



IMPACT OF RURAL EMPLOYMENT GUARANTEE SCHEMES ON SEASONAL LABOUR MARKETS: OPTIMUM COMPENSATION AND WORKERS' WELFARE

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1.1 INTRODUCTION

The policy of employment guarantee scheme (EGS) is well known since the 1817 Poor Employment Act and the 1834 Poor Law Amendment Act in Great Britain (Blaug, 1963, 1964) and the New Deal programs of the 1930s in the United States (Kesselman, 1978; Bernstein, 1970), and it was considered an important element of relief policies during natural disasters and economic downturns. In recent past, these kinds of schemes were followed both in developed and developing countries with multiple objectives such as poverty reduction building and maintaining public infrastructure, improving bargaining power of the workers etc. Among others, some notable examples of such schemes mainly for poverty alleviation are as followed by Chile (1987), India (1978), Pakistan (1992), Bangladesh (1983), Philippines (1990), Botswana (1960) and Kenya (1992).

Though the policies of employment guarantee schemes are commonly followed by governments in both developing and developed countries alike as a relief policy, there is very little by way of formal theoretical modelling to understand the issue. Recently Basu et al (2010) provides a theoretical framework to analyse both the positive and normative implications of such a policy in a spectrum of labour market structures. While the introduction of such a scheme introduces contestability in the labour market where government is another employer, however the outcome with respect to wages and overall level of employment in the labour market would depend on the “degree of distributional and/or efficiency concerns of the planner”

In this paper, we analyse the impact of NREGA scheme on (i) rural labour market, (ii) income of the poor households and (iii) overall agricultural production. When the income from NREGA alone can be a substantial part of the target income of the poor, the poor may exhibit a backward bending supply curve of labour which may lead to an aggregate reduction in agricultural output. This adverse production effect can happen even when the NREGA activities lead to a moderate improvement in agricultural productivity.

1.2 REVIEW OF LITERATURE

There is no dearth of literature for the understanding of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) and also the implementation process of it in rural India. We found, there are many empirical as well as theoretical studies in India on different districts, blocks and gram panchayets for evaluating the emergence of MGNREGA in a view of a poverty alleviation scheme.

Ahuja R. U. (2011) has conducted a study for investigating the impact of implementation of MGNREGA on two districts of the state of Haryana in the year 2010 and 2011. They have chosen two districts one is agricultural advanced and the other is agricultural backward. The main objective of their study is to investigate the differences in employment status, income landholding size, herd size and other assets of the households of these two districts. They have taken 60 farm families from each district for their survey and found a significance difference in the extent of employment under MGNREGA works in both the districts. They observed despite a strong employment generation wing, MGNREGA has not been able to check the migration from the developed region due to higher wage rates and the farmers are less interested to join MGNREGA projects.



Rangaswamy J and Kumar B. S. (2011) studied the state-wise performance of MGNREGA and its impact on various streams of agriculture and rural agriculture wages. Their comparative study depicts that the MGNREGA scheme has not only benefited agricultural labourers directly but it indirectly increases the Minimum Agricultural Wage Rate (MAWR). They have pointed out some improvement strategies like workers empowerment, other development programmes connectivity and searching for other possible works.

Arora V (2013) aimed to analyse the relevance of MGNREGA project for women empowerment. They have surveyed 250 respondents of Rohtak district of Haryana through designed semi structure questionnaire in the year 2012. They applied stratified random sampling technique for analysing the data. Their study reveals that through MGNREGA participation a significant change has been made in the life of the rural women regarding the employment opportunity and income generation.

Xavier and Mari (2014) have evaluated the impact of MGNREGA on socio-economic empowerment of women in Kalakanmoi panchayat of Sivganga district of Tamil Nadu. The study finds that the MGNREGA increases income and expenditure of the households compared over the pre-MGNREGA period and the scheme significantly enhances the social and economic decision making power to women dominated rural society. based on an ethnographic study of the implementation of the MGNREGA in Tamil Nadu.

Sahoo (2013) analysed how MGNREGA is helping in promoting financial inclusion via wage payment through bank and post office in Odisha. The payment through bank and post office helped to speed up financial inclusion and it could wonderful impact in the rural area provided the implementation of the scheme in full spirit. Both high and low performing districts are doing well with wage disbursement as more than 70 per cent of wage payment is done through bank and post office. The author suggested for the development of the mechanism to ensure that the spirit of the Act is executed and the poor people are respected.

1.3 OBJECTIVES

- To study the women’s participation in MGNREGA Scheme.
- To examine the performance of MGNREGA Scheme in the selected States.
- To offer suitable policy prescriptions to improve the employment opportunity.

