

Research Article

**Impact of Increase in Wage Rate in Employment Guarantee Scheme on Sustainable Development of Gadchiroli District**

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**Abstract**

Since independence, India has embraced a mixed economy, recognizing the co-existence of private and public enterprises. The Planning Commission Established for the rapid economic development of the country. In the country with this, five year plans were started. As a result of this five year plans agriculture, energy, irrigation, transportation, communication, information technology, etc. are available in the country and it was tremendous progress was made in this field. But the rural areas were deprived of this progress. The main occupation in rural areas is agriculture which is seasonal and depend upon nature. Therefore, in addition to agriculture, farmers and agricultural laborers have to remain unemployed during the season and have to migrate to urban areas for unemployment. As a effect of this the population of the urban areas has increased and the stress on their basic and infrastructure problems has created. Therefore, people in rural areas need to create employment in the native village. For this, the Central and State Governments emphasized on the implementation of programs and schemes like Community Development Program, Jawahar Rozgar Yojana, Indira Awas Yojana for the eradication of poverty in rural areas. But these plans have not been successful and effective in achieving their objectives. Off this the only successful and effective scheme is Employment Guarantee Scheme.

Employment has been started in Gadchiroli district since the inception of Employment Guarantee Scheme. There has also been an increase in the number of laborers due to the steady rise in wage rates. The participation of women has increased significantly due to equal pay rates for men and women. Also, the question of seasonal employment has been solved as a family gets 100 days employment guarantee in a financial year. With the creation of permanent and durable property in the village itself, the basic and infrastructural facilities have been disposed problem of economic, social, educational, cultural etc. in rural areas. The radical change that has taken place in the field. The main reason for Employment Guarantee Scheme it is the increase the wage rates.

**Key Word:-** Rural, Development, Growth, Wage Rate, MGNREGA Labour, Schemes and Programs, Basic and Infrastructure, etc.

**Introduction :-**

The foundation of the Employment Guarantee Scheme in Maharashtra has been laid since pre-independence times. Mr. V.S. Page convened a conference in *Oudh Organisation* in 1936 to give people the right to employment. On February 20, 1949, *Mauli* published an article in the newspaper "Right to Work" stating that the rural population needed employment. On May 1, 1960 the population of Maharashtra was 39554000. Out of which 1103000 were urban and 28391000 were rural. The country was hit by a drought in 1965. To overcome this, the then President of the Maharashtra Legislative Council, Shri. V.S. Page launched "*Rozgar Hami Yojana*" on an experimental basis to give rural people the right to work in Tasgaon in Visapur taluka of Sangli district. After the success of this scheme, the Government of Maharashtra announced a 15-point program. Under this program, "Employment Guarantee Scheme" was established in 1978. Subsequently, the Employment Guarantee Scheme Act was enacted in 1976 and the implementation of the Act started from January 26, 1979. After that, employment guarantee scheme was started in the whole country and hence, Maharashtra was considered as the first state in the region to start employment guarantee scheme. The Employment Guarantee Scheme gave every adult in rural India the individual right to work in Eaccordance with the guidelines enshrined in the Indian Constitution. There are 36 districts in Maharashtra and except Mumbai city and suburbs, Employment Guarantee Scheme is being implemented in about 340 talukas in the remaining 34 districts.

Gadchiroli district is the eastern district of Maharashtra and is known as tribal, remote, Naxal-affected and non-industrial area. Has the increase in wage rate since the commencement of Employment Guarantee Scheme in the district has been a favourable or unfavourable change in the economic and social conditions of MGNREGA workers? If so, which one? This is reviewed in this research.

### **Research Methodology :-**

This dissertation is based on a secondary data. have been compiled through internet, newspapers, news, magazines, employment guarantee scheme books, census booklets, employment guarantee scheme information booklets.

