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AN ANALYSIS OF WAGE DISTRIBUTION OF MGNREGP WORKERS IN TIRUCHIRAPALLI DISTRICT, TAMIL NADU

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ABSTRACT

MGNREGP aims to provide a steady source of income and livelihood security for the poor. The program is likely to eradicate poverty, through providing extra work opportunities and income to the poorest in rural areas. In assessing the impact of MGNREGP on poverty, it is important to note the interplay between MGNREGP and market wages.

Keywords: MGNREGP, WAGE, DRDA, Village Panchayats

INTRODUCTION

India is a country of villages as around three fourth of the population lives in rural areas. For rural workers, agriculture is virtually the sole occupation. But agriculture is not able to provide gainful employment to all those who seek it. Mounting pressure of population with no alternative employment in rural areas caused the introduction of MGNREGP.

The impact of MGNREGP has to be assessed at two levels; the village economy and the village resource base. The village economy was likely to feel the impact due to the effect of the programme on the labour market and its likely consequence for agricultural activity. The impact on the labor market has to be assessed in terms of wage rate and the functioning of the different labour market institutions.

OBJECTIVES OF THE STUDY

- To study the wage distribution of MGNREGP workers in Tiruchirapalli district.
- To study the impact of MGNREGP on agricultural wages.

METHODOLOGY

The paper analyses the impact of MGNREGP with primary and secondary sources like leading journals, newspapers, text books, internet sources and District Rural Development Agency (DRDA).

Wage distribution of MGNREGP

The assessment of the employment programmes especially wage employment programmes assume a great significance in the context of implementation of Employment Guarantee Programme of 2005 for rural population.

In Tamil Nadu, Tiruchirapalli District is located at the centre of the state. It is the agrarian district with industrial growth supported by the public sector companies.

In Thiruchirapalli District wage distribution under MGNREGP shows the cash payment as well as through bank payment. The programme was started in 2008 in Tiruchirapalli District. From 2008 to 2011 the payment was made only through panchayat officials. But after 2011 onwards the payment mode was through bank.

Under MGNREGP Tiruchirapalli District have 351629 bank accounts for job card holders which are 86.20 percent of registered individuals. Indian Overseas Bank is the Lead Bank of this district with 47 branches.

Table – 1: MGNREGP wage distribution through different banks in Tiruchirapalli district.

Bank	Number of Urban Branches	Number of Semi urban Branches	Number of rural branches	Total
Public Sector banks	83	24	59	166
Private Sector banks	25	4	13	42
District Central Co-Operative bank	17	7	7	31
Trichy City Co-Operative bank	5	0	0	5
TNPSC Agri and Rural Development Bank Limited	1	4	0	5
TIIC	1	0	0	1
Total	132	39	79	

Source: District Rural Development Agency

Implementation of MGNREGP in Tiruchirapalli District

Communication played major role in effective and efficient implementation of MGNREGP. The Information, Education and Communication (IEC) strategies include newspapers, TV and radio spots, pamphlets and branches were prepared to create awareness. Gram Sabha is also made platform for the dissemination of information of MGNREGP.

System Evolved to Release Funds to Blocks and Village Panchayats

Since the payments to the labourers are made on every Tuesday in a week, necessary funds are available in each panchayat. In every panchayat not less than Rs. One Lakh funds were made available at any time to ensure the availability of funds. If the funds availability reduces below Rs. One Lakh in any of the panchayat, the Block level unit has to substantiate the funds immediately from the revolving fund available with the block. To maintain the revolving funds at the block level, it is ensured that minimum Rs. One Lakh per panchayat or Rs.25 Lakh, whichever is more is released to the block from the District Employment Guarantee Fund Account.

In Tiruchirapalli district 91 percent of individual savings Bank Accounts for MGNREGP workers have opened bank accounts opened in Nationalized banks and this was possible through persistent efforts made by the block officials with the co-ordinate of Bank staff.

The Bankers in Tiruchirapalli district are very co-operative in implementation of the MGNREGP. They are taking sincere efforts with district team of MGNREGP in opening bank accounts to all the job card holders. Further timely fund release is also being done through the bankers co-operation.

MGNREGP worker withdrawing cash by using ATM

If the workers are not available at the village on the payment day, their wages are remitted in their bank accounts which is recorded in the register by the payment committee.

Table – 2: MGNREGP – wage rate and mode of payment

Year	Wage – Rate	Payment Mode
2008-09	Rs.80	Cash Payment
2009-10	Rs.80	Cash Payment
2010-11	Rs.100	Cash Payment
2011-12	Rs.119	Bank Payment

2012-13	Rs.132	ECS
2013-14	Rs.148	E – fms
2014-15	Rs.167	E – fms
2015-16	Rs.183	E - fms

Source: Secondary data from District Rural Development Agency

The above table shows that from 2008 to 2011 the MGNREGP wages were paid through the panchayat officials by cash. From April 2011 onwards the payment is made through the bank by ECS or E-fms.

Impact of MGNREGP on Agricultural wages

Population pressure in rural areas in the Indian Economy with no alternative employment available has given a way to start MGNREGP.

The village economy was likely to feel the impact due to the effect by the programme on the labour market and its likely consequence for agricultural activity. The impact on the labour market has to be assessed in terms of the wage rate and the functioning of the different labour market institutions. The substitution and supplementary employment opportunities would determine the wages in the agricultural sector.

The increased wages in the agricultural sector after the introduction of MGNREGP has improved the bargaining power of labour, which ultimately resulted in changes in the functioning of labour contracts.

Table – 3: Agricultural wages before and after the MGNREGP

Year	Before MGNREGP		After MGNREGP	
	Male	Female	Male	Female
April – June	1400	1000	1600	1400
July – Sep	2100	1800	2400	2100
Oct – Dec	4200	3675	4725	4200
Jan – March	3400	1700	3825	3400

Source: Primary data

The above table shows the wages before and after the implementation of MGNREGP. The whole year was divided into four seasons. The agricultural workers both male and female are getting higher wages in the season from October to December. Next to this season the laborers are getting a small reduction in wages during the season from January to March. This increase in wages was mainly due to harvesting work in agriculture.

FINDINGS OF THE STUDY

1. The mode of wage payment is systematic and beneficial to the workers of MGNREGP.
2. The programme has given a significant impact on strengthening the bargaining power and labour contracts after the implementation of the programme.
3. The wages of agricultural labourers both men and women have considerably increased due to this programme.
4. The employment gain and the wage contribution to the household income have also increased after the implementation of the programme.

CONCLUSION

It is clear from the foregoing analysis that the programme was reaching the needy in rural areas. The scheme could contribute to reduction in chronic deficiency of food of children and the incidence of child labour. It has also contributed an improvement in the women wage incomes. Increase in wages and reduction in gender differences were the major consequences of the scheme. The scheme helped the poor and the transient poor to cope with the covariant risks like drought that they encounter.

A significant impact of MGNREGP seems to have been the upward pressure it has exerted on male and female agricultural wage.

To end up poverty and ignorance and to establish equality in opportunity the Government of India serves the population who really deserves support and development. Every great man in the society should work forward with the ambition that no single soul shed tears due to poverty and sufferings.

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