



IMPACT OF MGNREGA ON AGRICULTURE LABOUR

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ABSTRACT

MGNREGA can have a positive impact on the social and economic well-being of rural labours and their families. In particular, it holds the powerful prospect of bringing major change in the lives of women. The study has explored the impact of MGNREGA on the labour in the agricultural sector of the district of Mahabubnagar in Telangana State. It was conducted using primary and secondary data and has found that MGNREGA did have an impact on the agriculture at the time of its introduction and does have a role in the hike in the labour wages in rural areas. The MGNREGA wage acts as a standard minimum wage act keeping the labour market wage high for both male and female. The scheme has been found effective in equal wage act for men and women, empowerment of the poor encompasses three tasks—reduction of poverty, creation of employment and minimizing inequality. This article presents the impact of MGNREGA on the labour supply in the agricultural sector, the extent of the transfer of labour, from the agriculture to MGNREGA and offers some suggestions.

KEYWORDS : MGNREGA, Agricultural Labour, Women Empowerment, Mahabubnagar**INTRODUCTION**

The rate of unemployment touching the Ten Percent (9.3 in 2021), it pressure mounted on the government to implement some new and productive measures which could keep unemployment and poverty under check. Under such a situation, the Government of India (GOI) launched the National Rural Employment Guarantee Scheme (NREGS), the largest ever public works programme in the world. The scheme provides guaranteed employment for 100 days in a financial year to one member of eligible household. The Act which came into force in February, 2006 was rechristened as Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) on 2nd October 2009. After six years of its implementation the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGA) is regarded as a 'boon to the poor' as it has conferred several benefits, especially to the rural poor people. A rural family can utilize its manpower to earn an annual income of say more than 10000/-. The scheme also enhanced the socio-economic status of both men and women from the weaker section of the society.

The scheme has created precious assets and infrastructure in the rural areas. However, despite this success the scheme faces criticism from several corners. One of the major criticisms is that it has adversely affected the availability of labourers in the agriculture sector and has hiked their wages. It is also alleged that labourers prefer works in MGNREGA over other labour, owing to its less hustle, less supervision and provision of other facilities. The extent of seriousness of the issue became evident when the Ministry of Agriculture had to request the Ministry of Rural Development (MoRD) to put a hold on the scheme during the harvesting period so as to make labourers available for the harvest. This directive has raised many questions like: Is MGNREGA really responsible for the shortage of labourers in the agricultural sector, Is it responsible for the hike in the labour wage in the agriculture sector? Is the scheme really successful in its declared objective of poverty alleviation and empowerment of the weaker sections such as the SC and ST and rural women. It was against this backdrop that the present study was taken up in the Mahabubnagar district in Telangana with the following

OBJECTIVES:

- i. To analyze the impact of MGNREGA on the labour supply in the agricultural sector
- ii. To identify the extent of the transfer of labour, from the agriculture to MGNREGA

- iii. To analyze the extent of women empowerment and reduction in rural poverty consequent to the introduction of MGNREGA.

METHODOLOGY

For this study, the data was collected from both primary and secondary sources. A thorough review of the secondary data related to the MGNREGA at national, state and Panchayat levels was undertaken. A comprehensive household survey was prepared to check the reality at the grass root level and an interview schedule was administered to collect the data from respondents.

Sample Design

The state of Telangana was chosen because of its reputation, commendable performance in the implementation of the MGNREGA. Multi-stage sampling process was adopted for selecting the sample for the study. Mahabubnagar had 64 mandal at the time of the implementation of scheme. Hence, while electing the mandals for the study, the formation of the new mandals was ignored and only former mandals were selected for the study. Four Panchayats, namely: Gundimalla, Beerole, Chimanguntapalle and Earlapalle Gundimalla belongs to Alampur Beerole belongs to Wanaparthy, Chimanguntapalle belongs to Gadwal and Earlapalle belong to Jadcherla, during the years 2019-2020. From the list of workers obtained from the panchayats, 50 workers were selected from each Panchayat randomly, the total number of respondents were 200 for the study.

RESULTS AND DISCUSSION

The socio-economic profile of MGNREGA beneficiaries was studied in terms of age, gender, caste, educational level, occupation and economic status etc., is described below:

Socio-economic Profile of Sample Beneficiaries

Age Composition: The age-wise distribution of the sample population showed that the majority (70%) of the MGNREGA workers belonged to the age group of 40-50 years. The aged population (greater than 60 years) constituted 20 per cent and the young population (20-30 years) formed mere 10 per cent of the sample population. The group of 20-30 years was formed to find the participation of educated unemployed youth.

Gender: In gender-wise classification of sample, a very high percentage of female workers (90%) among the MGNREGA workers. It depicted the worthy role played by women in the

economic empowerment of rural area.

Basic Occupation: The basic occupation-wise study revealed that 49 per cent of the respondents in the sample were continuing as agricultural labourer and 28 per cent were non-agricultural labour. The remaining 23 per cent respondents were once agricultural labourers but were not any more. It was this 23 per cent population that captured our focus in this study as they could explain whether MGNREGA was really responsible for the labour shortage in the agricultural area.

Caste: The caste-wise distribution among the MGNREGA workers showed that 15 per cent belonged to the General Category, 25 per cent belonged to BC/OBC (OBCs) and 40 per cent belonged to the Scheduled Caste (SC) and 20 per cent of Scheduled Tribe (ST) category. This shows that though 60 per cent of the population of Mahabubnagar SC/ST communities, participation was quite increasable.