### **REVIEW OF LITERATURE**

1. K. Deininger and Y. Liu's (2000) research on "Targeting of NREGA and how it affects some major welfare indicators on its direct beneficiaries" compiled a survey of 2500 families working under the Employment Guarantee Scheme in Andhra Pradesh. The conclusion is drawn.
  - The participation of people from rural areas in Rohyot is increasing on a large scale.
  - Most of the people in rural areas are illiterate and work in Rohyo.
  - It has been seen that the problem of subsistence has been eradicated by providing employment through Rohyo in rural areas.
  - The scheme has contributed to the eradication of poverty and unemployment in rural areas.
  - The rate of urban migration has been reduced due to employment generation in rural areas.
2. S. K. Gupta and A. N. Sadhu studied the Jawahar Rozgar Yojana in the Sundarbans and Rajori taluka of Rajori district in the state of Jammu and Kashmir. While compiling the basic information regarding 30 beneficiaries and 30 non-beneficiaries of Jawahar Rozgar Hami Yojana, it was observed that labour is not usually available for *Jawahar Rozgar Yojana*. This was because of the conclusion that seasonal employment, lower wages and differences in wage rates were the end result.
3. Dheeraja and H. Rao's research on "Impact of MGNREGS on gender relations in 102 districts in 27 states" it is found that,
  - The Mahatma Gandhi National Rural Employment Guarantee Scheme has increased the number of women laborers.
  - Participation in MNREGA has increased women's self-esteem and self-confidence.
  - The contribution to the women's scheme has led to many improvements in Employment Guarantee Scheme.
  - Due to the implementation of MGNREGA, women have gained an important place in the society by raising their social status.
  - Through MGNREGA, women have the opportunity to raise their family, social, economic and political status.
  - The participation of women in MGNREGA is almost equal to that of men.
4. Ghosh Joydeep (2015) studied the economic impact of the Mahatma Gandhi National Rural Employment Guarantee Act in Andhra Pradesh.
5. Reddy D. N. (2014) conducted research on "Impact of Mahatma Gandhi National Rural Employment Guarantee Act on rural labour markets and agriculture in rural agriculture in Andhra Pradesh".

### **Objective of Research Paper:-**

1. To study the increase in wage rate in the Employment Guarantee Scheme.
2. To study the impact of the increase in the wage rate in the Employment Guarantee Scheme on sustainable development in Gadchiroli district.
3. To evaluate the factors contributing to the growth rate of real agricultural wages after MGNREGA.

### **MGNREGA In Gadchiroli District.**

In Gadchiroli district, Employment Guarantee Scheme's wage rate has increased every year and in a period of 14 years the wage rate has increased more than 500 times. Therefore, needy MGNREGA beneficiaries in rural areas are getting employment at the age of 60. The rest of the season has seen employment gains and rising inflation rates have helped meet the family needs of the workers and the rate of urban migration has decreased. The increase in the wage rate of MGNREGA workers in the district has adversely affected small, traditional, ethnic businesses, cottage industries in rural areas and large farmers are facing shortage of labour to work in the fields. Rising wage rates have boosted MGNREGA workers' incomes, boosting investment and savings.

## Impact of Increase in Wage Rate in Employment Guarantee Scheme on Sustainable Development of Gadchiroli District

In 2014 revision of the World Development Report published by the World Bank cites MGNREGA as an excellent example of rural development. Studies have shown that MGNREGA initiatives have reduced poverty and prevented many from falling into poverty. MGNREGA has generated work, increased income and consumption costs, especially in the weak season. Studies have shown an increased health portion, improved food and nutrient levels as a result of the employment program. As a social protection measure, the inclusiveness of MGNREGA is exemplary in terms of economic and social groups. The poorer sections of the society are more attracted to the employment scheme. The design of the scheme and the rate of wages significantly encourage women's participation. The majority of those working on the MGNREGA site are women, who have consistently been around 52 % since the program started.

### Status of MGNREGA in Gadchiroli District

The merits of the MGNREGA in Gadchiroli District of Maharashtra MNREGA program makes it an attractive proposition in times like the covid-19 crisis and consequent reverse migration. Yet at the same time MGNREGA suffers from some design and implementation problems that could enable the economy to recover from the recession and migration crisis. While many decisions prohibit MGNREGA wages from falling below the minimum wage rates. Given the extremely low wages, the expansion of the MGNREGA scheme under the 'Atmanirbhar Bharat Abhiyan' package will not prevent people from being deprived of basic necessities and falling into the poverty.

