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## Implementation and Impact of MGNREGA on Agriculture Produces Cost - A case study of Sagar District

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### Introduction:

Any thing to be written about Indian economy starts with a cliché statement of India being agriculture based economy with majority the people living on this sector. These remains to true in spite the increasing industrial sector. Agriculture sector has a paramount importance in our economy an their for almost all the plans and scheme are central states governments are devoted towards the agriculture sector after the independence, the government of India adopted planned, process of economic development in which all aviation of poverty and establishing equality having being the guiding principle. In the last year several schemes and programmed have been introduced and implemented in rural areas of the country. MNREGA is the one of the major programme since independence, designed and implemented in a special manner. The process of MNREGA distinguish wishes from other wages employment programmed and also constitutes its biggest challenge, special in if wage sequencers are not littering are not organize. The programme initiated in the year 2006-07 with a budget provision of 11300.00 crore and this spending is increase up to 37548.78 crore up to 2011-12 1227.50 lakh households issue job card in the year 2011-12 under MGNREGA and the average fund utilization in the scheme is 90%.The special provisions of this programme is undoubtedly

helping the rural poor specially the women to provide 100% guaranteed employment but this major social sector programme is affecting adversely to the agriculture sector specially to the ability of the labour and increasing the labour cost of production. The proposed study is planning to analyze the issue of increasing labour cost due to the MGNREGA effect.

The area selected for the study is Sagar district of Madhya Pradesh, Saga district is a district of Bundelkhand, which is an industrial backward area up to the last few years and therefore, agriculture is a main occupation is the district. MGNREGA implicated in the district from 2007 programme in Sagar district 363756 total job cards issued in the district 2013. It ravens that this programmed is implementing in the district is influencing the agriculture sector too. Agriculture is a special occupation in which the sealing price of agriculture produce is not decided by the normal method that is i.e. cost profit method. Farmers sale there produce at a market price on the one day when he reach the Mandy for sale of his produce. The price realize is not related with his production cost in this condition if the cost of production is increasing cost of inputs but also by the schemes like MGNREGA then this problems multiply. The proposed study is a plan to understand and analysis this issue and suggests the corrective majors to protect the agriculture sectors form the

adverse effect from such MGNREGA programme.

**2. about the Research Problem:**

**Sagar district- An Introduction:** Sagar is one of the economically backward districts of the state. According to census 2001 the total population of the Sagar district is 20.22 lakh; out of which 14.30 lakh lives in village. The other indications of development of the district also show that the fruits of the development after independence have not been reached to the rural people of the district. “The 25.7% of the districts population is agriculture labour and 52.34% of employment generated in the district

through from sector. The 33.3% of rural employment of the district is coming from non form sector. The district has 33.5% share of states population out of which 20.35% and 9.7 represented by schedules caste (SC) and scheduled tribes (ST). The central government has sanctioned special package for the Bundelkhand region of Madhya Pradesh in which Sagar is an important district of the region the scheme like MGNREGA is very useful for the economic development of the rural population of the district if implemented effectively.

**Geographical Area of Sagar:**

The topic of proposed research project is related to the rural of Sagar. Following data basic information of rural of the district:

**Table-1**

**Geographical area, village and Administrative setup in Sagar district**

Sagar	Geographical area (in sq. km)	No. of Tehsils	No. of Administrative Block	No. of Town	Inhabited villages	Janpad panchayat	Gram Sabha
Sagar	10252	8	11	13	1901	11	1892

Source: Third Human Development Report, 2002, M.P. Government pp. 441 outside Basic Date sheet of census 2001.

**(h) Cultivated Area and Area Under Irrigation:**

The agriculture is a predominant occupation in Bundelkhand region but land available and used for cultivation in the district is considerably lower than other agriculture zones of the country. Apart from

size of land cultivation, agriculture production is primarily determined by availabilities of water, irrigation support, multiple cultivation over a year, and offers considerable protection against vagaries of monsoon. Following table shows the irrigated and total sown area of the Sagar:

**Table -8**

**Cultivated and Irrigated Area in Sagar**

S.No.	Name of District	Total area sown*(ha)	Total area irrigated(ha)**	% total area sown that is irrigated
1	Sagar	710690	236635	33.3

