

Effect of MGNREGA on Employment Pattern, Wage Structure and Associated Constraints at Various Levels: A Study of Udham Singh Nagar District of Uttarakhand

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ABSTRACT

The present study conducted in the Udham Singh Nagar district of Uttarakhand, has assessed the extent of employment generated by the programme and the changes in employment pattern and wage structure due to implementation of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) in rural areas. The study also identified the constraints faced by different stakeholders in the implementation of the programme. Information was gathered from 80 households of four Gram Panchayats and different stakeholders of an average performing block in the district. The average days of employment in MGNREGA scheme decreased from 59.8 days in 2007-08 to 51.9 days in year 2013-14, while the same increased in other sources of employment like own farm employment, agricultural labour work and self-employment over six years. MGNREGA wages were Rs. 73 per day initially in the year of implementation, which hiked by 114 per cent in year 2013-14 and reached to Rs. 145 per day. The main constraints as revealed by different stakeholders were non-availability of regular work, delay in wage payments, political interference, lack of efficient staff, difficulty in data maintenance, lack of labour availability during peak agricultural season and corruption. The average number of person days generated per household in the study area was estimated at 52 days only, which is far less than the guaranteed 100 days of employment. Therefore, implementing agencies should make conscious efforts to increase the person days employment in the area to meet the minimum specified target of employment under MGNREGA.

Key words: MGNREGA, Wage structure, Employment pattern, Stake holders, Constraints

INTRODUCTION

Agriculture and allied activities are still the mainstay of the overwhelming majority of the people in the country. More than 60 per cent of total workforce derives their livelihood from agriculture. High dependency on agriculture

has caused decrease in per capita household income from farm sector and use of labour-saving technologies in agricultural production have resulted in lesser employment in the rural areas, leading to poverty among rural masses.

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In such a situation an effective way to reduce rural poverty could be to accelerate the shift of workers from relatively lower productive agriculture to more productive employment in the non farm sector. In such a context of persistent poverty and unemployment scenario Mahatma Gandhi National Rural Employment Guarantee scheme (MGNREGA) was initiated to serve the people belonging to lower strata (mainly wage earners) in the society.

In Uttarakhand, 74 per cent population is rural, out of which about 41 per cent population belongs to BPL, having low educational, health and nutritional status. Work participation rate is merely 37 per cent and 63.1 per cent are non-workers in the state. There is a strong argument of shifting of labour force from the agricultural jobs to non-agricultural works, which is adversely affecting the agricultural operations.

Fewer options have been witnessed in the hands of the villagers in terms of earning their livelihood other than agriculture which led to most people being driven to landowner farmers to work under them for meager wages. MGNREGA was expected to change this scenario by providing more employment opportunities to rural poor and acting as wage regulator in labour market. But when it comes to providing 100 days of wage employment to every household, the programme is far behind from achieving the target.

Besides this, NSSO in its 68th round survey on monthly per capita expenditure on food found that an average rural Indian spends Rs. 756 per month on food, which is far less than the national average of Rs.1024. This meager expense on food corroborated by the malnutrition figure of National Family Health Survey shows that 70 per cent of India's children aged 6–59 months are anemic. The monthly average for all consumer expenditure

per capita is Rs.1430 per month in rural India and Rs.2630 in urban India.

The comprehensive assessment of the performance of the scheme reveals serious lapses arising mainly due to lack of public awareness, mismanagement, mass corruption and institutional incapacity. Loads of paper work, regular entry of data, delay in fund release etc. are some of the problems faced by stakeholders as reported by earlier researchers.

In the light of above backdrop, the present study has been undertaken to assess the extent of employment generated by the programme and the changes in employment pattern and wage structure due to implementation of MGNREGA in rural areas. The study also aims at identifying the constraints faced by different stakeholders in the implementation of the programme.

MATERIAL AND METHODS

Data Base

The study has been conducted in Udham Singh Nagar district of Uttarakhand. A period of six years from 2007-08 to 2013-14 was considered to assess the change in employment pattern and wage structure due to MGNREGA implementation. The sample for study was drawn in three stages (community blocks, gram panchayats, and beneficiary households). The blocks and gram panchayats each were assigned score separately on a scale of 10 on the basis of performance in respect of three parameters, namely total person days created, total expenditure made and total number of social audit conducted in a financial year. The blocks and the panchayats were then ranked on the basis of aggregate score. One average performing block namely, Kashipur; and two good performing gram panchayats (Kachnal gosai and Dhkiyakala) and two poor performing gram panchayats (Judka and Gulediya) were selected. Finally in the last

stage, 20 beneficiaries from each gram panchayat were drawn who had working job cards since 2007-08, thus giving a total sample of 80 beneficiaries.

