

MGNREGA: New Hope from NDA Government

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Abstract

MGNREGA is a right based approach for citizen of India. It gives right to work for livelihood. It has both positive and negative impacts in agriculture. Recently government has announced that NREGA should link with agriculture that is need of hours. It is necessary to regularised NREGA for better and efficient use of it in agriculture. We have tried to explain how government and farmers should work together for sustainable agriculture. The main objective of this article to link NREGA and agriculture with the consent of labour and farmers. This paper try to solve the present problems arises due to NREGA in agriculture sector. Discussion in paper is based on primary survey and observations from fields collected during May to August 2011 in Bundelkhand region, Uttar Pradesh. Government should also introduce FDI in agriculture sector more.

Key words: NREGA, agriculture, survey, FDI

Introduction

NDA government has come in power with various developmental schemes. Government seeks to link NREGS to agriculture that is new rays of hope for labours and farmers. These two active agents of agriculture can fill the gap between supply and demand of food in India. Due to bright light effects of urban areas, new generation is not interested to work in agriculture as they seems it is labourious and low status job. It indicates labour shortage in agriculture in the future. Mechanization is an alternate of labour but it has some limitations such as high cost of machineries, small landholdings, and high cost of maintenance during offseason. Food producers are decreasing day by day and consumers has increasing in higher rate, resultant of this increase prices of food items. In this grim situation government has given positive indication towards agriculture sector by proposing MGNREGA link to agriculture. We would be grateful if it is success. But, how NREGA links with agriculture is a matter of debate. We have some ideas on this issue are discussing forth.

MGNREGA workers should be available for agriculture work in the farmers' field. MGNREGA has positive and negative impacts on agriculture and rural households as on one hand earning of the labour/small farmers from MGNREGA are being used in agriculture and household expenditure and on the other it is responsible for the increasing wage rate in agriculture. MGNREGA gives equal opportunity to men and women in terms of work and wage rates. Women are happy with MGNREGA because of on time payment

of wages, whereas in agriculture they get lower wages than men (*Sivanandan, 2012*). It has improved rural socio-economic conditions among landless and marginal farmers, as well as improved environmental related components. These components are water and soil conservation (*Tiwari, et al., 2011*). Villages were using 75 per cent of their earnings from MGNREGA in improving irrigation and infrastructural facilities and have therefore increase land rent. Card holders have used their money to introduce chemical fertilizers and machinery in their fields.

The National Rural Employment Guarantee Act (now Mahatma Gandhi NREGA) was launched in 2005-06 for rural poor to provide 100 days of public works in 200 districts, and in 2008 all the districts of the country were covered under MGNREGA in three phases. Under this scheme a below poverty line (BPL) household head has one job card for 100 days in a year. This developmental programme has played a major role in the rural areas and has led to increased household income, empowerment of women through wage rates equal to their male counterparts, independence of labour from land owners for survival and given labour the right to job. If a job card holder is unable to get work within 15 days, the state government is entitled to pay unemployment allowance to the card holders.

Misra and Rani (2012) compiled the quantitative achievements of MGNREGA and these are- (i) 1200 crore person-days of employment has been generated; (ii) 85 per cent of households are being paid directly through bank/post office accounts; (iii) wage rate have gone up to Rs. 122 and 191 in Bihar and Haryana respectively; (iv) 51% of the card holders are SCs/

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STs and 33 per cent reserved for women in which 47 per cent of the women are card holder at present; (v) 146 lakh works have been taken up since the beginning of MGNREGA of which 60 per cent have been completed. Of these completed works- 19 per cent relate to rural connectivity, 25 per cent relate to water conservation and water harvesting, 14 per cent related to irrigation canals and renovation of traditional water bodies, 13 per cent relate to flood protection and drought proofing, 14% relate to work done on private lands which belong to small and marginal farmers, and SC/ST/BPL families.

Most of the MGNREGA work is agriculture related. Labour shortage in agriculture will lead to focus on technological advancement in agriculture which will in turn raise agricultural productivity. But, the key question here is whether advanced agricultural technology is at present accessible and feasible for the poor who are mostly marginal and small farmers. MGNREGA has increased farm income of the small and marginal farmers, because they have been able to increase input in their farms such as irrigation, fertilizer and hybrid seeds. But, medium and large farmers face low labour supply in agriculture, because of MGNREGA work as farmers are unable to provide the wage rates more or equal to MGNREGA.

Methodology

We have conducted the survey from May to August, 2011, in Banda and Hamirpur district of Bundelkhand region, Uttar Pradesh. We have found four main causes of agricultural labour shortage in the rural areas i.e., rural out-migration, MGNREGA work and its wage rate, lack of interest of rural youth in agriculture, and political influence on labour. The most affected farmers were the medium and large farmers, because they are not able to manage agriculture only with the help of family labour, because as they have large land holdings. Sometimes these farmers are unable to hire labour because of the unavailability of labour, even if they are ready to pay higher wage rates. The small and marginal farmers have managed labour from family members. Most of the MGNREGA household and migrant's households belong to the small and marginal farmers. Most of the farmers cannot perform harvesting, irrigation and weeding without hiring labour.