1.4 WOMEN’S PARTICIPATION UNDER MGNREG SCHEME

There are various factors which encourage the women worker’s participation under this scheme include nature of work, which do not need skilled worker, the limited hours of work, availability of work locally, reduction of migration of male member, substantial jump in the wage rate etc. Participation of women varies widely across the nation. Women participation under MGNREGS is measured in person days. At the national level participation of women has increased significantly from 46.41 per cent in 2010-11 to 48.81 per cent in 2011-12 which is exceeding expectations and the stipulated 33 per cent share. Highest participation is seen in state like Kerala (90.26) followed by Pondicherry (80.36), Tamil Nadu (76.78), Rajasthan (68.06) in 2010-11. The share of women was less in states like Bihar, Punjab, West Bengal and most of north-eastern states. The participation rate of women in north-eastern states is mentioned in the following Table 1.

Table 1
Participation Rate of Women in North-Eastern States in India

State	Women’s Participation Rate (%)	
	2010-11	2011-12
Assam	21.22	24.91
Manipur	29.87	33.58
Meghalaya	36.54	41.59
Mizoram	20.45	23.61
Nagaland	25.12	27.05
Tripura	37.67	38.64
Arunachal Pradesh	35.44	40.33
INDIA	46.41	48.81

Source: www.nregs.nic.in

From the table 1 it has come to light that none of the north-eastern state could able to cross the national level participation of women during 2010-11 (46.41 per cent) and 2011-12 (48.41 per cent). Among the north-



eastern state Tripura had the highest percentage in 2010-11 and Meghalaya in 2011-12 in case of women participation.

1.5 PERFORMANCE OF MGNREGA SCHEME IN SELECTED STATES MGNREGA SCHEMES IN INDIA

It has been observed that table 2 clearly shows the performance of MGNREGS is very poor during the four years. An amount of Rs.83000 crore has been spent on MGNREGS and more than 4.79 crore person days of employment has been generated in the economy. The average person days or work per households has increased continuously from 43 days in 2006-07 to 42 days in 2007-08 to 48 days in 2008-09 to 51 days in 2009-10. The share of SC and ST households has been significant in all the four years, and the share of women has increased continuously reaching almost to 40 million asset, work have been up under MGNREGS, of which 16.20 lakh works have been completed. The share works every year continuously increased. Though there are several problems about the implementation of MGNREGS, there are some pockets of successes, sharing several positive impacts, such as reduction in distress, migration, increase in the local wage rate, improvement local agriculture and allied activities, women’s empowerment and employment of the poor.

The performance of MGNREGA in India during 2006-10 has been evaluated and the results are presented in the Table 2.

Table 2
Performance of MGNREGA in India during 2006-10

Sl. No.	Inspired Element Lengthen Rush	Year			
		2006-07	2007-08	2008-09	2009-10 Up to Feb. 10
1	No. of districts	200	330	615	619
2	Employment provided to households (crore)	2.10	3.39	4.51	4.79
3	Person-days (in crore) Total	90.5	143.59	216.32	244.74
4	SCs	22.95 (25%)	39.36 (27%)	63.36 (29%)	73.59 (30%)
5	STs	32.98 (36%)	42.07 (29%)	55.02 (25%)	52.33 (21%)
6	Women	36.79 (41%)	61.15 (43%)	103.57 (48%)	117.95 (48%)
7	Others	34.56 (38%)	62.16 (43%)		
8	Total Available fund (including OB): in Rs. crore	12073.55	19305.81	37397.06	46502.52
9	Expenditure (in Rs. crore)	8823.35	15856.89	27250.10	31490.79
10	Total works taken up (in lakh)	8.35	17.88	27.75	39.95

Source: ‘Grammeen Bharat’, A monthly Newsletter of the Ministry of Rural Development, Vol.8, Issue 71, May 2010

1.6 PERFORMANCE OF MGNREGA IN ANDHRA PRADESH

The works, which are undertaken under the scheme, are social forestry, canal works, irrigation works, percolation and storage tanks and underground bandharas. Another important feature of the scheme is that only productive works are permitted. Under this scheme, almost priority is given to irrigation works, soil conversation, land development, rural road and flood protection under the scheme the wages are fixed on a piece rate basis. The beneficiaries are provided drinking water, shelter, first aid box etc. The performance of Employment Guarantee Scheme in Andhra Pradesh is presented in table 3