*Source: District-wise Land Use Statistics, Ministry of Agriculture, Government of India, May 2008.*

*Note: There is considerable variation in irrigated area figures across reporting years, and reporting authorities. Percentages derived from figures for net irrigated area will be higher than figures for total irrigated area given in the table above. 'Net irrigated area' refers only to the area irrigated once in a year for a particular crop - it does not take into account the number of crops grown in the same area, in the same year.)*

**Introduction to National Rural Employment Guarantee Act MGNREGA:**

The NREGA implemented by the Ministry of Rural Development is the flagship programmed of the Central Government that directly touches the lives of the poor and promotes inclusive growth. The National Rural Employment Guarantee Act was notified on September 7, 2005 and was the first of its kind in the world. It was brought under per view of an act for rural employment at an unprecedented scale in order to provide employment when other employment alternatives are scarce or inadequate. The Act came into force on Feb 2, 2006 and was implemented in a phase manner. During 2009-10, it has been rechristened as Mahatma Gandhi National Rural Employment Guarantee Act (MGNERGA). The act aims at enhancing at least one hundred days of guaranteed

wage in a financial year to every one whose adult members volunteer to do unskilled manual work. Its auxiliary objective is strengthening natural resource management through works that address the causes of chronic poverty like draught, deforestation and soil erosion and so encourage sustainable development. The process outcomes include strengthening grassroots process of democracy and infusing transparency in governance. The Act is also a significant vehicle for strengthening decentralized and deepening process of democracy by giving a pivotal role to the Panchayat Raj Institution concerning planning, monitoring and implementation. Unique features of the Act include, time bound employment guarantee within 15 days, and incentive-disincentive structure to the State Governments for providing employment as 90 per cent of the cost for employment is borne by the Centre or payment of

unemployment allowance at their own cost and emphasis on labour intensive works prohibiting the use of contractors and machinery. The Act also mandates 33 per cent participation for women. Poverty and employment are the two major economic and social problems of rural India since Independence. The planned efforts to solve these problems have not been effectively implemented in the last five decades of the 20<sup>th</sup> century. The National Rural Employment Guarantee Act enacted on 25 August 2005 which was renamed as Mahatma Gandhi National Rural Employment Guarantee Act. (Hereafter MGNREGA) ON 2<sup>nd</sup> October 2009 can be treated as a good step to solve the said problem. "Under the MGNREGA rural households have a lead right to get not less than 100 days of unskilled manual labour on public works in each financial year." It is landmark legislation which creates "Right to work" for all households in rural India. It can be treated as a significant step towards a guaranteed social security mechanism for the rural poor.

The MGNREGA was enacted in 2005 to reinforce the commitment of a socialistic government towards livelihood security in rural India. "The Act empowers ordinary people to play an active role in the implementation of Employment guarantee scheme through Gram sabhas, social audit, participatory planning and other means." It is a unique programme to ever implement after independence to generate employment for the rural people. Following are the important features of the Act.

- (1) It guarantees 100 days wage work on demand.

- (2) It provides cash compensation as unemployment allowance; if the works have not been provided within 15 days of applying.
- (3) The unemployment allowance amount to one fourth of the minimum wage for the first 50 days and one half thereafter.
- (4) The household intending to work under the Act should have to register with Gram Sabha panchayat and to submit written application for work.
- (5) The work provided under the Act through a Job Card issued for every household.
- (6) If a worker lives more than 5 km from the work site he is entitled to travel allowance 10 % of the minimum wage.
- (7) Men and women should be paid equality.
- (8) 100 days of guaranteed Employment in a financial year in terms of a household; is provided under the Act.
- (9) More than one person in a household can be employed simultaneously or at different times calculate 100 days Employment.
- (10) All adult members of the household who register must apply for work.
- (11) Wages should be paid within a week; or fifteen days at most.
- (12) If more than five children under the age of six years are present child care facilities should also be provided at the worksite.

(13) “The Act aims to generate production assets. Protecting the environment. Empowering rural women reclining under rural migration and fostering social equity.