Results and Discussion

Agriculture sector is a labour engaging enterprise and it requires around 30 to 225 man-days per hectare depending on the type of crops cultivated (pulse to sugarcane). During the 19th annual conference of Agriculture Economic Research Association (AERA) 2011, at AAU, Jorhat, on "Agriculture labour demand and Supply" MGNREGA was discussed as being a rural labour bank. It was observed during our survey

that farmers would like MGNREGA to be introduced and it should be involved in agricultural work in the farmer's field. The MGNREGA labour should be provided to the farmers at a subsidised rate. In our survey, we have found that most of the medium and large farmers were facing acute labour shortage in agriculture since 2005-06, when MGNREGA was introduced. They have reported that before MGNREGA, labour was willing to do any type of work at the wage rate of Rs. 60-80 per day, but now they were asking for wage rates (Rs. 150 to 200/day) more than the MGNREGA wage rate. In the rural areas, wage rates in general has increased due to the MGNREGA minimum wage rate, and the farmers were facing acute agricultural labour shortage during agricultural operations especially in the harvesting period, because, the farmers were unable to pay wages equal to the wages of MGNREGA. The farmers were also unable to pay the wage on daily basis. It seems that MGNREGA wage rate was has become the benchmark for wage rates in the rural areas. The labour does not prefer to work at wage rate which are lower than the MGNREGA wage and for work which was harder than MGNREGA work. During the off season when there is no MGNREGA work, labourers prefer to migrate to the urban areas to earn more money.

Though MGNREGA was introduced to check rural out-migration, it now seems that it has become the main cause of rural out-migration indirectly because of its wage rate and nature of its work. *Haque* (2011) has discussed that most rural youth were still migrating to urban areas in search of employment from both MGNREGA and non-MGNREGA households. Rural youth seems to regard agricultural work as strenuous and a low status job; and especially educated youths don't prefer agricultural work. Some of the rural youth state that agriculture is boring, low paid and requires hard work, and thus they prefer to move to urban areas.

As agricultural work cannot be pre-poned or post-poned and all the agricultural work in a season starts at the same time for each farmer. To be able to perform uninterrupted farming, the needy farmer should have assured agricultural labour supply on demand at a subsidised labour cost. In this situation, the MGNREGA labour is the best alternative to overcome labour shortage in agriculture. We have found that labourers don't prefer agricultural work in the fields/farms of the land owners. They either work under MGNREGA or migrate to urban areas. Labourers prefer MGNREGA work because of wage rate, timely payment, relaxation in work and short durations of work. Sometimes, farmers feel helpless and blame government policies. MGNREGA is beneficial for the poor on one side and on the other side it creates problems in agriculture for the large and medium

farmers. Thus, government should implement this development schemes in a balanced way. Therefore, MGNREGA labour should be regularised and the Panchayati Raj Institution should be authorised to distribute labour to the needy farmers on demand.

It is suggested in such a way that MGNREGA for agriculture work, the Panchayati Raj Institutions (PRIs), labours and the farmers should be on agreement. The farmers need labour during the peak period of agriculture, but not on a regular basis or per day. During the off-season of agriculture the MGNREGA job card holder should work in public works and during peak agricultural season the same card holder should work on farmers' field at the same wage rate. In MGNREGA for agriculture there should be 30-50 days more jobs per household per annum if needed, but not compulsorily. Thus, MGNREGA job card holders would get more than 100 days of work. Wages for the MGNREGA labour for agriculture would be paid by the farmers. However, the gestation period of agricultural input is longer and farmers may not be able to pay wage on the spot. In this case the Panchayat should pay the wages to the labour. When the farmers would be able to pay the wage amount the panchayat would collect it. In case the farmers are unable to pay the wage money to the panchayat, except in case of natural hazards, the panchayat would be authorized to take farmers land equal to the amount of the wage and that land can be leased out to other farmers or labour for a year. If the crops are lost due to natural hazards, government should pay or provide subsidy to the farmer.

According to the farmers' requirement, we propose that, the Panchayat should arrange the registration process and maintain records of MGNREGA job card holder/labour and of the farmers requiring labour. For registration, the farmers should show their land record documents and pay nominal charges for maintenance for a year. The farmer should also have to pay some money to the panchayat as security, depending on the number of labour demanded. The registered farmers should get a labour bank card. The Panchayat would then provide MGNREGA labour

to the registered farmers under the agreement.