Table 3
Performance of MGNREGA in Andhra Pradesh during 2008-10

Sl. No.	Items	2008-09	2009-10
1	Employment provided household (in lakh)	53.7387	5158493
2	Person-days (in lakh) total	1838.04	4044.30
3	Expenditure (Rs. in crore)	2062.46	4509.18
4	SC as % total beneficiaries	486.57 (26.46)	998.00 (24.68)
5	ST as % total beneficiaries	239.36 (13.02)	594.80 (14.10)
6	Women as % total beneficiaries	1067.68 (58.09)	2349.60 (58.11)
7	Others	1112.11 (60.51)	2451.50 (60.62)
8	Total works taken up	578157.00	1026080.00
9	Works completed	161112.00	532673.00
10	Works in progress	417045.00	492407
11	Labour wise pay order (no. of persons)	54631555.00	-

Source: [www.http://nrega.ap.gov.in](http://nrega.ap.gov.in)

As shown in table 3, during the year 2008-09, the total employment generated under MGNREGA is 1838.04 lakh person days and it increased to 4044.30 lakh person days employment. The SCs employment is 486.57 lakh person-days which are 26.47 per cent and STs employment is 239.36 lakh person days accounting for 13.02 per cent. The female participation (women employment ratio) in NREGS is 58 per cent. This gainful employment has helped in raising the income levels of the weaker sections in the state, particularly SCs and STs and women. It is observed that the total number of works completed are 532673 up to 2010. The labour wise pay order in the state was 54631555 persons which are 3.8 per cent under the scheme up to October 2009, of the Rs. 2062.46 crore spent and of about 578157 works taken up and 161112 were completed.

1.7 MGNREG SCHEME IN TAMIL NADU

Table 4
Number of Assets created under MGNREGA in Tamil Nadu during 2014-15 to 2017-18

Type of Work	Financial Year			
	2014-15	2015-16	2016-17	2017-18
Rural Connectivity	10812	9942	9972	8227
Flood Control	518	597	1057	309
Water Conservation and Water Harvesting	11824	9341	6497	1008
Renovation of Traditional Water bodies	34074	35772	32112	47868
Drought Proofing	2045	5359	6617	12607
Irrigation Canals	6001	8315	8397	15181
Irrigation Facilities to SC/ST/IAY/LR	23005	53312	55223	64320
Land Development	9465	9229	4146	2930
Rajiv Gandhi Seva Kendra	31	1089	2274	6705
Coastal Area Development	20	27	4	1
Rural Drinking Water	132	46	1	2550
Rural Sanitation	232195	216925	129901	239887
Fisheries	565	513	240	75
Other Works	22473	35369	30003	23691
Total	352800	385836	286444	434359

Source: www.nrega.nic.in

MGNREGA aims at strengthening the rural livelihood resource base through creation of productive and durable assets for sustainable growth. The performance of MGNREGA in Tamil Nadu in terms of rural assets created has been analysed using the data for four years obtained from Ministry of Rural Development (MoRD) website. Table 4 clearly presents the number of assets created under MGNREG scheme in Tamil Nadu during 2014-15 to 2017-18. Rural connectivity work is more (10,812) during 2014-15 and it decreased to 8,227 during 2017-18. Similarly, more than 34,000 numbers of traditional water bodies have been renovated during the financial year 2014-15 and it is increased to 47,868 during 2017-18. The number of assets created under Irrigation facilities to



SC/ST/IAY/LR is 23,005/ 53,312/ 55,223 and 64,320 for the financial year 2014-15 to 2017-18 respectively. However, less focus has been given on the development of coastal area in Tamil Nadu. The highest number of assets created is found in the area of rural sanitation work during the financial year 2014-15 to 2017-18 in Tamil Nadu. The total assets created under MGNREGA work are 3,52,800/ 3,85,836/ 2,86,444 and 4,34,359 from the year 2014-15 to 2017-18 respectively.

1.8 MGNREG SCHEME IN ODISHA

Table 5
Number of Assets created under MGNREGA in Odisha State during 2014-15 to 2017-18

Type of Work	Financial Year			
	2014-15	2015-16	2016-17	2017-18
Rural Connectivity	9628	15448	32328	16673
Flood Control	139	195	659	439
Water Conservation and Water Harvesting	4390	4854	12002	5452
Renovation of Traditional Water bodies	3516	4276	9438	4640
Drought Proofing	5817	9016	21088	11165
Irrigation Canals	355	700	1474	1327
Irrigation Facilities to SC/ST/IAY/LR	4404	59074	129094	279084
Land Development	7229	10215	18935	9648
Rajiv Gandhi Seva Kendra	419	625	716	309
Coastal Area Development	20	0	1	55
Rural Drinking Water	51	145	148	476
Rural Sanitation	7760	9095	8781	3901
Fisheries	22	90	254	159
Other Works	4091	9887	12748	4845
Total	47841	123620	247666	10080