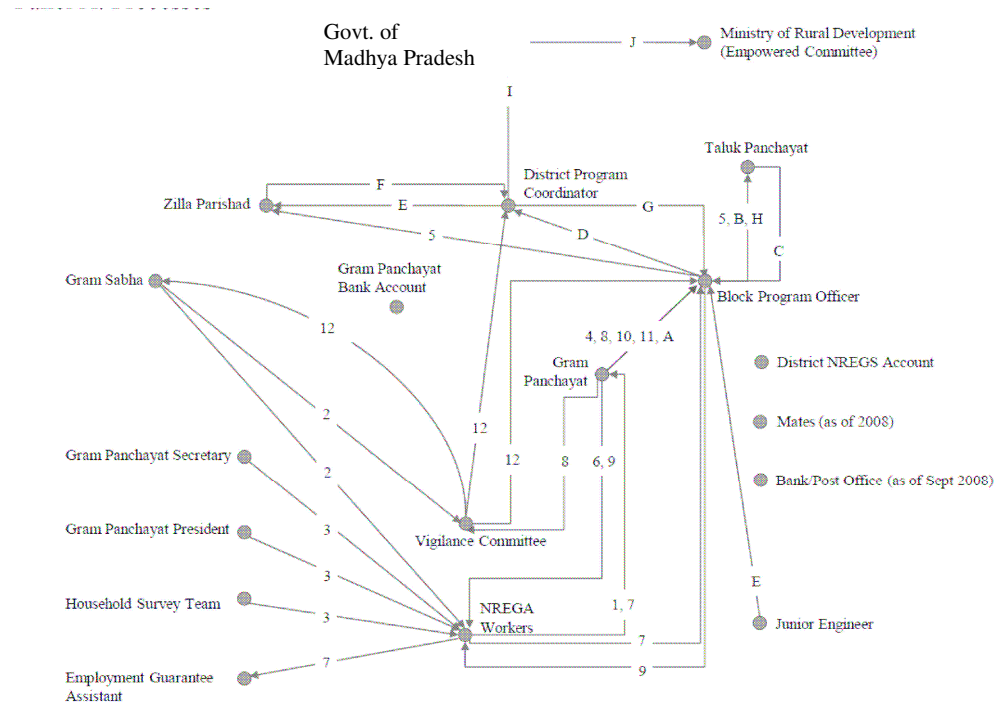
(14) Wages paid through Banks and post offices.

(15) The central government bears 75 percent of material cost and reaming 25 percent should be contributed by the respective state government.

(16) The 60:40 ratio should be maintain for 25 percent share for wages of the unskilled manual worker and the material; unskilled/semi skilled worker wage. It expenditure is merely to percent..

**MGNREGA implementation according to operational guidelines**

Panel A: Processes



**MGNREGA IN Sagar district:** MGNREGA was implemented in February, 2006. The third phase of Act covered 200 backward district of the country. Then extended to covers the entire district. The Sagar district of Madhya Pradesh is one of the between of the state district. The Act was

enforced from Aril 2008 in the sager district. The backward Bundelkhand region for which the central government has announced special package for development. The following data reveal the progress of the scheme in the district.

**Job card issued in Sagar district:** According to the Act, every rural family who

wants to seek work under the scheme, have to apply for job card in which all the regard of the employment provided is regarded. The

states of jobcard issued in the district are as under.

**Table no-1-A**

Job card issued families in Sagar district.

Category of workers	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Sc	45310	56544	56931	56931	57831	49534
St	60832	88533	88614	88614	88500	72914
Other	220123	299657	301701	301701	305551	241308
<b>Total</b>	<b>328565</b>	<b>444734</b>	<b>447246</b>	<b>447246</b>	<b>451882</b>	<b>363756</b>

Source- [www.nrega.nic.in.mp](http://www.nrega.nic.in/mp)

The above table reveal that in 2008-09 total 3, 28, 565, Job card were issued to the families in the district in which 13.79% issued to SC and 19.12% to the ST household. Remaining 60.09% Job card were issued to other rural workers of the district. In 2009-10 the figures of the Job card holders reached to 444734 families which were 4.92% more than 2008-09. In the subsequent year i.e. .2011-12 the figures remain most constant and it reveals that the entire workforce of the district who need work under the Act was issued Job card

up to 2009-10 and 2012-13 total 4,51,882, 2013-14 total 3,63,756 Job card were issued to the families in the district.