We have also observed that the agreement of MGNREGA for agriculture should not be static in nature, but should be need based and depend on the mutual understanding of the farmers and labours. Panchayat should play the role of a mediator only. In case the labour is not interested to work for any of the registered farmers' land, the panchayat should not force the labour to do so, and similarly, if the farmer is not interested to hire any particular MGNREGA labour then the panchayat should not force the farmers to hire that labour too. Labour and farmers should be mutually interested to work for each other and should respect each other. Based on discussion with SCs youth, we have found that farmers (Landlord) should not be insult the labour in any form (physical, emotional, others) and according to the other caste farmers, labour should not leave the work till it is finished. Labour should be paid full wage for a day, if he/she has spent more than two hours in the field/house of the farmer, but, if the labour has left the work after two hours without the consent of the employer (farmer), the labour should not be eligible to get wages for that period of work. All labourers are hired for one day only and they are free to choose their employer again next day.

The farmers stated that they have witnessed sudden change in relationship among the labours and owners in the village since 2005-06, when MGNREGA was introduced. This feeling was more common among all the farmers. They felt that earlier people were helping each other all the time, but now for any work they have to pay charges, even if it is only an one or two hour work. It is natural that labours don't want to waste their time without money, because MGNREGA job card holders can earn Rs. 100-150 per three to four hours by digging pits size of 10 x 6 x 1 feet, but they cannot earn that amount of money from any other type of work in the village.

As farmers have revealed that they are unable to pay wages equal to the MGNREGA wage rate, the government should provide subsidies to the farmers. The MGNREGA minimum wage rate is Rs. 120 per day and it varies from state to state. During the survey, we found that farmers have paid more than MGNREGA wage during the peak period of agriculture



This picture is from Damoh District, MP, May 2014, Where MGNREGA work done



Road constructed Under MGNREGA, Damoh District, MP, May 2014



Bunding of rocky land in Damoh District, MP, May 2014

due to low labour availability in the village. Most of them reported that they have paid Rs. 50 to 80 more than the minimum wage to get labour. But, sometimes they did not get sufficient labour, even if they were willing to pay a higher amount. This situation indicates scarcity of labours in agriculture. The farmers were asked about the wage rate that how much minimum they are able to pay to the labour. They also reported that agriculture production has decreased drastically and agriculture is not profitable as it was earlier. Majority of the farmers reported that they were able to pay Rs. 60 to 80 per day. Thus, farmers agree that they can pay an average of Rs. 70/day and rest amount should be subsidized. Therefore, government should provide Rs. 50% as subsidies to hire MGNREGA labour. In this way farmers income can increase and financial burden of the government would be low. As farmers expressed that the MGNREGA labour should not be provided free of cost to the farmers, but they should be get subsidies. Otherwise government would face another financial burden as farmers would be discouraged from farming, which would not be fruitful.

According to the labourers, these 100 working days are not sufficient for the survival of a large family size. Hence labourers need more income from other work and are asking for more than 100 MGNREGA working days. The government can increase number of days of MGNREGA work. The MGNREGA working days are 100 days in a year and if it can be increased to more than 100 days (25-50 days more for agriculture) in a year it can become agri-MGNREGA. This strategy can be helpful to the labour for getting more than 100 days job in the village. Farmers may also be hire labour from the panchayat for other works, such as construction work at the same wage rate. Thus, number of working days would be increased without extra financial burden to the government. Farmer can get wage subsidies only for agriculture works and it will be monitored by the panchayat and the village development officer (VDO) and the agriculture extension officer (AEO) under the supervision of the district collector and MGNREGA officers. The registered farmers would be eligible to hire the MGNREGA labour. In this way labour and farmers would never be cheated in getting and

delivering wages respectively.

The farmers asked that village panchayat should assure the farmers the availability of agricultural labour during the peak period, and should assure the labour jobs with full wages. In this way the farmers would overcome labour shortage problems and labour would get jobs in the same village and would not migrate. It will help agricultural growth and prosperity in the village. This model should be implemented as a pilot project in all the regions of India. We hope this would give fruitful results to the nation. Thus, MGNREGA should not be stopped but it needs modification and it would be implemented in a balanced way, such that agricultural operation is not affected.

Monitoring and Evaluation is a must in any development programme. Corruption and irregularity has been seen in the MGNREGA in the current and past year. This scheme requires strong monitoring and evaluation to control corruption and irregularity. In this proposed model panchayat, however, labour and farmer can make another informal agreement, and distribute money amongst them. For example, a farmer who has leased out his total land and is registered as a labour bank card holder according to the land records can ask the panchayat for MGNREGA labour, even though he is not a cultivator. In this way he can collect labour subsidy charge from the panchayat. So, only those registered farmers should be eligible who are cultivating land whether own land or leased in land. Similarly labour and farmers can make another agreement that is “I would hire you and you would hire me” even there is no need to hire labour. Therefore, monitoring and evaluation is a must for this programme to succeed. MGNREGA should be strengthened and should be better utilized. This system of utilizing MGNREGA workers into farmers’ field would build a harmonious relationship between labour and land owner. Agriculture labour shortage problem will overcome.

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