

A COMPARATIVE ANALYSIS ON EXPENDITURE INCURRED AND AVERAGE WAGES DIFFERENCES UNDER MGNREGA IN GUJARAT AND HARYANA

Mrs. Mukesh Chahal
Research Scholar Niilm University Kaithal
&
Assistant Professor in Economics Department
Babu Anant Ram Janta College Kaul, Kaithal (Haryana)

ABSTRACT:

In India, various poverty alleviation programs and schemes have been implemented since economic reforms in 1991. MGNREGA is one of the vital and most important programs that have been put into practice so far. Notification of the National Rural Employment Guarantee Act (NREGA) came on Sep. 7, 2005, and was launched on Feb. 2, 2006. The program has been renamed as Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) since October 2009.

This research paper is about the average wages paid under MGNREGA in the state of Haryana and Gujarat and the details of expenditures. The period of the study has been taken from the financial year 2017-18 to the financial year 2020-21. The study is mainly based on secondary data collected from various publications of the Ministry of Rural Development, Govt. of Gujarat, and Haryana. We found in the study that the expenditure incurred on MGNREGA in Gujarat is always very high than Haryana during the period of the study while the average wages paid in Gujarat is always very low than in Haryana. Both the Central and State governments should review the baseline for paying wages to the workers under MGNREGA and should minimize the differences in wage rates between the states.

KEY WORDS: MGNREGA, Gujarat, Haryana, Expenditure, Average Wages.

INTRODUCTION:

Many programs have been developed for employment generation and poverty alleviation in India. The main objective of these programs is to provide employment to more and more people and reduce poverty. NREGA scheme in India is also the result of these programs. Notification of NREGA scheme on 7 September 2005 .It was started from 2nd February 2006. In October 2009, the name of the scheme was changed to MGNREGA, whose main objective is to eradicate poverty and promote inclusive growth.

The Act provides a legal right of workers to the work seekers. It is a demand-driven program rather than allocation-based employment programs like earlier programs. It has the potential to transform the rural economy through productive assets creation. Thus, it is not only a safety net for the poor but also a development effort. The role of MGNREGS is classified as protective, preventive, and promotive. Some of the important features of the scheme are as follows:

- MGNREGA provides a time-bound guarantee of 100 days of employment to each rural household that demands unskilled manual work in a financial year.
- The adult members of a rural household, willing to do unskilled manual work, are required to make registration by writing or orally requesting the local Gram Panchayat.
- The job card should be issued within 15 days of application.
- Work should be provided within a 5 km radius of the village and within 15 days of application for work. In case, work is provided beyond 5 km, additional wages of 10 percent of the minimum wage are payable to the beneficiaries.
- Wages are to be paid according to the Minimum Wages Act, 1948. There is provision of same wage rate to male and female candidates. At least one-third of the total beneficiaries should be women.
- If Gram Panchayat cannot provide employment, then daily unemployment the allowance at the rate of one-third of the minimum wages has to be paid.
- Provision of facilities at work sites such as pure water, sheds, first aids, and crèches, etc.
- The works that can be done under MNREGA include water and soil Conservation, afforestation, land development works, rural connectivity, flood control, and protection such as construction and repair of an embankment, digging of percolation tanks, and small irrigation projects.

- Wage and material ratio has to be maintained at 60:40. No contractors and machinery are allowed.
- The Central Government bears the 100 per cent wage cost of unskilled manual labor. But the liability of payment of unemployment allowance is on the states.
- All the accounts and records relating to the scheme should be available for Public scrutiny.

The scheme guarantees 100 days of employment in a financial year to any rural family. In addition, the scheme caters to other objectives such as empowering rural women, reducing rural-urban migration, promoting social equality, productive assets, and skills.

In the first phase, 6 districts of Gujarat and 2 districts of Haryana were introduced. It was then extended to an additional 130 districts in the financial year 2007-08 in the second phase. In this phase, 3 districts of Gujarat and 2 districts of Haryana were included. In the third phase the Act was universalized on 1st April 2008 and now covers the entire country. In this phase, the remaining 17 districts from Gujarat and 17 districts of Haryana were included in the scheme thus covering the whole states of Gujarat and Haryana.

