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## IMPACT OF MGNREGA ON THE RURAL LABOUR WAGE AND ITS PERFORMANCE





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#### **Short Profile**

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#### **ABSTRACT:**

"This mad rush for wealth must cease and the laborer must be assured not only of living wage but a daily task that is not a mere drudgery."

Mohandas Gandhi

Mahatma Gandhi, Father of our Nation aspired the attainment of Grama Swaraj in the country for the well being of the Nation. Majority of people of our Country (69.9% of population) residing in the villages out of which 28.3% live below the poverty line (World Bank 2011). The rural people lack technical skills due to illiteracy, poverty and traditional thinking. They are living under vulnerable conditions. Government of India since Independence implementing several training and

employment programs along with educational facilities for the upliftment of the poor especially in Rural areas.

#### **KEYWORDS**

Binary liquid mixture, quinoline, mesitylene, adiabatic compressibility.

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#### 1.INTRODUCTION:

Those programs were not satisfactory in achieving the targets due to multiple reasons. For reducing the wide spread Poverty and unemployment a gigantic program is required. On the way to reach the destination the Central Government of India led by UPA—under the leadership of Prime Minister Manmohan Singh started a Massive employment program named Mahatma Gandhi National Rural Employment Guarantee Scheme in 2005. For the first time NREGA program was introduced in only 27 selected states all over the country and from the financial year 2008-09 this program has been extended to 34 states and increased the funds in the subsequent budgets since 2005 to 2014.

#### 2. HISTORY OF EMPLOYMENT PROGRAMMES

MGNREGA have certain positive impacts on the lives of the labourers in the country. It is providing minimum wage to the rural unskilled labour. It helps the farmers by providing subsidiary income. Huge money is incurring by the governments through this scheme, but the quality of the work, and their sustainability is a million dollar question. Even from the angle of the labourers also the guaranteed 100 days of work in a year did not reach its goal. The average work days provide to the labourers is below 40 days. So the policy makers should keep the actual problems in implementation of the scheme and necessary changes should be done for better society.

#### 3. REVIEW OF LITERATURE

Dhar (2008) expressed that India's labour force is growing at a rate of 2.5 per cent annually, but employment is growing at only 2.3 per cent. Thus the country is faced with challenge of not only absorbing new entrants to the job market (estimated at seven million people every year), but also clearing the backlog. Seasons of severe drought and failure of monsoons exposed large sections of population to extensive deprivations and compounded the situation. Successive plan strategies, policies and programmes were therefore, redesigned to bring about, a special focus on employment generation as a specific objective. One of the most significant interventions by the government to generate employment has been the launch of NREGA in 2006. In his opinion it may not be difficult to meet the formidable challenge of providing job opportunities to 8 million people every year. For this the growth rate of economy has to be accelerated, special emphasis to be given to labour intensive sectors, improving labour skills and function of the labour market.

Lalit Mathur (2008) explained that NREGA should instead, be treated as a National Program of the Government of India and receive the same commitment as the Green revolution did. It is indeed the first tangible commitment to the poor that they expect to earn a living wage, without loss of dignity and demand this as a right. The unique character of the NREGA lies in the remarkable opportunities it opens up to transform the development scenario in India. Perhaps for the first time in a government program, transparency and accountability has been seen to be possible as a participatory process. This is the direct outcome of social audits, the conduct of which has been mandated not only in the Right to Information Act but also in the NREGA itself. An important aspect is the undeniable construction of the program to capital formation in agriculture. The experience from the field in the first year shows that 75 per cent of the 8.3 lakh works with an expenditure of Rs.9000 crores, have been water harvesting

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structures, minor irrigation tanks, community wells, land development, flood control, plantation and so on. Benefits included the creation of over 12 crore cubic metres of water storage capacity, 3 lakh hectares each of plantations and land development. The awareness of the guarantee of employment, the direct impact of employment, wages on the household – which enabled children to go to school, improved nutrition within the family, brought down the dependence on money – lenders, reduced the abject poverty and migration – these bring a more enduring confidence amongst the poor.