Source: www.nrega.nic.in

Table 5 clearly shows the performance of MGNREGA in terms of creating durable assets during the period in Odisha. The priority has been given on the rural connectivity works, during 2014-15 the number assets created is 9,628 and it is maximum (32,328) during 2016-17. About 3,516 number of traditional water bodies have been renovated during the financial year 2014-15 and it increased to maximum 9,438 during 2016-17. The number of assets created under Irrigation facilities to SC/ST/IAY/LR is 4,404/ 59074/ 1,29,094 and 2,79,084 from the financial year 2014-15 to 2017-18 respectively. However, less focus has been given on the development of coastal area in Odisha. During 2017-18 coastal area development is maximum i.e., 55. The highest number of assets created is found in rural sanitation work during the financial year 2014-15 i.e. 7760. The total assets created under MGNREGA work are 47,841/ 1,23,620/ 2,47,666 and 10,080 from the year 2014-15 to 2017-18 respectively in Odisha.

1.9 MAJOR CONSTRAINTS

- **Non-availability of Child Care Facilities:** One of the major shortcomings of the act is non-availability of crèche facilities at the work site even though the act includes this provision. Different studies show that women remained worried about their children while they are working at MGNREGA worksite even some women do not accept the job facilities of MGNREGA because of non-availability of proper child care facilities.
- **Low Level of Awareness:** In many states women participation is low because of low level awareness about process and entitlements of the programme eg. cumulative person days created in Assam for women have been only 24.85 per cent and in out of sample districts only 17 per cent in 2010-11. Many of the male folks have withdrawn from agricultural activities and joined works in MGNREGA. This vacated space in agriculture has been occupied by the womenfolk (Panda & Umdor, 2011).
- **Nature of work:** Most of the studies reveal that nature of work is also not helpful for women workers. Most of the projects selected being related to rural connectivity and renovation of local water bodies involving earth work requiring application of physical force, male workers were preferred to women workers (Hazarika, 2009).
- **Poor Worksite Facilities:** MNREGA funds have been allocated for the provision of safe drinking water, resting pace, changing room, first aid, recreational facility for children etc.



1.10 POLICY PRESCRIPTIONS

The effectiveness of MGNREGA crucially depends on what type of schemes it gives priority to. Lack of focus of social, gender inequality in creation of productive assets has been a major reason for limited success of wage employment programme. Compared to men, the proportion of unskilled, subsidiary workers among women is much larger under MGNREGA. Given poor health and literacy as well as the predominant responsibility of housework and caring, women SEWA has suggested a longer period of employment with a package of capacity development and training in new technology based income generation activities, such as (1) agro-processing units, watershed development programmes (2) printing press, carpentry work, plumbing work and so on (3) creation of environmental assets such as tree plantation, recycling, water harvesting and operation and maintenance of water resources, including hand pumps and pipelines (Nanavaty and Pandya, 2008). A longer period of assured employment and hence income, definitely increases the capability of women to lift their households by their own efforts (with some help from older children and men) and undertake risk-taking investments.

A review of five years of MGNREGA programme shows that the challenge is not to reinstitute policy for women's economic security, but to redeploy the machinery already in place to be used in a more gender responsive manner to overcome persistent gender inequalities, in both economic and socio-cultural spheres. The overarching vision that informs the design MGNREGA for women's economic empowerment has hardly ever articulated the need for women's interests and inclusion of adequate number of women in management and social audits of creation and maintenance of productive assets. These errors or omissions and systematic de-emphasizing of gender equality in MGNREGA policies need to be made visible through district-level and country-level workshops. An integrated approach that links equality-based rights to manage productive assets and gender inclusive, participatory rural institutions is the need of the hour for sustainable development and for addressing risks arising from MGNREGA fatigue.

1.11 CONCLUSION

MGNREGA has positive impact on employment pattern of women. Women have benefited both as individual and community. Women are benefited individually because they are able to earn independently, spend some money for their own needs, contribute in family expenditure etc. The gained benefits of women as community can be understood by increased presence in the Gram sabha, increasing number of women in speaking out in the meetings, increasing capacity of interaction etc. But the poor implementation across the nation (such as lack of child care facility, worksite facility and illegal presence of contractors) accrued the gender sensitiveness of this act mainly in north-eastern state. Certain initiatives and changes should be taken to remove these barriers. The valuable gains should not be derailed for poor implementation.

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