Impact of Mgnrega on Sustaining Agricultural Labour–A Case Study

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Abstract
Impact of Mgnrega on Sustaining Agricultural Labour
-A Case Study Approach
The real agriculture crisis in India is not quality inputs or not the application of technology, but the availability, engagement and efficient use of Agriculture Labour. The author(s) attempts an inquiry into the present agriculture labour situation in the chosen villages of the Coimbatore district. Review of literature from 2008 to 2013- 5 years is also done to gain meaningful insight into the problem. The author tries to answer a few identified research questions that include daily wages, seasonal employment and proportion of attached, skilled and casual labour in the present farming situation. The researcher adopts case study approach for the limited financial resources. The study focuses only on the problems of agriculture labourers who were involved in MGNREGA scheme in the selected villages of different taluks of Coimbatore district. Hence the author(s) found that the case study approach to be appropriate. An interview schedule was employed to collect data from agriculture labourers. Population consists of all the agriculture labourers who have worked and/or beneficiaries of MGNREGA scheme in the rural villages of Coimbatore district. The villages in the chosen district were selected by the non-probability purposive sampling method. Non-probability purposive sampling method was employed to choose the sampling elements- i.e. agricultural laborers. Thus, the data was collected from 60 agricultural laborers chosen by purposive sampling method. Thus collected data is collated and appropriate statistical and/or mathematical tools are used as required to develop the full case. The case study is written in the best interest to identify appropriate ways to improve the prevailing labour situation in the chosen area.

1. INTRODUCTION

Agriculture Labour in India

Ruddar Dutt and Sundaram[1] has defined that an agricultural labour is a person who works on another person's land only as a labourer without exercising any supervision or direction in cultivation for wages in cash or kind and share such as a share of produce. India has the second highest population in the world after China, which as per the 2011 Census has reached 1.21 Billion people living in 640 districts of 28 states and 7 Union Territories. Though India is the second richest country in terms of human resources, at the ground level, agriculture that contributes 13.7 % to the Indian GDP [2] does not get the required amount of manpower for production. The study wanted to explore the reasons contributing for the deficit of agricultural labour despite the rich human resources availability in the nation. The authors' intention was also to identify the causes of unemployment and the effectiveness of MGNREGA scheme rolled out by GoI to bring down the problems of unemployment.

Is it the problem of Unemployment?

Unemployment occurs when a person who is actively searching for employment is unable to find work. Unemployment is often used as a measure of the health of the economy. The most frequently cited measure of unemployment is the unemployment rate. This is the number of unemployed persons divided by the number of people in the labor force. Economists and socialists have classified unemployment into various types. Generally unemployment[3] can be classified as Seasonal Unemployment, Voluntary Unemployment, Frictional Unemployment , Cyclical Unemployment and Disguised Unemployment . The causes and consequences of this problem in India is well known.

2. MGNREGA – OVERVIEW

There exists a labor market with demand and supply of labor and a wage rate. Even if wages are competitively determined, it may not be adequate for the poor household to reach their target income. Due to all of the reasons government implemented NREGA and the act was passed in 2005. The major provision of MGNREGA[4] is every household in the rural area of India shall have a right to at least 100 days of guaranteed employment for at least one adult member.

[1] Ruddar Datt and Sundaram, "Indian Economy", 1990, Sultan Chand and Publications, New Delhi, p 655-663

[2] Central Statistics Office, 2012-13
[3] Geethika, Piyali Ghosh, Purba Roy Choudhury, "Managerial Economics", Second edition, Mc Graw Hill Publications
[4] Nrega.nic.in

3. RESEARCH METHODOLGY

The study was conducted in the select villages of Coimbatore district in TamilNadu. The district consists of 10 taluks, comprising of Annur, Coimbatore (North), Coimbatore (South), Kinathukadavu, Madukkarai, Mettupalayam, Perur, Pollachi, Sulur, Valparai. Rural taluks not falling under municipal corporation limits and very close to Coimbatore city are Annur, Madukkarai, Perur and Sulur. Villages where the MGNREGA schemes were effectively running were chosen for the study which was from these four taluks study. A sample of 60 beneficiaries of landless laborers and marginal farmers cum laborers were chosen for the study. As the approach was a case study, purposive sampling was adopted while selecting the agricultural laborers who were a part of the MGREGA scheme. The impact of MGNREGA on the socio – economic status of the agricultural laborers was analyzed. Review of the existing literature was done in order to identify the research gap. The data was collected with the help of an interview-schedule with the help of enumerators. The secondary data were collected from the village panchayat official records and other sources. The variables taken for study included Age, Income, education, Expenses for Daily Life, Medical Expenses, Education Expenses, etc.