REVIEW OF LITERATURE:

Jogender Sharma (2009) after the implementation NREGA the programme became one of the most successful wage employment programme initiated by the government of India. Within a short period, the schedule has spread all over India, and the level of participation is much better than any other application so far implemented. The majority of the population participating in the plan belongs to that woman and marginal farmers. Even though the schedule is a success due to the high-level participation of the rural community, but it also includes some negative aspects. It is not having a clear picture of the level of outcome or assets to be created by the programme. The NREGA is designed to employ unskilled labour if the plan can add skilled works on the list, it can be more effective in incorporating the skilful rural youth. The program can also motivate the rural population to move towards NREGA without giving importance to agriculture. The wage rate provided under the schedule is more or less same to the wage rate prevailing in the locality, which can guide the people in taking such a decision. Thus, the authorities should also focus on this aspect to make the programme more creative in the element of providing a better life without affecting the agricultural base of the rural areas.

Veera Raghavalu (2010) analyzed the performance of employment generating programmes in India and also the study discussed about the performance of the major anti – poverty and employment generating programmes in India. The study concluded that JGSY / SGRY programmes generate the highest employment man - days than other selected programmes in the study area.

Kartika Bhatia (2010) analyzed during the initial stages of implementation of NREGA in India the wages, were given in the mode of cash based on the entries made in the muster roll. The Muster role is prepared every week and contains the number of days worked and also the pending due to an individual. Thus, the process of allocation of funds in the mode of cash passes through different stages, and moreover, a corrupt officer can embezzle the money. These problems made the government make the payment of through banks, which allows to monitor pay as well as to maintain transparency of NREGA regarding the matter of wage payment. Moreover, the introduction of the modern banking system was first its kind to the majority of rural women. The transaction through banks enabled the workers to manage their accounts. Thus, the workers got the opportunity to introduce themselves to the bank transaction and thereby to avoid any embezzlement and deception.

Anju Rani (2013) examined the impact of SGSY on employment generation and increase in income in rural Haryana. The study was based on mainly on primary data and found that average number of working days was 120.05 days before joining SGSY and it increased to 132.05 days after joining SGSY. The study reveals that there was significant increase in average income across all the social groups. SC had benefited more than backward class and general category and the persons those who have BPL ration card got the significant benefit from SGSY.

Samir Ghosh (2016) assessed the change in living standard of the Indhira Awaas Yojana beneficiaries in Kolkatta. The study indicates that there had been improvement in living standard of about 70 percent beneficiaries of IAY. About 30 percent of the beneficiaries stated that the permanent shelter provided by the Indhira Awass Yojana was brought gradual changes in their life.

OBJECTIVES:

- To analyze the average wages paid under MGNREGA in Gujarat and Haryana.
- To analyze the expenditure incurred on MGNREGA in Gujarat and Haryana.

RESEARCH METHODOLOGY

Research Methodology is a method to systematically solve the research problem. In it, we study the various steps that are usually adopted by a researcher in studying his research problem along with the logic behind them. Research in common parlance refers to a search for knowledge. One can also define research as a scientific and systematic search for relevant information on a specific topic. In fact, research is an art of scientific research. The current study is about the average wages paid under MGNREGA and the statement of expenditures on MGNREGA in the states of Gujarat and Haryana. The period of the study has been taken from the financial year 2017-18 to the financial year 2020-21. The study is mainly based on secondary data. The relevant data have been collected from various publications of Ministry of Rural Development, Govt. of Gujarat and Haryana, various journals, and various newspapers and various websites.

DISCUSSION AND RESULT:

MGNREGA IN HARYANA

In Haryana also, MGNREGS was launched in three phases. On 2nd February 2006, the scheme was launched in two districts viz. Mahendergarh and Sirsa. It was extended to two more districts, Ambala and Mewat, on 1st April 2007. The scheme has been covering all the districts under the scheme with effect from 1st April 2008.