Primary data were collected for two years i.e. 2007-08 and 2013-14 and secondary data were procured for the period from 2007-08 to 2012-13.

To identify the constraints faced at various levels following stakeholders were interviewed:

- Gram panchayat personnel who were responsible for the implementation of the programme at the Gram Panchayat level.
- Programme Officer of Kashipur at the block level.
- District Programme Coordinator of Udham Singh Nagar.

Analytical Tools

To assess the extent of employment generated and the changes in employment pattern and wage structure, following main sources of employment in the village were identified:

- MGNREGA (E_N)
- Agriculture (E_A),
- Non-agricultural employment (E_O),
- Self employment (E_S),
- Own farm employment (E_F)

Changes in the average number of days spent on different employment sources by the beneficiaries and the wages earned from these sources for both years i.e. 2007-08 and 2013-14 were studied and descriptive analysis was done using averages, percentage changes etc. Further to test the statistical significance of these changes paired t-test was applied using the formula as given below:

$$t_{cal} = \frac{d}{\sqrt{s^2/n}}$$

Where,

d = Difference between the two years observations

s^2 = Variance calculated for d values that is obtained by following formula

$$\frac{1}{n-1} \left[\sum d^2 - \frac{(\sum d)^2}{n} \right]$$

n = Sample size

To study the constraints faced by different stakeholders in the implementation of the programme descriptive analysis was done, starting from the wage job seekers to District Programme Coordinator. Different stakeholders were interviewed and enquired about constraints faced and simple statistical tools like, percentage, etc. were used to find out their relative importance. The constraints faced by higher number of individual were considered as more severe constraints in the implementation of the programme at each level.

RESULTS AND DISCUSSION

Occupational Structure of the households

The source from which the household earned the highest income was considered as the main occupation and rest others were considered as subsidiary occupations. Table 1 depicts occupational structure of the beneficiary households. Farming appeared to be the main occupation of most of the beneficiaries (42.50 per cent) and subsidiary occupation for few (2.50 per cent).

It is important to notice that MGNREGA was only the subsidiary occupation for all the beneficiaries. Other predominant occupations for the beneficiaries were agricultural labour work (main 30 % and subsidiary 16.25%), factory work (subsidiary occupation for 40% households), and animal husbandry (subsidiary occupation for 32.5% households) etc. Construction workers, shop keepers, account keepers, aaganwadi workers, bhojan matas, street hawkers, housemaids were also present in the sample in marginal proportions.

Table 1: Main and subsidiary occupation of the households

Occupation	Beneficiaries	
	Main	Subsidiary
Agricultural Labourer	24(30.00)	13(16.25)
MGNREGA work	-	80(100.00)
Farming	34(42.50)	2(2.50)
Animal Husbandry	-	26(32.50)
factory worker	2(2.50)	32(40.00)
Transportation work	2(2.50)	-
Construction work	7(8.75)	-
Shop keeper	6(7.50)	3(3.75)
Account Keeping	1(1.25)	-
Hawker	1(1.25)	-
House maid	1(1.25)	-
Bojan Mata(workers in school)	1(1.25)	-
Aganwadi Worker	1(1.25)	-

Note: Figures in parentheses indicate per cent to total beneficiary households.

Extent of employment generated by MGNREGA and the changes in employment pattern and wage structure in rural areas

Changes in employment pattern

Table 2 presents the pattern of employment of beneficiaries from different sources and per cent change therein during the period from 2007-08 to 2013-14. A perusal of this table

shows that the average number of days of employment got on own farm was 27.31 days in 2007-08, which marginally increased to 28.68 days in 2013-14. Though, the change was small but was significant. The reason of this small change may be that a person's engagement on his own farm is nearly fixed and certain activities of every farm do not change very often.

Table 2: Occupation wise employment received by beneficiary households during the years 2007-08 and 2013-14 (Person days/year per households)

Types of employment	No. of days per households			
	2007-08	2013-14	Change in the values	% change
Own farm employment	27.31	28.68	1.37*	5
Agril. Labour	73.16	81.15	7.99*	10.9
Self employment	44.05	52.91	8.86	20.11
Non agricultural employment	43.36	42.97	-0.39	-0.89
MGNREGA	59.85	51.9	-7.95*	-13.2
Total	230.82	257.63	26.81	11.61

Note: * significant change in the values of variables at 5% level of significance.