**Employment demanded and provided in Sagar district**

The Act provided 100 days guaranteed employment to the registered worker. Any failure to this is entitled to an unemployment allowance and is to be paid to the workers under the Act. The following table explains the employment position in the Sagar district.

**Table no.1-C**

**Employment demanded and provided under MGNREGA in Sagar district**

Block	Employment demand	08-09		09-10		10-11		11-12		12-13		13-14	
		House holds	Person s	House holds	Person s	House holds	Person s	House holds	Person s	House holds	Person s	Hous ehol ds	Perso ns
Kesli		9645	14245	8603	14258	7677	13064	5181	8781	7819	14337	2392	4208

	Employment Provided	9488	13980	8554	14140	7654	13009	5167	8756	7778	14249	1740	3053
Khurai	Employment demand	4311	7053	5550	11852	5315	11991	5243	11627	6502	14442	2825	5811
	Employment Provided	4089	6687	5615	11961	6237	14534	5241	11625	6500	14436	2611	5348
Jaisinagar	Employment demand	13227	19811	9442	14174	8456	12405	4732	6731	8137	12750	3501	4835
	Employment Provided	13196	19717	9636	14487	8513	12487	4718	6716	8108	12693	2222	3139
Devri	Employment demand	10835	15310	8836	13679	9796	16752	5048	8892	8407	15498	2877	5246
	Employment Provided	10797	15246	8727	13473	9700	16560	5380	9477	8021	14763	2598	4716
Banda	Employment demand	17892	23388	15346	22337	12813	19955	2608	4241	6438	9606	3115	4191
	Employment Provided	17846	23283	15390	22230	12705	19688	2608	4241	6342	9457	1617	2126
Beena	Employment demand	16063	25527	9627	17419	11725	23347	54145	94422	5853	6051	1570	2680
	Employment Provided	15985	25349	9880	17772	11676	23196	54953	95735	5853	6051	1083	1806
Malthon	Employment demand	4914	7315	5155	8167	5238	8776	4093	5990	7043	11127	2855	3964
	Employment Provided	4905	7291	5093	8049	5238	8774	4553	6816	7035	11110	1386	1946
Rehli	Employment demand	9421	12009	6898	9926	6586	9834	9361	17054	17130	32566	6154	1546
	Employment Provided	9248	11750	9746	9714	7047	10651	9345	17018	17088	32443	4804	8138
Rahatgarh	Employment demand	14043	18991	11804	18077	15030	28280	5615	9406	8042	14499	3145	5302
	Employment Provided	13827	18676	11762	17929	15500	29457	5616	9419	8041	14498	2695	4464
Shahgarh	Employment demanded	13911	21110	1536	17115	8881	14758	2210	3841	3724	15948	1214	2090
	Employment Provided	13815	20857	10422	16852	8804	14646	2175	3766	3683	15834	952	1666
Sagar	Employment demand	9393	13984	5965	10057	6280	11287	5401	10932	7188	6869	2886	5641
	Employment Provided	9360	13923	5963	10053	6190	11105	5356	10799	7154	6789	2147	4045

Source- [www.nrega.nic.in.mp](http://www.nrega.nic.in.mp)

The table mentioned reveals that from 2008-09 to 2013-14 the employment demanded by the person and the families provided and it wage near to 100% in all the 6 year.

failing which the claimants can legally demand cash compensation. The block wise position of 100 days Employment under MGNREGA in Sagar district or under.

100 days Employment in Sagar district- The Act guarantees 100 days to wage work on demand,

**TABLES NO.**

**100 days employment in Sagar district**

S.N	BLOCK	08-09		09-10		10-11		11-12		12-13		13-14	
		F	M	F	M	F	M	F	M	F	M	F	M
1	BANDA	122	12419	469	47758	244	410397	118	287932	36	203686	0	24211
2	BINA	21	2100	119	11905	103	224503	395	189761	78	132896	1	19784
3	DEORI	181	18248	332	33392	200	418542	403	374367	297	357200	17	68431
4	JAISINAGAR	261	26603	271	27733	230	338802	231	338513	206	334921	1	36471
5	KESLI	58	5808	149	14966	87	266042	326	355604	138	338126	0	33770
6	KHURAI	58	5804	400	41955	427	319122	462	368422	338	356637	1	70507
7	MALTHON	27	2711	172	17214	342	310278	1064	473013	267	294890	1	18516
8	RAHATGARH	421	42907	473	48394	308	341956	377	410488	294	365043	3	57910
9	REHLI	26	2650	193	19700	225	612765	728	713287	1117	860979	2	76816
10	SAGAR	260	26775	403	41121	892	523089	605	422701	420	332970	10	45661
11	SHAHGARH	110	11248	181	18432	175	224532	71	167225	89	127737	1	16781