4. POPULATION

Somayampalayam, Thennamanallur, Chinniyampalayam, Perur were the villages chosen for the study from the selected taluks of Coimbatore district, TamilNadu. The total MGREGA workers in the selected villages was around 6000. The native language is Tamil and most of the village people speak Tamil.

5. DEMOGRAPHIC PROFILE

The latitude and longitude of Coimbatore city is 11.0183° N, 76.9725° E. Chennai is the state capital for Coimbator and is in the state of Tamilnadu, the peninsular part of Indian subcontinent. It is located around 503 kilometers away from Coimbatore. The other nearest state capital from Coimbatore is Bangalore and its distance is 363 KM. The other surrounding state capitals are Thiruvananthapuram 273.4 KM., Pondicherry 338.1 KM.

6. ANALYSIS AND INTERPRETATION

The workers of MGNREGA were interviewed with the questionnaire regarding the MNREGA (Mahatma Gandhi National Rural Employment Guarantee Act), the 100 days job scheme. The responses were recorded and analysed to draw inferences.

Table1: Gender Composition

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	60	80.0	80.0	80.0
	Male	15	20.0	20.0	100.0
	Total	75	100.0	100.0	

The Table 1 reveals that majority (80%) of the work force engaged in MGNREGA scheme is only the women population.

Table 2: Composition of Agrl & Non-Agrl Work

	Freq.	Percent	Cumulative Percent
Normally don't take Agrl Work	5	7.8	7.8
Normally take up Agrl.Work	59	92.2	100.0
Total	64	100.0	

Table3: Work_Household

	Freq.	Percent
Normally don't take up HH work	37	67.3
Normally takes up HH work	18	32.7
Total	55	100.0

The above table 2 and 3 reveals that almost a all the labourers except a meager of 8 % take up agricultural related labour activities normally and one third of them also take up house hold work. As agricultural work is season specific, during lean period people take up other work that include house hold work also.

Table 4: Borow for Daily Consumpn

	Freq.	Valid Percent
Dont borrow for Daily Consumption	41	54.7
Borrows for Daily consumption	34	45.3
Total	75	100.0

Table 5: Borrows for Educational purpose

	Freq.	Percent	Valid Percent
Dont borrow for Education purpose	50	66.7	66.7
Borrows for Education Purpose	25	33.3	33.3
Total	75	100.0	100.0

Table 6: Borrow for Medical Reasons

	Freq.	Percent	Valid Percent
Dont borrow for health Issues	35	46.7	46.7
Borrows for Health Issues	40	53.3	53.3
Total	75	100.0	100.0

Table 4, 5 and 6 explains that borrowing is common among these labourers whose main work is agriculture related work. The reasons for borrowing majorly being for medical reasons followed for daily consumption and other purposes like education.

The assumption that on an average Rs.100 per day is the wage they earn was tested with a one sample t test with the assumption that the mean wages earned in the surrounding villages of Coimbatore district is Rs. 100.

$$Ho : \mu = 100$$

$$Ha : \mu \neq 100$$

Table 7: One-Sample Test

	Test Value = 100			
	T	**df**	**Sig. (2-tailed)**	**Mean Difference**
Wages per Day	9.596	74	.000	27.333

	N	**Mean**	**Std. Deviation**
Wages per Day	75	127.33	24.667

Table 7 reveals that the t-test was significant as p is less that 0.05 at 95 % confidence level. So the null hypothesis is rejected . The assumption that the mean wage is not equal to 100 is considered. The descriptive statistics also brings the mean wages earned by the labourers in these villages is Rs. 127.33. The research also brings out that who take up NREGA work normally don't own land.