Educational Status: The education-wise study of MGNREGA workers revealed a high literacy rate of 82 per cent. It was astonishing to find that a majority of them had studied up to high school (41%), followed by matriculation (25%) and no school level (21%). About 15.5 per cent of the workers had studied up to intermediate level.

Economic Status: The economic status-wise analysis showed that only 25 per cent of the respondents belonged to the 'Above Poverty Line' category, while 75 per cent belonged to 'Below Poverty Line' category. The economic status given in the ration card of the respondents was taken into consideration for this analysis. The higher participation of APL population indicates that the benefits of the scheme were really reaching the targeted group population.

Impacts of MGNREGA on

Wage Hike: The MGNREGA had a major impact on the agriculture of Mahabubnagar at the time of its introduction in 2006. Mahabubnagar was under severe agrarian crisis and migration at that time and many farmers had committed suicide. The wages of the agricultural workers were low 100/- per day for a male worker and 70/- per day for a female worker, as they revealed. So when the scheme was introduced there was a massive flow of agricultural labourers towards the MGNREGA because of a higher wage rate of 125/- provided by it, now it is 169/-. But later when the market wages of the workers increased, the male workers shifted back to their earlier agriculture occupations. Thus, the MGNREGA is responsible in a way for the wage hike in the agricultural labour market. The wage rate fixed by the MGNREGA is considered as a standard minimum wage below which the market wages cannot go because any such reduction would again lead to transfer of labour from the agriculture to the MGNREGA.

Economic Empowerment: The scheme implementation has provided economic empowerment to rural women in the Mahabubnagar district because it offers same wage rates to male and female workers. Hence, there is a high incidence of female work participation in the MGNREGA because they get a wage equivalent to the male wage and find it more comfortable because it involves less work. Another attraction for the female workers is that MGNREGA provides 100 days of guaranteed work, which the female workers are not sure of getting on working elsewhere. Thus, this sense of elevated social status brought many women who were agricultural labourers, non-agricultural labourers or housewives to join in this MGNREGA. Again the policy of MGNREGA to credit the wage in bulk to the bank account of the workers after the completion of a particular work has proved helpful to the women workers as they were no longer dependent on their husbands for their needs. Not only that, out of the total sample population women who left agriculture and joined MGNREGA belonging to the age group of 20-50 years. Thus, it is proved

from this analysis that MGNREGA has provided economic empowerment to women in rural area and has not taken away labour from the agricultural sector.

Blessing to Illiterate and Aged Males: It was interesting to find why in spite of higher wage rates in the market, there was still male participation in MGNREGA. It was more relevant because the majority of agricultural labourers in the Mahabubnagar district. The participation of male workers in MGNREGA though small (5%) was analyzed on the basis of the age group and educational level. It was found that 50 per cent of the sample male population was in the age bracket of 50-70 years and the young workers (20-30 years) were only 10 per cent. The education-wise distribution of the sample male population showed that 20 per cent were illiterates and 80 per cent had education only up to middle level. Thus, MGNREGA has been a blessing for these aged and illiterate/low-educated male workers whose demand in the labour market was low. Also, these works were not willing / able to undertake hard labour but could be absorbed in MGNREGA due to soft work only sometimes hard work.

Source of off-season Employment: It was found that a significant number of agricultural workers (70%) opted for employment under MGNREGA during the off-season when they had no other work to do. Thus, MGNREGA has proved to be a source of additional employment during off-season.

Non-lucrarative for Youths The analysis has shown that the participation of the young workers (20-30 years) in MGNREGA was very less (10%) and among them most were non-agricultural workers. It shows that MGNREGA has not been able to attract the literate unemployed youth.

Shortage of Agricultural Labourers: It was clear from the analysis that the workers who had left agriculture and joined MGNREGA constituted only 20 per cent of the respondents, out of which 34 per cent workers were in the age group of 50-70 years. This provides a fairly good idea that MGNREGA is not responsible for the shifting of labour from agricultural sector rather it has only supported those who had given up agriculture owing to their age considerations.

CONCLUSIONS

Introduction of the scheme saw a high movement of labour from the agricultural sector to the MGNREGA because of its higher wages can be concluded. But at the time of the study, the situation was different. Agricultural sector has been on a recovering path and there existed a high market wage for labour higher than the MGNREGA wages. This higher market wage has resulted in a reverse movement of workers back to their basic occupations.

It has also been revealed that the majority of the workers in MGNREGA are women, because women get a wage equivalent to a male worker. As woman who was mainly housewives and labour of higher age group resorted to MGNREGA as it involves less work and provides guaranteed employment for 100 days. Thus, MGNREGA has contributed substantially towards the economic development of rural women.

Suggestions

The study has brought out some following suggestions to make MGNREGA more effective:

- i. Capacity building of the village Panchayat and the gram sabha is required for the planning and effective implementation of MGNREGA.
- ii. The MGNREGA wage acts as a standard minimum wage and any hike in it will result in increase in the market wage, the government should consider all these aspects before increasing wage rate in scheme.

- iii. The MGNREGA projects should be planned as to utilize the period of off-season for agricultural labour. Such a planning will provide off-season employment to labourers.
- iv. The MGNREGA projects should be made time bound and more regressive so that workers do not consider it as an easy way of earning money and guaranteed employment without much work.
- v. 100 days offer of employment to a family in one financial year is in no way sufficient to sustain a family. There should be some importance to Below Poverty Line families in providing job opportunities.

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