Anupama Goswami (2008) discussed the key findings of CAG report on the delivery of the NREGP. It pointed out an abysmally small portion of the poor people sought employment under NREGP. In the period of April 2006 to March 2007, 10 per cent of all such applications received minimum wage jobs, Between April 2007 to December 2007, the number of actual beneficiaries has dropped to just 3.3 per cent of total job seekers registered under the scheme. Even within the beneficiaries, the average employment per person under the scheme was 45 days in April 2006-March 2007, whereas it has dropped to just 38 days during April-December 2007. She also felt the worst performance in this regard has come from the poorest states of Bihar, Orissa, Jharkhand and Uttar Pradesh, though these are the very states that have the greatest need for a comprehensive rural employment scheme.

K.Hanumantha Rao and P.DurgaPrasad (2008) opined that the agriculture growth in many states is low and stagnant and well below the targeted four per cent to enhance livelihood security of the agriculture dependent population. In the transition to modernized and highly productive agriculture, the small farmers and workers community need to be provided with livelihood support in terms of supplementary (wage) income. The Ministry of Rural Development's flagship programmes and in particular the National Rural Employment Guarantee Scheme (NREGS) is an opportunity to address the issues of rural unemployment and poverty besides revitalizing agriculture. The Guaranteed employment of 100 days for rural households at statutory minimum wages of unskilled agriculture workers itself would contribute to more than one fourth to one third of income required for meeting basic needs (Poverty line).

#### 4. NEED FOR THE STUDY

There is no doubt that NREGS is helpful for the poor who are unable to get a minimum income before this scheme. The Central and state governments are proudly announcing that they are providing work days to the poor. But in reality the number of working days is low. It is a big question that how much this scheme is helpful for agriculture labourers. So there is a need to understand the performance of the scheme and its impact on wages of agriculture wages.

#### 5. OBJECTIVES OF THE STUDY

- 1.To study the performance of MGNREGS in Andhra Pradesh, and three first phase districts.
- 2. To study the impact of MGNREGA on Wages of labourers in agriculture sector.

#### 6. METHODOLOGY

This paper is based on the secondary data which is collected through various journals, and official website, and Government reports on MGNREGA.

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#### 7. PERFORMANCE OF MGNREGA AT ALL INDIA LEVEL

Mahatma Gandhi National Rural employment guarantee Act has provided basic income security to large number of beneficiaries. It provides employment around to 5 crore households, on an average, every year. This is almost one fourth of the total rural households in the country. Since its inception MGNREGA has generated nearly 1700 crore person days of employment upto August 2014. From the financial year 2006-07 up to financial year 2014-15 (upto September 2014) over 2 lakh crores has been spent on wages. This is almost 70 percent of the total expenditure. The Scheme's notified wages have across all states since 2006. The average wage earned per beneficiary has risen from Rs.65 per person day in 2006 to Rs 132 by 2014. Table -1.1 reveals the performance of MGNREGA in all India level. The number of households received employment in financial year 2006-07 was 2.1 crores and it increased to 4.792 in 2013-14. It reveals that employment opportunities are doubled for the households. The total person days generated in 2006-07 were 90.5, it increased to 220.3 crores in 2014. The increase is more than twice. The total person days for Scheduled caste were 23 crores, increased to 49.8 crores in 2014. It is also doubled. The total person days for Scheduled tribes in 2006-07 were 33, increased to 38.3 crores in 2014. A moderate increase in the person days were increased for ST's. And for women the total person days generated in 2006-07 were 36 crores, increased to 73.33 crores in 2014. This is also doubled. The average person days per employed for Households were 43 days in 2006-07, it also moderately increased to 46 days in 2014. The total allocation for MGNREGA was 11,300 crores in the 2006-07 budget outlay and increasing year after year, the outlay in 2014-15 was 33,353 crores. The expenditure incurred for the MGNREGS works was 8824 crores out of 11,300 crores in 2006-07 and it was 38692 crores out of 33000 budget allocation of 2014 plus old budget balance. The amount spent for wages in 2006-07 was 5842.37 crores, it was 26654.7 crores. The total works taken up in 2006-07 were 8.35 lakhs and completed 3.87 lakhs works. In 2014 the total works taken up were 111.64, completed 11.17 lakhs. So we can observe that the Budget allocation for MGNREGA shows improvement and the person work days for SC, ST, Women section increasing and the average person days for households, and average wage for workers shows a positive trend. But there is a wide gap between the number of works taken up and the works completed.

