No. of Bs</b>	<b>Pre-S</b>	<b>Post-S</b>	<b>P.I</b>	<b>Paired t- test (p-values)</b>
<b>Koduru</b>	6(13)	20680	42693.3	106	19.055(0.00*)	3(6)	14642	27674.67	89	7.021 (0.00*)
<b>Thernekal</b>	9(7)	9312	28036	201	39.785(0.00*)	8(6)	7226	18987	163	8.100 (0.00*)
<b>A( E. no. of Bs)</b>	15(9)	13859.2	33898.9	145		11(6)	9248	21356.4	131	
<b>Self-employment of women Agricultural Laborers(income in Rs.)</b>										
<b>Koduru</b>	2 (3)	10518	25609	143	10.121(0.00*)	2 (3)	18051	36040	100	18.189 (0.00*)
<b>Thernekal</b>	2 (3)	11624	22999	98	12.297(0.00*)	2 (3)	17536	33313	90	15.422 (0.00*)
<b>A( E. no. of Bs)</b>	4 (3)	11071	24304	119		4 (3)	17793.5	34676.5	95	

**Note:** P.I- Percentage Increase, Bs: Beneficiaries, S: Scheme, A: Average, E: Except, No: Number & Figures in parentheses indicate percentages to total sample households & \* significant at 5% level of significance

**Source:** Field data

**Table 2**

**Income generation under MGNREGS of Marginal Farmer and Agricultural Laborer Households**

Wage-employment of men of Marginal Farmers (income in Rs.)				
Village	No. of Beneficiaries	MGNREGS		
		Pre-S	Post-S	Paired t- test (p-values)
Koduru	16(34)	7745.75	8892.38	13.935 (0.00*)
Thernekal	28(22)	11436.29	14140	5.262 (0.00*)
A( E. no. of Bs)	44(25)	9878.88	11516.2	
Wage-employment of men of Agricultural Laborers (income in Rs.)				
Koduru	40(62)	26532	33104	17.438 (0.00*)
Thernekal	54(76)	23628	30054	23.931 (0.00*)
A( E. No. of Bs)	124(75)	25080	31579	
Wage-employment of women Marginal Farmers (income in Rs.)				
Village	No. of Beneficiaries	MGNREGS		
		Pre-S	Post-S	Paired t- test (p-values)
Koduru	19(50)	4751.26	5731.42	38.937 (0.00*)
Thernekal	25(29)	5260	7685.6	16.438 (0.00*)
A( E. no. of Bs)	44(36)	5129.63	6655.21	
Wage-employment of men of Agricultural Laborers (income in Rs.)				
Koduru	49 (77)	21842	29018	10.742 (0.00*)
Thernekal	39 (80)	17112	22416	14.503 (0.00*)
A( E. No. of Bs)	88 (78)	19477	25717	
Wage-employment of A (E. no. of Bs) of men & women of Marginal Farmers (income in Rs.)				
Village	No. of Beneficiaries	MGNREGS		
		Pre-S	Post-S	P.I
Koduru	35(41)	6120.17	7176.43	17
Thernekal	53(25)	8944.08	11045.19	24
A( E. no. of Bs)	88(29)	7532.13	9110.81	21
Wage-employment of A (E. no. of Bs) of men & women of Agricultural Laborers (income in Rs.)				
Koduru	89 (75)	23949.87	30854.4	28
Thernekal	93 (78)	20895.48	26850.97	29
A( E. No. of Bs)	182 (76)	22389.11	28808.69	29

**Note:** Figures in parentheses indicate percentages to average wage earner From marginal farmer households & P.I- Percentage Increase, Bs: Beneficiaries, S: Scheme, A: Average. E: Except No: Number \* Significant at 5% level of significance

**Source:** Field data

**Table 3****Impact of Poverty Alleviation Programmes on Sample Households**

(Poverty line Rs. 15377.4 per capita income per annum)

<b>Marginal farmers</b>				
<b>Programmes</b>	<b>No. of B. Hs</b>	<b>No. of B. Hs. BPL (Pre-S)</b>	<b>No. of B. Hs. BPL (Post-S)</b>	<b>No. of B. Hs. C. PL</b>
Pasukranti	13	13	6	7
Rajiv Yuvasakti	17	17	8	9
MGNREGA	22	22	16	6
<b>TOTAL</b>	<b>52</b>	<b>52 (100)</b>	<b>30 (58)</b>	<b>22 (42)</b>
<b>Agricultural Laborers</b>				
<b>Programmes</b>	<b>No. of B. Hs</b>	<b>No. of B. Hs BPL (Pre-S)</b>	<b>No. of B. Hs. BPL (Post-S)</b>	<b>No. of B. Hs C. PL</b>
Pasukranti	4	4	2	2
Rajiv Yuvasakti	7	7	3	4
MGNREGA	46	46	37	9
<b>TOTAL</b>	<b>56</b>	<b>56 (100)</b>	<b>42 (74)</b>	<b>15 (26)</b>

**Note:** B- Beneficiaries Hs- Households, BPL-Below Poverty Line, Pre-S- Pre Schemes, Post-S- Post Scheme, C- Cross, and PL- Poverty Line & Figures in parentheses indicate percentages to total sample households.

**Source:** Field data.

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