In addition, regular payments to MGNREGA workers are delayed. Such delays, especially in the current severe economic climate, will reverse the gains made in poverty eradication and will be detrimental to the achievement of the first Sustainable Development Goal of 'No Poverty'. In the second design limitation of the program the wages of workers in a particular district are withheld if that district fails to meet all administrative requirements. Defeating such delays threatens the goal of poverty eradication. Another major shortcoming of the program is the administrative rationing that is taking place in the allocation of work. By design, MGNREGA is not a targeted, budget based program. This work must be provided to each person applying for the job within 15 days of such application failure to do so the worker is eligible for unemployment compensation. This feature makes it particularly appealing to use to rehabilitate migrants in the face of Covid crisis. The urgency of the circumstances under which the MGNREGA program has been included in the Self-Reliance India Campaign' package to provide employment security to returning migrants, the effect of this policy will only be seen if the above-mentioned implementation errors are rectified.

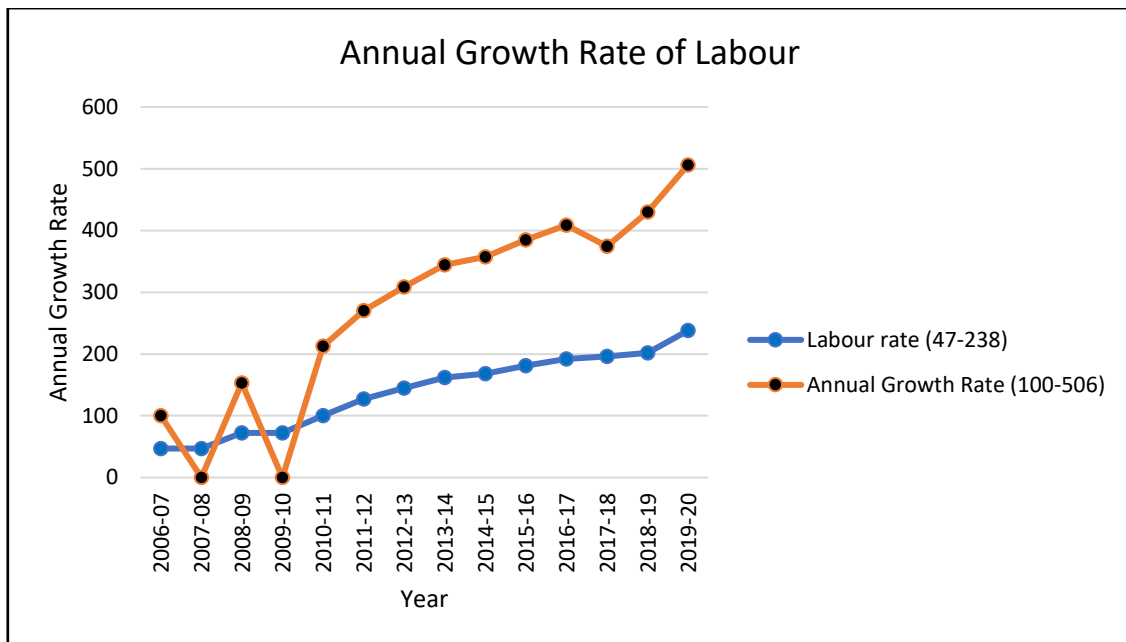
### Wages Rate of Gadchiroli District of Maharashtra:-

Table showing increase in wage rate in Gadchiroli district employment guarantee scheme

Sr. No.	Years	Labour rate	Annual Growth Rate
1.	2006-07	47	100.00
2.	2007-08	47	-
3.	2008-09	72	153.19
4.	2009-10	72	-
5.	2010-11	100	212.77
6.	2011-12	127	270.21
7.	2012-13	145	308.51
8.	2013-14	162	344.68
9.	2014-15	168	357.45
10.	2015-16	181	385.11
11.	2016-17	192	408.51
12.	2017-18	196	374.46
13.	2018-19	202	429.78
14.	2019-20	238	506.38