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TABLE -1.1 PERFORMANCE OF MGNREGS AT ALL INDIA LEVEL (2006-07 to 2014-15)

All India	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2006-07 to 2011-12	2012-13	2013-14	2014-15
Number of H.H. got employment (crores)	2.1	3.4	4.51	5.3	5.5	5.064		4.989	4.792	3.239
PERSON DAYS (in crore)	(% of total)	person days)	-	-						
Total	90.5	143.59	216.3	283.6	257.2	218.8	1200	230.5	220.3	100.8
Sheduled castes(SC)	23	39.4	63.4	86.5	78.8	46.2	337	51.2	49.8	23
	25%	27%	29%	30%	31%	22%	28%	22%	23%	
Scheduled Tribes(ST)	33	42	55	58.7	53.6	40.9	280	41	38.3	16.3
	36%	29%	25%	21%	21%	18%	23%	18%	30%	
Women	36	61	103.6	136.4	122.7	101.1	561	117.93	73.33	
	40%	43%	48%	48%	48%	48%	47%	51%	54%	
Average person days Per employed HH	43	42	48	54	47	42	43.2	46.2	46	31.1
FINANCIAL DETAILS		•	•	•		•				
Budget outlay (in Rs crores)	11300	12000	30000	39100	40100	40000	172500	33000	33000	
Expenditure (in RS crores)	8824 (73%)	15857 (82%)	27250 (73%)	37905 (76%)	39377 (73%)	37303 (76%)	166516	39735.4 (88%)	38692.6 (86%)	21141.9
Expenditure on unskilled wage(crores)	5842	10739	18200	25579	25686	24660	110706	39657.4	26654.7	15616.8
% of total expenditure	66%	68%	67%	67%	65%	66%	66%	88%	67	
Works (In lakhs)										
Works taken up	8.4	17.9	27.8	46.2	51	8.08	146	104.6	111.64	90.6
Works completed	3.9	8.2	12.1	22.6	25.9	14.3	87	25.60	11.17	

Source: MGNREGA Sameeskha Mahatma Gandhi Rural Employment Guarantee Act, (official website Source: http://www.mgnrega.nic.in)

TABLE 1.2 REAL WAGES OF NON-AGRICULTURE UNSKILLED WORKERS

			Post-NREG Phase								
		2003	2004	2005	Gr%	2006	2007	2008	2009	2010	Gr%
AndhraPradesh	M	49.22	48.58	47.96	-1.29	47.81	50.38	58.62	62.36	71.9	10.29
	F	32.68	35.37	34.52	2.74	34.5	36.79	41.94	45.53	52.97	10.70
India	M	58.65	58.52	57.41	-1.06	55.58	55.84	57.52	58.11	69.59	4.89
	F	43.79	43.67	42.91	-1.01	41.49	42.16	43.54	44.35	52.93	5.37

Note:Growth implies trend growthrate, real average wage is estimated by deflating nominal wage with consumer price index for agricultural labour, available from Labour Bureau, Ministry of Labour and employment.

Source: Implementation of NREGA in India, J.Breman & Varinder, 2012.

Table 1.2 reveals that in India the Pre-NREG Phase shows negative growth rate, in the real wages of both male and female non-agricultural labour i.e.-1.06 and -1.01. The Post NREG Phase shows positive growth, the wages increased up to 5 per cent. In Case of Andhra Pradesh the Pre-NREG Period shows negative growth for males, and positive growth for Females. The real wage rate declined to -1.29 per cent for males, and it increased to 2.74 for females in the state. In the Post-NREG Phase the real wage of males and females increased more than 10 per cent. Both the Country and the State data reveals that the real wages of non—agricultrural unskilled labour increased in the Post-NREG Phase.