Agricultural labour was observed to be the permanent source of employment for the beneficiaries, as the average number of days of employment as agricultural labourer to beneficiary household was pretty much higher than other occupations. The average number of

days of employment as agricultural labour increased significantly from 73.16 days in 2007-08 to 81.15 days in 2013-14. The increase in employment during the period was estimated to be 10.9 per cent. The reason for this significance change may be that, the

agricultural activities are always given utmost importance in the study area as the block comes under one of the highest agriculturally affluent zones of the state.

Self-employment for beneficiaries increased by 20 per cent from an average of 44.05 days to 52.91 days from 2007-08 to 2013-14. This change was found to be insignificant.

The employment received from other non-agricultural sources by beneficiary households decreased marginally (0.89 per cent) from 43.36 man days in 2007-08 to 42.97 days in year 2013-14.

The average number of days of employment got from MGNREGA scheme was 59.8 in year 2007-08 which decreased significantly to 51.9 days in year 2013-14. Despite of increased awareness among job seekers on account of growth of the scheme, level of employment got by beneficiaries decreased by more than 13 per cent. The decline in the number of days' employment

acquired from MGNREGA implied that people did not get job opportunities under MGNREGA and engaged themselves in other employment opportunities to earn their livelihood.

The overall days of employment had been increased by 11.61 per cent from 230.82 days to 257.63 days during the specified time period.

Changes in wage structure in rural areas

Out of the five identified employments for beneficiaries only three employments were wage oriented, namely agricultural labour work, other non-agricultural employment and MGNREGA works.

The details of wages for different employments and changes therein are given in the table 3. The table shows that at the initial stage, wages for employment under MGNREGA and wages for non MGNREGA employments were almost same, but over time wages for different employments increased by rapid pace.

Table 3: Pattern of wages in different years (Rs/persondays)

Sources of employment	Wage per personday		
	2007-08	2013-14	% change
Agril. Labour	73.00	203	178.08
Non agricultural employment	71.61	207	189.06
MGNREGA	73.00	145	101.38

The wage rate prevailed for agricultural labour in 2007-08 was Rs. 73 per day, while the same was Rs. 203 per day in 2013-14, which was estimated to be 178.08 per cent higher than that prevailed in the year 2007-08. Average wage for non-agricultural employment was Rs 71.61 per day in 2007-08 which increased to Rs 207 per day in 2013-14.

In case of MGNREGA the wage rate initially paid in the year of implementation was 73 rupees per day which hiked by 101 per cent in year 2013-14 and reached to Rs. 145 per day. The increment in wage rate in case of agriculture and non-agricultural employment was higher than that in MGNREGA. Therefore, MGNREGA can be said wage regulator of labour market, as these wages act

as standard wages and do influence other market wages.

Constraints faced by different stakeholders in the implementation of MGNREGA

The programme does have certain limitations at different levels starting from planning till its implementation. The constraints faced by different stakeholders were identified and listed out. Severity of each constraint was judged by number of beneficiaries facing it. More number of beneficiaries facing a constraint, was more severe one and vice versa.

Constraints faced by the beneficiaries

Perusal of the table 4 clearly shows that non availability of regular work was most severe problem as cent per cent beneficiaries reported this as a problem. Almost all the respondents

were of the view that more than 100 days employment should be given in MGNREGA.

Delay in wage payment was another major problem faced. About fifty eight per cent respondents have pointed out delay in wage payment as a constraint.

About 44 beneficiaries felt that some works need not to be undertaken, as they were not very necessary and works should be prioritized according to the requirement of village and people residing there.

Table 4: Constraints faced by the beneficiaries

S. No.	Constraints	No. of respondents who faced the constraints
1.	Non-availability of regular work	80(100)
2.	Delay in wage payments	46(57.5)
3.	Some works undertaken are unnecessary	35(43.75)
4.	Political disturbances	32(40)
5.	Hectic process of post office/bank payments	14(17.5)
6.	Non availability of worksite facility	10(12.5)
7.	Corruption	9(11.25)
8.	Very exhaustive manual labour	6(7.5)
9.	Nepotism	2(2.5)
10.	No problems	4(5)

Note: figures in parentheses indicate per cent to total beneficiary households.

The ongoing political interference of the state has also affected MGNREGA works, as the same was identified as fourth most constraints by 40 per cent beneficiaries.

The process of payment of wage through banks or post office was stated to be a hectic process by 17.5 per cent of the respondents. The long queue on the wage payment day, the process of filling the wage withdrawal form by the illiterate or less educated beneficiaries etc. were the important difficulties associated with bank or post office wage withdrawal.

Lack of provision of worksite facility was another problem indicated by 12.5 per cent beneficiaries. Working mothers who had young babies found it difficult to work under the scheme due to lack of worksite facilities. Similarly there were no special provisions

made for old people under MGNREGA and old people due to their age could not work as much as young workers could.