The present study has been carried out in Haryana State. It is the 16th largest state in northern India located between 27°37' to 30°35' latitude and between 74°28' to 77°36' longitude. The total geographical area is 44,212 sq km with total population 21,144,514. Haryana is a landlocked state in northern India. It is located between 27°39' to 30°35' N latitude and between 74°28' and 77°36' E longitude. The altitude of Haryana varies between 700 to 3600 ft (200 metres to 1200 metres) above sea level. An area of 1,553 km² is covered by forest. Haryana is measured to be the one of

the rich states of India in terms of its per capita income. The tertiary sector is the main contributor to GSDP, its share increasing steadily over the years. Although the share of primary sector has been declining, it still assumes major importance in the occupational structure of Haryana with 51 percent of its working population still engaged in agriculture. Literacy rates among male and females and across categories of population in Haryana are satisfactory. Planning Commission estimates that the proportion of people below poverty line in Haryana is only 7 percent which reflects the State's efforts. Haryana is the only state with a 100 percent record of providing service to the total job card issued household.

MGNREGA IN GUJARAT

In Gujarat also, MGNREGS was launched in three phases. On 2nd February 2006, the scheme was launched in six districts. It was extended to three more districts, on 1st April 2007. The scheme has been covering all the districts under the scheme with effect from 1st April 2008.

The Indian state of Gujarat is situated on the country's western coast, along the Arabian Sea. It encompasses the entire Kathiawar Peninsula as well as the nearby area on the mainland. The state is surrounded by Pakistan to the northwest and by the Indian states of Rajasthan to the north, Madhya Pradesh to the east and Maharashtra to the southeast. The coastline of Gujarat spans 1,596 km and no part of the state is more than 160 km from the sea. The capital is Gandhinagar, situated on the outskirts of the north-central city of Ahmedabad. The largest city in the state and former capital of Gujarat, Ahmedabad is one of the most significant textile centres in India. Gujarat is reported to be among the top five Indian states in terms of gross state domestic product (GSDP) at constant prices, accounting for about 8 percent of India's GDP. One of the leading industrialized states in India, Gujarat offers a model for economic progress and development for developing nations. Its important contribution to the Indian economy has made India visible to a competitive marketplace in recent times.

MGNREGA AND FIXATION OF WAGES

The issue of the wage rate for MGNREGA has been a subject of argument because it is not fixed as a uniform daily wage rate applicable to all states. Nor is it connected to statutory minimum Wages, which vary from state to state. Except in Himachal Pradesh, MGNREGA wages are paid in terms of piece rates linked to the 'Standard Schedule of Rates' (SSRs) of the Public Works Departments of different state governments. One of the necessary principles that are followed is that of equal wages to male and female workers. When the scheme was launched in 2006 an indicative wage rate of Rs 80 per person-day was planned. This meant that workers engaged under MGNREGA would be assigned physically measurable work equivalent to Rs 80 as per the Standard Schedule of Rates. Later, in 2009 the indicative wage was raised to Rs 100 per person day. Further, it was agreed to change the base wage rate of Rs 100 indexed on the basis of the inflation rate.

Table 1. Average wage paid to workers under MGNREGA in Gujarat and Haryana Rs.

Year	Average wages paid Gujarat	Average wages paid Haryana	Difference in wages
2017-18	177	278	-101
2018-19	174	281	-107
2019-20	178	286	-108
2020-21	196	308	-112