Source- [www.nrega.nic.in.mp](http://www.nrega.nic.in.mp)

**MGNREGA and cost of agriculture produce-**In the rural context where the economy is largely dependent on agriculture, a large proportion of the rural population is dependent on the wages which they earn through unskilled manual labour in agriculture and otherwise. The workers in MGNREGS are largely casual workers who are vulnerable and suffer from chronic poverty when there is inadequate labour demand or when

there are some calamities like natural disasters or personal crisis like ill-health etc. In this context programme like MGNREGA are extremely important as they provide the community with income during critical times especially during lean agricultural seasons. Huge sums of money are being spent at the village level to ensure that the poorest and the needy households get a guaranteed employment for at least 100 days in the village.

MGNREGA has been successful in bringing changes at village level in the agriculture sector.

As the agriculture is a labour intensive sector, the cost of labour is a major part of the total cost of agriculture produce. It is true that the implementation of MGNREGA is helping to provide employment to the rural poor but on the other hand, it is creating the problem of availability of labour for the agricultural sector. The increasing labour cost is also becoming a big problem. The proposed research work is an effort to examine this issue in Sagar district.

**Following are the Objectives of the Study:**

- To analysis the implementation of MGNREGA in Sagar district
- To assess the cost of production of agriculture produce in Sagar district
- To study the change in the cost of agriculture produce in Sagar district
- To analysis the impact of MGNREGA on the cost of agriculture produce in Sagar district

**Methodology of the Study:**

The proposed research proposal is of the diagnostic nature. The area of research is of Sagar district of Madhya Pradesh which has 11 blocks 1901 villages the population of Sagar district is 2378295 and number of peoples living in rural sectors. In Sagar district 213793 are farmers and the economy of the district is based on agriculture. These farmers are of the universe of the research proposal.

On primary and secondary data both. The secondary data source are different reports from ministry central and state government reports from international institution research journals and other academic studies of different university.

The primary source of data will be collected through sample survey; it is proposed that 5%

villagers from the district will be selected through stratified random sampling. The data will be collected through the questionnaire, developed to access and analysis the cost of agriculture produce of different crops and the impact of MGNREGA scheme on the cost of production.

The data collected through the primary and secondary source will be future process and analysis by the different simple statistical tools and techniques for extraction of result and interpolation their up.

• **Secondary Data Source:**

The relevant data and literature will be collected from various sources like libraries, documents and Annual Reports of different departments, performance reports on Bundelkhand Package prepared by different departments of the region, books, articles and research papers published in various journals, magazines and news papers, special reports of various media group and NGO's and the results of academic researches.

**ii) Primary Data Source:**

The problem selected for research is a multi-dimensional problem. Today, the issue has become very sensitive for different groups of the society and hence, the data from primary source will be the most reliable source to know the ground realities of different dimensions of the problems as well as to suggest some practical solutions to the policy initiatives and its implementation. After considering the size of the population, the sample survey method has been selected for conducting the proposed research work. The sample size has decided by adopting Stratified Random Sample.

**Limitations of the Study:**

after considering the due precautions to conduct a socio-economic study in a scientific manner, following

limitations have been identified in the proposed study:

- The area of MP Bundelkhand is very wide and hence the study is based on sample survey has its own limitations.
- When primary data is collected regarding the government schemes, the respondents may hide the information due to different reasons. Though, the relevant precautions have been planned but the common behavior of the respondents may affect the result of the study, to some extent.
- The less importance and insufficient co-operation extended to the academic research by the administration may cause some hurdle in the proposed study;
- Finally, the time and financial constraints may affect the efforts of the researcher to get the detailed information and hence, may cause some deviations in the results.

Apart from these limitations, there are sufficient reasons to conduct a useful and valuable research work in searching the practical solution of the selected problem.

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