The other constraints associated with the programme reported were existence of corruption at different levels (11.25%), extra exhaustive manual labour (7.5%), nepotism (2.5%), etc.

Constraints faced by Gram Panchayat in the implementation of the programme

The main panchayat personnel associated with the implementation of MGNREGA were Gram Pradhan, Gram Panchayat Vikas Adhikari and Gram Rojgar Sevak. In all four Gram Panchayats they were interviewed for the purpose. The broad constraints as revealed by four Gram Panchayat are furnished in the Table 5.

Table 5: Constraints faced by Gram Panchayats

Si. No.	Constraints	No. of G.P.s identifying the constraint
1.	Data entry is an exhaustive task	4(100)
2.	Measurement of some works are difficult	4(100)
3.	Providing worksite facility every time is difficult	4(100)
4.	Political disturbances	4(100)
5.	Lack of sufficient and efficient staff	3(75)
6.	Corruption at lower level	2(50)

Note: figures in parentheses indicate per cent to total selected panchayats.

Table shows that regular online data entry on main server needs sufficient time and skilled staff, as data entry is also important for timely fund release. Every gram panchayat found data entry process a herculean task.

Measurement of each and every work was not always possible and beneficiaries were also paid according to the amount of work done by them, so it was another important problem faced by all of the panchayats.

Panchayats stated that providing all the facilities in all the worksites was not an easy job. And with increasing popularity of the scheme it was becoming a sensitive political issue. Political gain became main motive of the scheme rather than upliftment of beneficiaries. Such heated political situation of recent time in the state created hindrances for the implementing agencies in implementing the scheme. Personnel from all the panchayats faced these difficulties.

Three out of four panchayats admitted that huge loads of paper work, record maintenance, online NREGA site maintenance, large amount of calculations etc. which were the integral part of MGNREGA scheme and called for availability of efficient staffs with good technical knowledge and skills were difficult to manage extensively.

Two panchayats also mentioned small corruption at the supervisor level and found it difficult to control.

Constraints faced in the implementation of the MGNREGA by programme officer (B.D.O.) at block level

- High political pressure and political interference
- Lack of efficient staffs in adequate number in many levels.
- Difficulty in creating awareness among villagers about different MGNREGA work undertaken.
- Lack of labour availability during the time of peak agricultural seasons.
- Corruption at lower levels.
- Lack of demand for work.

Constraints faced in the implementation of the programme by the District

Programme Coordinator at district level

- Some of the Gram Panchayats have completed all the works specified under the scheme it has become difficult for Gram Panchayat personnels to find new jobs for the labourer.
- There are limitations in undertaking new type of work, as standard material costs have been specified in the guideline of MGNREGA which needed to be maintained.
- There has been no provision for inclusion of skilled and semi-skilled workers in the programme according to their skills but people demand it.
- Lack of efficient staff in adequate numbers at many levels who could facilitate in operating the programme smoothly etc.

CONCLUSION AND SUGGESTIONS

The important finding to notice was that all beneficiaries had taken MGNREGA as subsidiary occupation only. The average days of employment in MGNREGA scheme decreased from 59.8 days in 2007-08 to 51.9 days in year 2013-14, while the same increased in other sources of employment like own farm employment, agricultural labour work and self-employment over six years. Agricultural and non- agricultural wages were almost same as that of MGNREGA wages in the initial year of implementation (2007-08) but the same increased at a faster rate than MGNREGA wages in the latter years. MGNREGA wages were Rs. 73 per day initially in the year of implementation, which hiked by 114 per cent in year 2013-14 and reached to Rs. 145 per day.

The main constraints as revealed by different stakeholders were non-availability of regular work, delay in wage payments, political interference, lack of efficient staff, difficulty in data maintenance, lack of labour availability during peak agricultural season and corruption.

Hence, Wages need to be increased to prevent out migration of the workers. The

average number of person days generated per household in the study area was estimated at 52 days only, which is far less than the guaranteed 100 days of employment. Therefore, implementing agencies should make conscious efforts to increase the person days employment in the area to meet the minimum specified target of employment under MGNREGA.

The government should revise the guidelines of works done under the scheme and empower state government to expand the list of permissible works in the light of local conditions. Wages need to be increased and new innovative works required to be explored to increase the participation of rural labour force in MGNREGA work so that the scheme could be made more effective. This will also prevent shifting of rural workforce to other occupations. Direct cash transfers need to be ensured to prevent bungling of funds as it will result in timely wage payment to MGNREGA workers. New and technical staff should be recruited and exhaustive training should be given to them from time to time for smooth operating of the scheme.

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