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TABLE 1.3 – AVERAGE MGNREGS WAGE RATE AND AVERAGE CASUAL WAGE RATE (AS PER NSSO 66TH ROUND)

State	Average wage rate on MGNREGA (Rs/day)	Market wage rate	Male	Female	Difference
Andhra Pradesh	91.9	98.5	115.4	75.7	39.7
Assam	87	90.1	94.4	74.9	19.5
Bihar	97.5	79.4	81	65.8	15.2
Chattisgarh	82.3	68.8	70.8	65.5	5.3
Gujarat	89.3	83.3	87.3	71	16.3
Haryana	150.9	139.6	146.1	99.1	47
Himachal Pradesh	109.5	139.6	141.4	110.2	31.2
Jammu &Kashmir	93.3	158.3	157.5	n.a.	n.a.
Jharkhand	97.7	101.2	103.6	82.2	21.4
Karnataka	86	84.5	96.9	62.8	34.1
Kerala	120.6	206.5	226.6	119.3	107.3
Madhya Pradesh	83.7	69	74.5	58.1	16.4
Maharastra	94.3	75.2	86	58.2	27.8
Odisha	105.9	75.6	81	59.1	21.9
Punjab	123.5	130.4	133.5	91.8	41.7
Rajasthan	87.4	125.7	132.3	94.3	38
Tamilnadu	71.6	110.8	132.1	72.6	59.5
Uttarpradesh	99.5	94.3	97	69.2	27.8
Uttarakhand	99	118.7	122.1	96.7	25.4
West Bengal	90.4	85.3	87.8	65.9	21.9
All India	90.2	93.1	101.5	68.9	32.6

Note: 1.Union Territories are not included in the table 2.All India total is for all states and Union Territories. 3. Average MGNREGA wages per day are based on unskilled expenditure and total person days and not on the official website. Source: MGNREGA Sameeksha.

Table 1.3 represents the average wage rate on MGNREGS and the market wage rate for males and females in different states. In Andhra Pradesh the average MGNREGA wage rate was Rs.91.9 and market wage rate was 98.5, and in the market the males are getting 39.7 rupees higher than women. In all India the average wage rate for MGNREGA was 90.2 and the difference between men and women was Rs.32.6. Haryana, Punjab and Orissa the MGNREGA wage rates are high between Rs.150 -109. In TamilNadu the wage rate is very low for MGNREGA workers compared to other states. In Kerala, Haryana, Punjab and Karnataka and in some states the difference between male and female wages was high, in Kerala the difference is Rs. 107. It is a shocking thing because the high literacy state in India is Kerala. In that state there is high variation in the male –female wages.

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TABLE 1.4- PERFORMANCE OF MGNREGS AT STATE LEVEL

Item	FY 2006-07 to-2014-15 Andhra Pra desh
Total districts	22
Total Mandals	1098
Grampanchyats	21774
Total Households	10277698
Total Individuals	10974334
Job cards issued	13622244
No.of SSC groups	614692
Women	11086727
SC's	5241941
ST's	2844503
BC's	10217974
Minorities	247109
Disabled persons	224982
Labour in SSC's	14033594
Works in progress	-
Works completed	4520067
Estimated value	4480061.27
(Rs. In lakhs)	
Wages	229161765
Total Expenditure	3295637.41
Total person days generated	2373446846
No. of person days	585212500
generated for SC's	(25%)
No. of person days	355330155
generated for ST's	(15.6%)
.No. of person days	1148127649
generated for BC's	(49%)
No. of person days	26541017
generated for minorities	(1.1%)
Average days employment	-
provided per household	
Average wage per person	96
Households completed 100	5527209
days	

#### 8. PERFORMANCE OF MGNREGS AT STATE LEVEL

Table 1.4 reveals that in Andhra Pradesh 10277698 households consisting 10974334 individuals are working in MGNREGS. Except Hyderabad all the rural districts of Andhra Pradesh (including Telangana) 22 districts this scheme was introduced. Total person-days generated since inception till today were 2373446846, the SC's received 25 per cent of working days, and ST's received 15.6 per cent of working days. Beneficiaries are receiving an average wage of 96 Rupees. Nearly 3295637.41 lakhs were incurred for the works. Under MGNREGS 4520067 works were completed.

