

Short communication

Performance of MGNREGS on income and employment of agricultural labourers

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Received 14 November 2014; received in revised form 1 May 2015; accepted 1 May 2015

Abstract

MGNREGS is a demand driven employment generation programme implemented since 2006 with the objective of enhancing livelihood security of rural people. A performance assessment of the scheme was conducted based on selected parameters including income, employment days and wages. The study was conducted among the agricultural labourers in Palakkad district using multi-stage sampling procedure. The scheme could reach the grass root level with high women participation (>95% in state, district and study area). During 2011-12, the scheme could provide 53.1 lakh labour days in the district. Even though the scheme could increase the income and annual work days of the agricultural labourers, a reduction in participation in agricultural works was also observed. Agricultural wage increase in tune with MGNREGS wage increase and narrowing the gap between male and female market wage rate was observed. Delay in getting payment under the scheme is the major inconvenience faced by the respondents.

Key words: Farm Labourers, MGNREGA, Wage Income, Agricultural Work Days

Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) is the flagship employment generation programme introduced in 2006. This programme has the uniqueness of being backed by the NREG (National Rural Employment Guarantee) Act, 2005 ensuring 100 days of wage employment for every rural households. Thus this scheme had stood apart from all the previously implemented supply driven employment generation schemes wherein the targeted population was limited according to fund allocation. The objective of MGNREGA is enhancement of rural livelihood security by employing rural work force for creating durable assets. The other special features of the scheme such as absence of contractors or middlemen, peoples' participation in project formulation, provision of basic amenities in the work place and stipulation of women participation (40%) are also supportive for its better objective

orientation (Ambasta et al., 2008). MGNREGS is thus presumed to have multiple effects in improving rural lives and livelihood. This paper analyses performance of the scheme on employment generation on dimensions of income, labour days and wages.

The study was conducted in Palakkad district of Kerala, which is one among the 200 districts where the scheme was implemented in its first phase in 2006. A multi-stage sampling procedure was adopted to select the sample of the study. From the district, two Block Panchayats were selected based on highest lead in providing employment under MGNREGS and highest area under paddy cultivation and from the blocks, two Grama Panchayats were selected following the same criteria. Accordingly, Pattanchery Grama Panchayat in Chittur block panchayat and

Kuzhalmannam Grama Panchayat in Kuzhalmannam block panchayat were selected for the study. Forty MGNREGS beneficiaries were randomly selected as respondents for gathering primary data. List of MGNREGS beneficiaries maintained in the Grama Panchayats was used as the sampling frame. MGNREGS implementing officials including MGNREGS District level Officer (Joint Programme Co-Ordinator), Block Level Programme Co-Ordinators (one each from each block), Grama Panchayat secretaries, work supervisors (mates) and elected representatives were also interviewed for eliciting information. This group also had forty members and was classified as 'Others'. Primary data were gathered using pre-tested interview schedule. The years 2005-06 and 2011-12 were considered as the year "before" and "after" implementation of MGNREGS respectively and were compared statistically. Information pertaining to income, work days and wages during 2005-06 and 2011-12 were collected from the sample respondents. Secondary data from official records and published sources were also analysed for drawing conclusions.

During the financial year 2011-12, Palakkad district could provide 53.1 lakh person days of employment, with an average of 43.17 employment days per beneficiary per year (Table 1). In the study area 1.89 lakh employment days were provided to 4009 households, utilizing Rs. 2.9 crores.

Table 1. Physical achievement under MGNREGS in study area during 2011-12

Administrative unit	No. of households provided employment	Person days of employment provided				Women participation (% work days)	Average person days per year
		SC	ST	Others	Total		
Palakkad district	123008	1551000 (29.20)	231000 (4.35)	3528000 (66.45)	5310000 (100)	95.60	43.17
Study area							
Pattanchery GP	2531	39186 (27.86)	2343 (1.67)	991131 (70.47)	40642 (100)	97.10	55.57
Kuzhalmannam GP	1478	14403 (29.58)	0 (0.00)	34281 (70.42)	48684 (100)	98.12	32.94
Total	4009	53589 (28.30)	0 (0.00)	133394	189326 (100)	97.36	47.23

(Figures in parenthesis indicates percentage)

Source: MORD, 2013

The socio-economic profile analysis of the respondents testified the capability of the scheme in enhancing the livelihood security of the marginalised poor and weaker section (Table 2). All the respondents were females indicating high

Table 2. Socio-economic profile of sample respondents (n=40)

Sl No.	Particulars	Percentage
<u>Age profile</u>		
1	<40 Yrs	30.00
2	40-60 Yrs	52.50
3	>60 Yrs	17.50
<u>Caste wise classification</u>		
1	SC/ST	17.50
2	OBC	82.50
3	General	0.00
<u>Household classification based on land holding size</u>		
1	Marginal (< 0.5 ha)	95.00
2	Small (0.5-1 ha)	5.00
3	Large (>1 ha)	0.00
	TOTAL	100.00

women participation under the scheme. Women participation was more than 95 per cent in the state, district and study area. Nearly 20 per cent of the sample beneficiaries had more than 60 years age, indicating the supplementary supporting nature of the scheme. Women empowerment is noticeable with their active participation throughout the project implementation right from idea generation, formulation of proposals, work execution and monitoring. Kudumbasree (Women Self Help Groups) linkage facilitates active women participation in the scheme. The assured