7. LAND OWNERSHIP AND OUTSTANDING DEBTS

Table 8: Chi-Square Tests

	Value	**df**	**Asymp. Sig. (2-sided)**
Pearson Chi-Square	32.580[a]	40	.791
Likelihood Ratio	36.461	40	.630
Linear-by-Linear Association	14.056	1	.000
N of Valid Cases	75		

A simple Chi square analysis reveals that there is no association between land holding and the outstanding debts. Irrespective of the possession of land, all labourers have some outstanding debts which depicts the trap of poverty surrounding the life of the labourers. (Reference Table 8)

Table 9: Normal Daily Expenses

	N	**Min.**	**Max.**	**Mean**
Exp_Basicneeds	75	50	5000	1676.60
Exp_edn	75	0	4000	705.33
Exp_health	75	0	1600	605.33

The Table 9 exhibits the Expenditure nature of the labourers which reveals that a significant portion of the income is only spent on basic needs like food and shelter and only a minimum portion of Rs.600 − 700 is spent on developmental and health maintenance.

Table 10: Days worked, Age, Medical Expenses - Correlation

		Age	**Exp_Medical**	**Days Emp_mnth**
Age	Pearson Correlation	1	.119	-.057
	Sig. (2-tailed)		.309	.629
	N	75	75	75
Exp_Medical	Pearson Correlation	.119	1	.490[**]
	Sig. (2-tailed)	.309		.000
	N	75	75	75
Days Emp_mnth	Pearson Correlation	-.057	.490[**]	1
	Sig. (2-tailed)	.629	.000	
	N	75	75	75

The correlation is significant among the variables Medical expenses and Days of Employment (p<0.05). The medical expenses and number of days employed are moderately and positively correlated which means that the money earned as the age increases the medical expenses also increases. On the other side the age and number of days employed is very weakly and negatively correlated.

8. FINDINGS

The analysis reveals that

- The majority (80%) of the work force engaged in MGNREGA scheme is only the women population.
- Most of the MGNREGA labourers, except a meager of 8 % take up agricultural related labour activities normally and one third of them also take up house hold work. As agricultural work is season specific, during lean period people take up other work that include house hold work also.
- Analysis explains that borrowing is common among these MGNREGA labourers whose main work is agriculture related work. The reasons for borrowing majorly being for medical reasons followed for daily consumption and other purposes like education.
- Research also reveals that the on an average Rs.100 per day is the wage they earn. This was tested with a one sample t test with the assumption that the mean wages earned in the surrounding villages of Coimbatore district is Rs. 100. Table 7 reveals that the t-test was significant as p is less that 0.05 at 95 % confidence level. The assumption that the mean wage is not equal to 100 was failed to be rejected. The descriptive statistics also brings out the mean wages earned by the labourers in these villages is Rs. 127.33. The research also brings out that who take up NREGA work normally don't own land.
- **Land Ownership and Outstanding Debts:** A simple Chi quare analysis reveals that there is no association between land holding and the outstanding debts. Irrespective of the possession of land, all labourers have some outstanding

debts which depicts the trap of poverty surrounding the life of the labourers. (Reference Table 8)

- An analysis of the Expenditure nature of the MGNREGA labourers reveals that a significant portion of the income is only spent on basic needs like food and shelter and only a minimum portion of Rs.600 – 700 is spent on developmental and health maintenance.

- The correlation is significant among the variables Medical expenses and Days of Employment ($p<0.05$) . The medical expenses and number of days employed are moderately and positively correlated which means that the money earned as the age increases the medical expenses also increases. On the other side the age and number of days employed is very weakly and negatively correlated.

9. SUGGESTIONS & CONCLUSION

Govenrmentof India should increase the Central allocation for the scheme so that number of workdays can be increased to 200 and per day wage can be increased to Rs. 300. Below Poverty Line families and Above Poverty Line families should be registered properly inorder to reduce the misuse of the benefits of this scheme. MGNREGA could be extended to urban areas also. Gram Sabhas should be strengthened to monitor proper implementation of the scheme and also to check corruption.Government should take steps to see to that the funds allocated for this scheme are utilized only for the welfare of the people.

Mahatma Gandhi National Rural Employment Guarantee Act(MGNREGA), is an Indian labour law and social security measure that aims to guarantee the 'right to work' and ensure livelihood security in rural areas by providing at least 100 days of guaranteed wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work. The objective of the Act is to enhance livelihood security in rural areas by providing at least 100 days of guaranteed wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work. The proper execution of the scheme will certainly sustain the labour communities and their availability for effective agriculture activities.

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