



MGNREGA in Uttar Pradesh: Some Evidences from Field Survey

Economics

Shadab Hashmi

M. Phil. Scholar Centre for Economic Studies and Planning, Jawaharlal Nehru University, New Delhi

ABSTRACT

National Rural Employment Guarantee Act (NREGA) 2005, now renamed as Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), was brought into force by the act of parliament and, implemented in phased manner across the whole country. MGNREGA act put an enforceable obligation on the state to provide employment. This paper tries to look at impact of the scheme on wages of workers in local market, factors that determine the overall generation of employment for workers and type of productive assets created and its impact through a survey conducted in five villages of Ballia district in Uttar Pradesh. The paper concludes that nature of work, excessive political interference and lack of awareness among workers are some of the reasons behind abysmal performance of MGNREGA in survey villages.

KEYWORDS:

Mahatma Gandhi National Rural Employment Guarantee Act, Wage, Work Days, Assets.

Introduction

National Rural Employment Guarantee Act (NREGA) 2005, now renamed as Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), was brought into force by the act of parliament and, implemented in phase the manner across the whole country. In phase first, it was introduced in 200 most backward districts of India, it was implemented in additional 130 district in phase second (2007-08). The remaining 285 rural districts of India were covered in 2008-09. Under this act, workers can rightfully demand work from the government and the government is liable to provide employment and, if in case government failed to provide employment in stipulated time its liable to pay them unemployment allowance.

The survey deals with the impact of the scheme on wages of workers in local market, factors that determine the overall generation of employment for workers and type of productive assets created and its impact.

To conduct the survey, Nagra block was chosen in Ballia district given it has a high percentage of SC/OBC households and therefore was found suitable for our research. Within Nagra block, survey covered five village panchayats. Five villages having the highest percentage of SC/OBC households were chosen which are Dihwa, Nagra, Rekuva, Kodai and Lehsani. From each village 50 households which have worked under MGNREGA were selected with every second household being chosen. Such a procedure ensured random selection to an extent in all five villages, 250 households were interviewed. In order to study the effectiveness of the scheme, I interviewed local officers, block development officer, pradhans, and community leaders as well.

The chapter is designed as follows: the first section discusses the relation between rural labour market wages and MGNREGA, the second section deals with the generation of employment for households, third section looks into the types of productive assets created and its impact.

Impact on Rural wages:

After implementation of MGNREGA, both male and female workers in rural areas enjoy higher income due to higher wage rate for their casual work. Real wages increased for both male and female workers and especially more rapidly for female workers. Wages of female casual workers increased significantly, and it has helped to reduce the prevailing gender gap in terms of wage. Contrary to this in urban areas wages for male and female worker were almost stagnant. After 2004-05, there has been negative trend in labour force participation in rural India especially in the female labour force participation. But due to MGNREGA this situation was reversed. After the implementation of MGNREGA there was a positive change in wages for casual labour as workers gradually became aware about their right to receive minimum wages.

Studies indicate that MGNREGA wages ensure the alternative source of income and lead to increase in the bargaining power of workers. This

should be seen as welcome development in context of Indian rural labour market which characterizes inequitable social and power dynamics, and have not allowed increment in wages at par with the competitive level. Research suggested that such outcome extended to those workers who do not participate in the scheme. Thus increase in the wages post-MGNREGA creates a more competitive and unexploitative rural labour market for both agriculture and non-agriculture labour.

In Uttar Pradesh, there have been successive increases in the minimum wages from 58 to 142 per day till date. It is evident from our sample data that wages were increasing not only for MGNREGA workers but also private labour market. For instance, in sample villages workers were getting Rs 142 per day for MGNREGA work whereas in the private labour market the prevailing wages was Rs 180. Almost all worker in the sample data admitted that they have been experiencing higher wages after the implementation of MGNREGA. After implementation of programme, demand for public works has increased and it led to higher demand for workers, and most importantly, the assurance of getting minimum wages generates awareness among the worker not to compromise on the underpaid wages. It is evident from the sample villages the MGNREGA has broken the long spell of stagnation in casual wage rate.

Generation of work days under MGNREGA:

Table 2: Official Picture of MGNREGA in Uttar Pradesh and Ballia District

	Person-days per rural household	Share of women in MGNREGA Employment (in Per cent)	Share of SC in MGNREGA Employment (in per cent)	Total Person-days of employment generated (in crore)	Per cent of Household Completed hundred days
Uttar Pradesh	35	22.69	33	17.53	3.21
Ballia	32	19.9	14.14	0.256	2.18

Source: nrega.nic.in

Uttar Pradesh has succeeded in terms of higher participation of SC in MGNREGA, higher than their share in population but the same is not replicated in the survey district where only 14 per cent of SC population was part of the MGNREGA employment during 2013-14. Given the economic deprivation of the SC's, the figure shows a discouraging trend in terms of participation of disadvantaged sections of population.

Table 3: Distribution of workers according to days worked

Number of days worked	Number of individuals	Per cent age
<=7	42	9.09
>7-<=15	29	20.27
>15-<=30	111	31.46

>30-<=60	99	29.37
>60-<=90	24	7
>90	1	2.7
All	306	100

Source: Survey Data

Numbers of factors play determining role in creation of person days worked. First, it has been found that since the inception of MGNREGA, rural connectivity through construction of roads was taken as 'priority' work in the sample villages. Recently, construction of roads also came to a standstill due to illegal occupation of public land by socially powerful groups. It became worse due to excessive political interference in settling the dispute and, eventually, works were suspended in many instances.