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#### 9. PERFORMANCE OF MGNREGS AT DISTRICT LEVEL

Table 1.5 reveals that in Anantapuram district 223911 households were provided with work in 2006-07 and in 2013-14 it increased to 274851 households. The total person-days generated in 2006-07 were 83.19 lakhs and by 2013-14 it increased to 164.09 lakhs, that means doubled. The women participation is above 50 per cent in the total person days in all the financial years from 2006-07 to 2014-15. In 2006-07 the share of SC's in the total person-days was 23.06 and in 2014-15 it is 20.88 per cent. And for ST's it is 5.12 in the first year and 4.85 in the current year. The average person-days distributed to the households was 37.15 in 2006-07 and it increased to 79.33 in 2011-12 and it is 46.97 in 2014-15. In 2006-07 the number of households availed 100 days of work were 11169 and in 2011-12 were 75156 and in 2014-15 were 17622.

In Mahabubnagar district 216296 households were provided with work in 2006-07 and in 2013-14 it increased to 321366 households. The total person days generated in 2006-07 were 55.39 lakhs and by 2013-14 it increased to 126.83 lakhs, almost increased three times. The women participation is above 50 per cent in 2013-14 it is 60.09 per cent. In the first year the share of SC's was 29.19 and in 2013-14 it is 21.84 per cent. And for ST's it was 7.7 per cent in 2006-07 and increased their participation to 9.27 per cent by 2013-14. The average person-days distributed to the households was 25.61 in 2006-07 and it increased to 39.47 per cent in 2013-14. The number of households availed 100 days of work were 4086 in 2006-07 and in 2013-14 it was 11798 households.

In Vijayanagarm district 147759 households were provided with work in 2006-07 and in 2013-14 it increased to 353360 households. The total person days generated in 2006-07 were 35.39 lakhs and by 2013-14 it increased to 295.31 lakhs, almost increased to 8 times. The women participation is also 60 per cent by 2014-15. The share of SC's in total person days was 17.49 in 2006-07 and it declined to 12.41 per cent by 2013-14. The share of SC's in the total person-days from the first year to current year shows declining trend. And for ST's the share in the total person days was 12.4 in 2006-07 and it is 11.18 in 2013-14. The average person days distributed to the households was 23.95 in 2006-07 and it increased to 85.37 days by 2013-14. The number of households availed 100 days of work were 1420 in 2006-07 and in 2013-14 it was 132660 households.

TABLE 1.5- ANANTAPURAM, MAHABUBNAGAR, VIJAYANAGARAM DISTRICTS DATA

Ananatapuram										
Financial years	No. of Individual provided employment	Total	for SC's	SC's share	for ST's	ST's share	Women	Share of women	Average person days per HH	No.of HH availed 100 days of employment
2006-07	223911	83.19	19.18	23.06	4.26	5.12	47.1	56.62	37.15	11169
2007-08	343588	171.42	34.33	20.03	9	5.25	110	64.17	49.89	34026
2008-09	314397	167.78	34.45	20.53	9.87	5.88	94.08	56.07	53.37	26028
2009-10	344967	241	53	21.99	14.4	5.98	125.4	52.03	69.86	84641
2010-11	325401	201.86	48.28	23.92	12.99	6.44	105.5	52.26	62.03	64452
2011-12	235083	186.48	48.64	26.08	11.22	6.02	99.36	53.28	79.33	75156