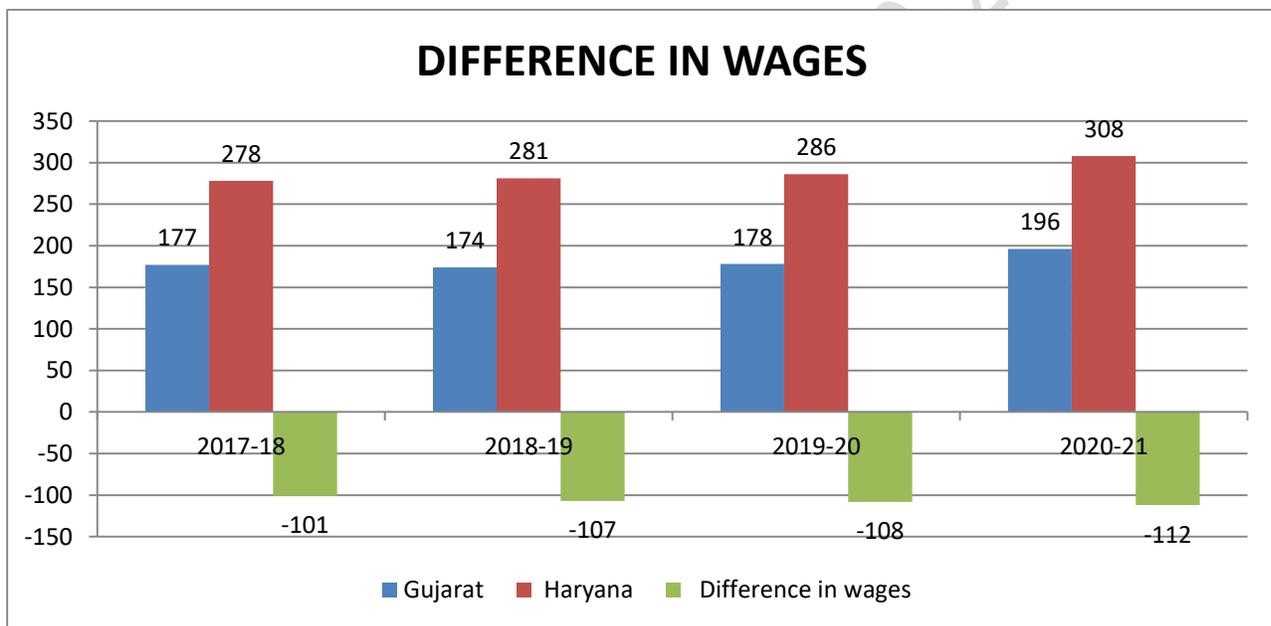
Source: www.nrega.nic.in

Table 1 show the average wages paid under MGNREGA in Gujarat and Haryana. In 2017-18 the average wages paid in Gujarat were Rs 177 while the average wages paid in Haryana were Rs 278. In 2018-19 the average wages paid in Gujarat were Rs 174 while the average wages paid in Haryana were Rs 281. Similarly in 2019-20, the average wages paid in Gujarat were Rs 178 while

the average wages paid in Haryana were Rs 286. Similarly in 2020-21, the average wages paid in Gujarat were Rs 196 while the average wages paid in Haryana were Rs 308.

The fourth column of the table shows the differences in average wages paid in the two states. It is clear from the table that in 2017-18 Haryana pays Rs 101 more than Gujarat, similarly, in 2018-19 Haryana pays Rs 107 more than Gujarat, in 2019-20 Haryana pays Rs 108 more than Gujarat, in 2020-21 Haryana pays Rs 112 more than Gujarat,

Figure 1. Average wage paid to workers under MGNREGA in Gujarat and Haryana



Source: Based on Table 1.