Source: Mahatma Gandhi National Rural Employment Guarantee Act – 2020

**Increase in MGNREGA wage rates Line chart**



**Interpretation:-**

From the above table, it can be seen that the employment guarantee scheme in Gadchiroli district has shown an increase or change in the wage rate during the years 2006-07 to 2019-20. In the year 2006-07, the wage rate was 47 per worker per day. Wages were stable in 2007-08. In the year 2008-09, it increased to Rs. 72 per worker per day. This means that this year's annual growth rate was 153.197 due to an increase of Rs.25. No change in 2009-10. In 2010-11, the wage rate was Rs.72 to 100. Therefore, the annual growth rate was 212.77. In the year 2012-13, the annual growth rate was 308.51% as the wage rate was Rs. 145. In the year 2012-13, the wage rate was 162. Therefore, the annual growth rate was 344.68%. In the year 2014-15, the wage rate was 168. Therefore, the annual growth rate was 357.45%. In the 10 years from 2006-07 to 2015-16, the wage rate increased from Rs 47 to Rs 181. That is an increase of 134. That is, in 10 years, the growth rate or the ten-year growth rate was 285%. In the year 2016-17, the wage rate was 192. And annual growth rate was 408.51%. In 2017-18, the wage rate was Rs 197 and the annual growth rate was 374.46%. In the year 2018-19, the wage rate increased from Rs. 202 to Rs. 238 and the annual wage rate increased to Rs. Its annual growth rate is 506.38%. The wage rate under the Employment Guarantee Scheme has increased every year and over a period of 10 years the wage rate has increased more than 285%.

In 14 years, the wage rate has increased more than 500 times. Therefore, the increase in the income of the workers in the rural employment guarantee scheme has created stability in economic and social factors such as investment, savings, standard of living, social prestige.

As per the report of Hindu Business Line. The wages rate in India is average per day wage rate for unskilled work under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is projected to rise by 11 per cent from Rs.182 to Rs.202 for 2020-21, reported Hindu Business line. The wage revision for 2020-21 was recently notified as part of the Covid-19 related relief package announced by the Finance Minister. However, despite being substantially higher, the MGNREGA wage continues to be 40-50 per cent lower than the minimum wages paid to unskilled agricultural workers. The prevailing rates for unskilled agricultural workers are between Rs.347-383 per day, depending on the region of employment.

**Conclusion:-**

- 1) If there is an increase in the rate of wages, even that increase is not enough to meet the educational and health needs of the MGNREGA workers.
- 2) Due to increase in participation of women due to equal wage rate for men and women, many improvements have been made in this scheme.

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- 3) The concept of "self-reliant villages" is being undermined as high quality is not found in the creation of permanent and durable assets. Or obstacles to completion.
- 4) Due to the increase in the rate of wages, there is a shortage of laborers to work in the fields which has created instability in the income of farmer.
- 5) This scheme is meaningful for the hard working adults in rural areas and it is useless for the well-educated unemployment people.
- 6) Increase in income due to increase in wage rate has encouraged investment as well as savings of the labours.
- 7) Due to shortage of labour, small, traditional, ethnic businesses as well as cottage industries in rural areas have fallen ill.

### **Suggestions:-**

- 1) For the overall development of the workers, it is necessary to implement a welfare scheme for the MGNREGA workers.
- 2) Due to increased participation of women in the scheme, "Women's Protection Act" should be strictly followed.
- 3) Formation of Committees like, Planning Committee, Control Committee, Management Committee should be set up for the people of the village to raise the standard of quality of real estate.
- 4) The labour required for agriculture, small and cottage industries and other industries in rural areas should be supplied through MGNREGA.
- 5) Special concessions or financial assistance should be provided to solve the educational and health problems of the families of the workers in the Employment Guarantee Scheme.
- 6) Farmers in rural areas should manage their farming on the basis of "collective co-operative farming".

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