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2012-13	270527	183.49	40.63	22.14	8.72	4.75	97.42	53.09	67.83	72054		
2013-14	274851	164.09	34.09	20.78	7.72	4.7	87.99	53.62	59.7	47745		
2014-15	225264	105.8	22.09	20.88	5.13	4.85	56.93	53.81	46.97	17622		
MAHABUBNAGAR												
2006-07	216296	55.39	16.17	29.19	4.27	7.71	29.58	53.4	25.61	4086		
2007-08	297746	126.77	34.09	26.89	9.07	7.15	74.57	58.82	42.58	26893		
2008-09	311194	178.22	44.52	24.98	12.29	6.9	108.36	60.8	57.27	34161		
2009-10	384116	238.9	60	25.12	19.2	8.04	142.9	59.82	62.19	75993		
2010-11	357243	203.35	49.67	24.43	16.61	8.17	121.64	59.82	56.92	59269		
2011-12	267329	157.16	40.69	25.89	18.74	11.92	94.24	59.96	58.79	48332		
2012-13	336387	191.45	43.21	22.57	18.8	9.82	113.7	59.39	56.91	55731		
2013-14	321366	126.83	27.7	21.84	11.76	9.27	76.21	60.09	39.47	11798		
2014-15	. N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	532		
VIJAYA	NAGARA	М		Γ		T			Τ			
2006-07	147759	35.39	6.19	17.49	4.39	12.4	13.95	39.42	23.95	1420		
2007-08	224269	101.7	16.19	15.92	10.35	10.18	52.11	51.24	45.35	21901		
2008-09	271332	157.51	22.16	14.07	13.5	8.57	91.21	57.91	58.05	34359		
2009-10	308094	281	36	12.81	31	11.03	162.2	57.72	91.21	115077		
2010-11	314294	241.23	31.47	13.05	32.84	13.61	140.36	58.19	76.75	92656		
2011-12	296945	267.49	42.73	15.97	44.96	16.81	157.21	58.77	90.08	116119		
2012-13	337755	276.44	34.03	12.31	30.98	11.21	164.12	59.37	81.85	120497		
2013-14	353360	295.31	36.65	12.41	33.02	11.18	176.72	59.84	83.57	132660		
2014-15	331783	147.58	17.25	11.69	16.48	11.17	88.89	60.23	44.48	11111		

official website Source: http://www.mgnrega.nic.in

#### 10. IMPACT ON WAGE RATES OF CASUAL WORKERS

Though the theoretical literature on guaranteed employment and rural labor impacts are scarce, ongoing empirical analyses of NREGA's effects in the labor market have shown mixed results, with most studies estimating positive impacts on agricultural wages due to NREGA. For example,

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Imbert and Papp (2013) find both a 5.5% increase in agricultural wages and crowding out of private sector employment. Berg et al. (2012) find roughly 3% increases in agricultural wages with about 6-11 months for this impact to manifest itself on farms that hire casual labor. Azam (2012) saw an 8% increase in female agricultural wages but only 1% for men. All these studies used difference-indifferences estimation to find increases in agricultural wages of between 3-5%, while highlighting private sector impacts only during the dry season and gender-neutrality in impact distribution. Shah (2012) estimated a 6.5% increase in agricultural wages and additionally found that a one standard deviation increase in infrastructure development due to NREGA leads to a 30% reduction in wage sensitivity to production shocks. Zimmermann (2012) uses a regression discontinuity design and finds agricultural wage increases for women only during the main agricultural season and no effect on private employment so no change in labor force makeup. Most of these studies do not develop theoretical models explaining how an employment guar-antee should impact agricultural wages. Of those that do, Imbert and Papp (2013) draw heavily from earlier models showing the distributional effects of price changes on consumption goods by simply replacing the latter with labor markets. Narayana, Parikh, and Srinivasan (1988) also discusses the topic of elite capture in the EGS and show that a program carried out efficiently, targeted effectively and financed properly is effective in alleviating poverty in India.

It is evident from the above, that the share of Agriculture sector in the GSDP has declined from 30.2% in 2000-01 to 24.1% by 2008-09(Q.E.). However, while the share of Industry sector has increased marginally from 22.6% in 2000-01 to 24.9% by 2008-09, the share of Services sector has progressed from 47.2% in 2000-01 to 51% by 2008-09. During the year 2008-09(GSDP - Q.E.), in the Agriculture sector, Agriculture alone has registered a negative growth rate of 1.80 percent even though the food grains production has increased but the production of Pulses, Ground Nut, Sunflower, Sugarcane and Mango has drastically come down. The food grains production during 2008-09 has increased to highest ever record of 204.21 lakh tonnes as compared to 198.17 lakh tonnes during 2007-08, thereby registering a growth of 3.05%. Among the sectors allied to agriculture, the Livestock sector and Fishing Sectors have respectively registered growth rates of 6.87% and 5.90%, the Forestry and Logging sector could register a relatively slender growth rate of 1.30% during 2008-09.