EXPENDITURE ON MGNREGA IN GUJARAT AND HARYANA

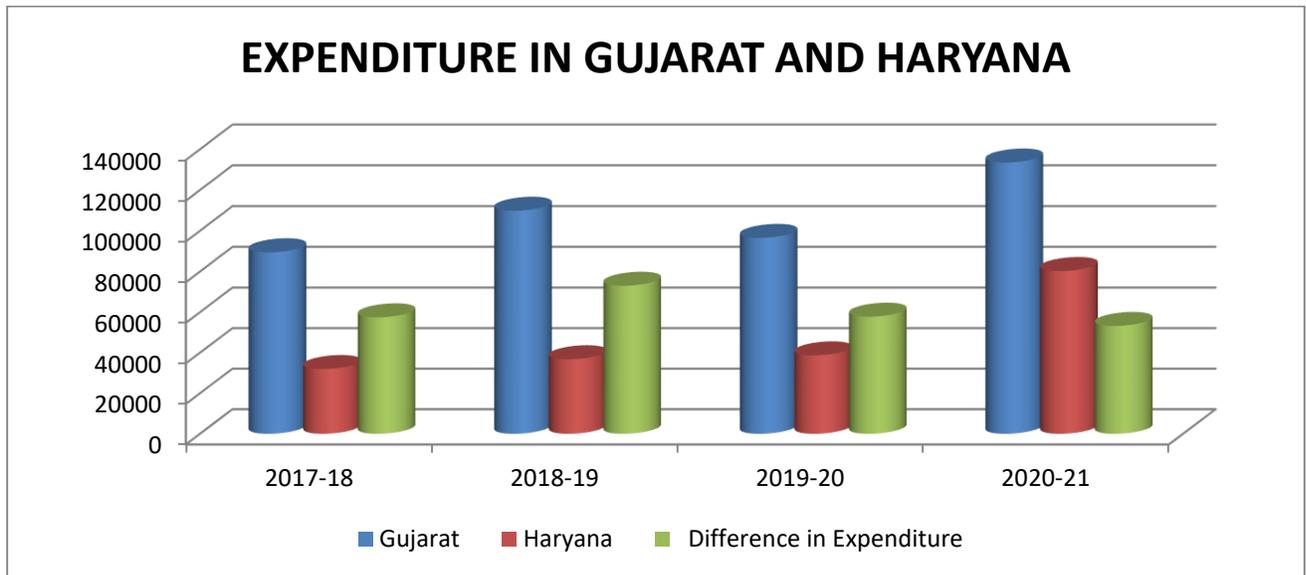
Table 2. Statement of Expenditure on MGNREGA in Gujarat and Haryana (Rs Lakhs)

Year	Expenditure in State Gujarat	Expenditure in State Haryana	Difference in Expenditure
2017-18	89447	31976	57471
2018-19	109830	36788	73042
2019-20	96512	38716	57796
2020-21	133484	80262	53222

Source: www.nrega.nic.in

Table 2 shows the figures of expenditure on MGNREGA in Gujarat and Haryana. It is clear from the table that in the financial year 2017-18 the expenditure in Gujarat was Rs 89447 lakhs while as in Haryana it was Rs 31976 lakhs. In this year Gujarat spends Rs 57471 lakhs more than Haryana. Similarly in the financial year 2018-19 the expenditure in Gujarat was Rs 109830 lakhs while as in Haryana it was Rs 36788 lakhs. In this year Gujarat spends Rs 73042 lakhs more than Haryana. In the year 2019-20 the expenditure in Gujarat was Rs 96512 lakhs while as in Haryana it was Rs 38716 lakhs. In this year Gujarat spends Rs 57796 lakhs more than Haryana. In the year 2020-21 the expenditure in Gujarat was Rs 133484 lakhs while as in Haryana it was Rs 80262 lakhs. In this year Gujarat spends Rs 53222 lakhs more than Haryana. In all the financial years Gujarat spends more than Haryana on MGNREGA.

Figure 2. Statement of Expenditure on MGNREGA in Gujarat and Haryana (Rs Lakhs)



Source: Based on Table 2.

CONCLUSION:

The above study is all about the average wages paid under MGNREGA & the statement of expenditures on MGNREGA in the states of Gujarat and Haryana. From the above study, it can be concluded that if in the financial year 2017-18 Gujarat spends Rs 57471 lakhs more than Haryana. Similarly in the financial year 2018-19, the expenditure in Gujarat was Rs 109830 lakhs while as in Haryana it was Rs 36788 lakhs. In this year Gujarat spends Rs 73042 lakhs more than Haryana. As far as the average wage rate in the two states is concerned, in 2017-18 the average wages paid in Gujarat were Rs 177 while the average wages paid in Haryana were Rs 278. In this period Haryana pays Rs 101 more than Gujarat. In 2018-19 the average wages paid in Gujarat were Rs 174 while the average wages paid in Haryana were Rs 281. In this period Haryana pays Rs 107 more than Gujarat. The expenditure incurred on MGNREGA in Gujarat is always very high than Haryana during the period of the study while the average wages paid in Gujarat is always very low than Haryana. Both Centre and State governments should review the baseline on which the wages are paid to the workers under MGNREGA and should minimize the differences in wage rates in the states.

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