Table 3. Composition of annual income of agricultural labourers at constant price (n=40)

Source of income	Income during 2005-06		Income during 2011-12	
	At Current Price	At Constant Price	At Current Price	At Constant Price
MGNREGS wages	N/A	N/A	9439	5581
Agricultural wages	3268	3116	3061	1810
Other wages	8	8	299	177
Total	3276	3124	12799	7568

Table 4. Average work days and MGNREGS work days of respondents (n=40)

Particulars	Before MGNREGS (2005-06)	After MGNREGS (2011-12)	% change
Mean work days per year	67	85	+26.86**
Mean MGNREGS work days per year	N/A	62	N/A

employment, even though for a limited period could enhance their self-esteem and the added income has improved their status in the family. Similar observations of women empowerment through MGNREGS were reported by various authors (Khera and Nayak, 2008; TISS, 2011 and Thadathil and Mohandas, 2012). Men and women labourers were paid equal wages under the scheme whereas male wage rate outside the scheme is more than the scheme wage rate. Due to limited provision of 100 work days under the scheme, male members in the households opt for works outside the scheme for better remuneration while women members work under the scheme which is comparatively 'light natured'. This may be one of the reasons for high women participation under the scheme.

The average annual income of beneficiaries during 2005-06 was Rs. 3124/- at constant price with base year 2004-05 (Rs. 3276/- at current price) which has increased by 142% during 2011-12 to Rs. 7,568/- (Rs. 12799/- at current price) (Table 3). It may be noted that during this period the general price level increase was 61.24% and that the average rural Monthly Per Capita Consumption Expenditure (MPCE) over the period was 81.14%. MPCE of rural households in Kerala during 2004-05 was Rs.1013/- and that during 2011-12 was Rs.1835/-. This indicates that the increase in income registered by the sample respondents was more than the inflation levels. Babu (2010) also had reported that MGNREGS could increase the annual income of beneficiaries in Palakkad district by 193 per cent at

current prices. Similar results were reported from other parts of the country also (Kareemulla et al., 2010). It was also evident that during the two periods under consideration, the income from agricultural wages has decreased by nearly 41 per cent at constant prices owing to decreased agricultural work days of the respondents. MGNREGS wages has contributed 73.75 per cent of their annual income during 2011-12 and they had earned an additional annual income of Rs. 5581/- from the scheme.

The average labour days of the sample farm labourers during 2005-06 were 67 and that during 2011-12 was 85 showing an increase of 26.87 per cent (Table 4). The introduction of MGNREGS had increased the work participation of respondents. MGNREGS provided 62 days of employment per respondent per year (73%) with a wage rate of Rs. 150/- per day during 2011-12. The demand for employment under the scheme was increasing over the years. During 2012-13 the applicable wage rate under the scheme was Rs.164 per day.

MGNREGS wage rate during its phase I roll out was Rs.125 per day and it was linked with statutory minimum wage rate applicable to the state. The state government had revised the statutory minimum wage in December, 2008 as Rs. 150 for female workers which was still continuing as Rs.72 per day since the year 2003. Thus the percentage increase of MGNREGS wage rate from 2008 to 2011-12 was 20 per cent.

The local wage prevalent during 2005-06 was Rs.150 per day for male workers and Rs. 50 per day for female workers. Over the years, local wages have increased and in 2011-12 it was Rs. 300 per day for male workers and Rs.150 per day for female workers. The percentage increase in wages of female agricultural labourers over the years from 2005 to 2012 was 200 per cent. Until the introduction of MGNREGS, local wage rate and statutory minimum wage rate were showing similar pattern of growth. After the implementation of MGNREGS, local wage rate has been showing a tendency to equalize with MGNREGS wage rate. This may be due to the increased bargaining power acquired by the labourers in the agricultural labour market. Increase of agricultural wages due to MGNREGS has been reported by various authors elsewhere also (Prabhakar et al., 2011). Though MGNREGS is regarded as an additional employment provider, the labourers were able to raise the wage rate in agricultural market by choosing between agricultural works and MGNREGS works.

Another significant result of the study was the reduction in disparity between male and female market wage rates after the implementation of MGNREGS. During 2005-06 male wage rate was thrice the female wage rate and it was only twice the female wage rate during 2011-12. The equal wage rates for male and female workers under MGNREGS might have been the reason for the above reduction in disparity of market wages. The increased wages of females is bound to improve the household well being as the female earnings would be spent mainly for meeting household expenditure.

One of the stated objectives of MGNREGS to enhance the livelihood security of rural poor could also be achieved due to its impact on the wages and income of agricultural labourers. The average annual work days have increased by 26.87% and

the average annual income by 142%. The equalizing trend exhibited in market wage rates of men and women consequent to the equal wage rates in MGNREGS may be regarded as a positive indicator of improved household welfare. Delay in realizing the payment for the work done under MGNREGS (about 2 weeks delay) was pointed out as the serious short coming by the respondents, forcing them to work outside the scheme for at least a day in a week wherein they got spot payment of wages so that their day to day expenses could be met. Integrating MGNREGS with agricultural and other development programmes of the Panchayat may, in the long run, help in augmenting the efficient implementation of the scheme.

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