Second, wide spread ignorance about the Act prevailing among the sample workers was also responsible for low intensity of generation of work. Most of these workers did not know even the basic provisions of the Act. They did not know the entitlement aspect of the Act and never applied for job through application form. Most of the sample workers just go to the village pradhan and orally request him to arrange work under MGNREGA, and village pradhan simply sent him/her back by saying that they will be informed if project will be initiated in their village under MGNREGA.

Third, low intensity of work also relate with the nature and types of productive assets created under MGNREGA. In sample villages, large per cent of work related to rural connectivity was implemented and other work listed in the preferred list of the MGNREGA guidelines ignored completely. In surveyed villages it seems that most of the panchayat representatives did not know the local village needs. They did not have any idea about how the local agriculture productivity could be increased through selecting the different projects related to water conservation, drought proofing, and renovating irrigation bodies. The lack of training of local implementing agency about the local village planning eventually led to lesser number of work days being generated and at the same time lesser availability of productive assets. In Nagra village, somehow higher numbers of average person-days were generated due to construction of two large ponds and large numbers of workers were employed in the sanctioned projects.

Creation of productive assets under MGNREGA:

MGNREGA aims at to undertake those projects which can provide employment to rural workers on a long term sustainable basis and involve local community in creation of the same i.e. durable and sustainable assets.

Despite some achievements in terms of creation of assets, since the inception of MGNREGA no state has been able to provide comprehensive data which could help us to evaluate the impact of assets created over period of time under the programme. Secondary data, at the most provides an idea about the type of work undertaken and gives no idea about its potential long term impact on agricultural productivity, rural development etc. The types of work and their share in the total works in Uttar Pradesh as well as in Ballia district are shown in Table 5. In Uttar Pradesh around 41 per cent of total work performed under MGNREGA relates to rural connectivity. All other works like water conservation, drought proofing, flood control or any other innovative work which were prominent in improving ecological/ environmental condition and increasing agriculture productivity have found little place in MGNREGA in Uttar Pradesh.

Table 5 Types of assets and their share in the total work

State/District	Rural Connectivity	Flood control	Water conservation	Renovation of Traditional Water Bodies	Drought proofing & Irrigation	Irrigation facilities on SC/ST Land	Land development	Other Works
Uttar Pradesh	41	5.28	6	2.6	10.5	17.4	9	7.9
Ballia	78	5	4.8	2	5.1	2.29	3.15	0.28

Source: nrega.nic.in

In Ballia, 78 percent of works undertaken relate to construction of 'kaccha' road in rural areas. In Uttar Pradesh as a whole, 17.4 per cent of works performed on Scheduled Caste's (SC) land whereas in Ballia

district it is only 2.29 per cent of total work. It shows that in the sample district not only construction of road was given prime importance but works on SC land were deliberately ignored. It was found in the surveyed villages that there is a deliberate attempt by local administration to avoid sanction of work on SC land.

In our sample data 88 per cent respondent felt that there is a significant increase in rural connectivity through construction of 'Kachcha' rural roads under MGNREGA. Most of the respondents have told me that most of the works taken under MGNREGA were intended to improve the connectivity of the villages. Since in MGNREGA guidelines any use of excess materials is strictly prohibited (wage material ratio 60:40 were fixed). Those roads were constructed mainly made of earth-mud which requires repetitive work on it.

One benefit could easily gauge in the remote part of villages, where construction of roads were completed under MGNREGA, was that it has improved the connectivity of villages significantly. Earlier these villages were isolated and cut off from the nearby villages, markets, schools or hospitals. Addition to these backdrops, in rainy season there was entirely absence of communication and people were suffered in the time of emergency related to health problems or any contingencies. Most habitant of these isolated villages was from schedule caste. But after Post-MGNREGA, for the first time, roads were constructed and these villages were connected to main roads. Construction of roads under MGNREGA has proved to be a very significant step to facilitate the access of health, schools and hospitals to the poor people of the region.

The success of MGNREGA depends on how effectively local state agencies (especially panchayati raj institutions) implement the scheme and choose those projects which augment rural productivity. Implementing authorities need to be trained properly so that a cost benefit analysis is done when a project is undertaken.

1. Azam, M. (2011), 'The Impact of Indian Job Guarantee Scheme on labor Market Outcomes: Evidences from Natural Experiment', IZA Discussion Paper No. 6548, Institute for the Study of Labour, Bonn.
2. D. Mukherji & U.B. Sinha (2011), 'Understanding NREGA: A Simple Theory and some Facts Centre for Development Economics, DSE.
3. P. Dutta et al (2012), 'Does India's Employment Guarantee Scheme Guarantee Employment', Economic and Political weekly, Vol. 47(16).
4. These roads were constructed under Pradhan Mantri Gram Sadak Yojana.

Referencs:

1. Azam, M. (2011), "The Impact of Indian Job Guarantee Scheme on labor Market Outcomes: Evidences from Natural Experiment", IZA Discussion Paper No. 6548, Institute for the Study of Labour, Bonn.
2. Chandrashekar, C. a. (2011), "Public works and Wages In Rural India", Macro Scan.
3. Dreze Jean (2007), "NREGA: Dismantling the Contractor Raj", The Hindu, November 20, 2007.
4. Dreze Jean and Christian Oldiges (2010), "How is NREGA Doing?", MGNREGA-Knowledge for Action, Ministry of Rural Development, Government of India, 20th April 2010.
5. Dreze, Jean and Christian Oldiges (2011), "NREGA: The Official Picture", In Reetika Khera (ed.) The Battle for Employment, New Delhi: Oxford University Press.
6. Dreze Jean & Amartya Sen (1991), "Strategies of Entitlements Protection", Hunger and Public Action, pp.104-121.
7. Khera, Reetika (2011), The battle for employment guarantee, New Delhi: Oxford University Press.