A major criticism of NREGA is that it is making agriculture less profitable. Landholders often oppose it on these grounds. The big farmer's point of view can be summed up as follows: landless labourers are lazy and they don't want to work on farms as they can get money without doing anything at NREGA worksites; agriculture will die if the NREGA continues; farmers may have to sell their land, thereby laying foundation for the corporate farming.

The workers points of view can be summed up as: labourers do not get more than Rs. 80 in the private agricultural labour market, there is no farm work for several months; few old age people who are jobless for at least 8 months a year; when farm work is available they go there first; farmers employ only young and strong persons to work in their farms and reject the others and hence many go jobless most of the time.

It is well known that women's involvement in MGNREGA has been much larger than what was mandated by the Act. There is no wage differential across gender in NREGA works. This is in contrast to non-public works in rural areas, where a large wage gap is observed across genders. Further, average wages received by female workers in MGNREGA are significantly higher than those received in other types of casual work. The female participation in public works increased. This will push up average

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wages for female; however, there might be indirect effects also. For example, other types of casual work which pay much less to female workers may be forced together higher wages as a result of competition generated by MGNREGA. This suggests that because of NREGA one should see at least an increase in real wages for female casual workers and reduction in gender gap in wages. Female workers in rural areas, MGNREGA has made a difference in terms of increases in the wages of casual workers. Overall, casual workers in MGNREGA districts have experienced a 5 percent more increase in real wages compared to casual workers in non- MGNREGA districts: the effect of MGNREGA is more pronounced for female workers compared to male workers (8.3 percent compared to 3.8 percent). Similarly, SC/ST casual workers also experienced a larger increase in wages in MGNREGA districts compared to SC/ST workers in non- MGNREGA districts.

The analysis shows that there is an increase in the wages of the agricultural wage earners through MGNREGA. It leads to increase in the participation rate of labourers in the MGNREGA. But, It adversely effects the agriculture in two ways. In one hand the agriculture facing the scarcity of labour in crucial period and on the other hand the farmers were forced to increase the wages of agriculture labourers due to scarcity of labour. Finally, the cost of cultivation is increasing, and the cultivation becomes burden. Already this sector is in crisis due to several institutional problems like small land holding, high interest rates for the informal loans, low productivity, increasing cost of seeds and fertilizers. Another thing is that even though the wages increased, that change is not as much as the inflation rates. So their wages are sufficient only to meet the daily consumption but they are not sufficient to meet the basic amenities like safe drinking water, better medical facilities, and better education for their children. In the formal sector wages, salaries are raising every year, Pay revision commissions are constituting and their proposals are implementing by the governments. Therefore the remunerations in that sector increases according to the inflationary trends in the economy. But the informal sector did not have these opportunities, that's why the increase in the wages in this sector is nominal.

#### 11. SUGGESTIONS

- 1.MGNREGA works must be done in agriculture lean season.
- 2. Wages must be increased equal to the labourers of formal sector.
- 3. Equal Wages should be paid to all the MGNREGA workers.
- 4.MGNREGA must be linked with the agriculture sector.
- 5. Land development programs should implement in a large scale.

#### 12. CONCLUSION

MGNREGA have certain positive impacts on the lives of the labourers in the country. It is providing minimum wage to the rural unskilled labour. It helps the farmers by providing subsidiary income. Huge money is incurring by the governments through this scheme, but the quality of the work, and their sustainability is a million dollar question. Even from the angle of the labourers also the guaranteed 100 days of work in a year did not reach its goal. The average work days provide to the labourers is below 40 days. So the policy makers should keep the actual problems in implementation of the scheme and necessary changes should be done for better society.

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