

Expenditure Incurred and Average Wage Differences under MGNREGA in Jammu and Kashmir and Haryana: A Comparative Study

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Abstract: *In India many poverty alleviation programs and schemes have been implemented since economic reforms in 1991. MGNREGA is one of the crucial and most important programs that have been put into practice so far. Notification of the National Rural Employment Guarantee Act (NREGA) came in 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. The research paper is all about the average wages paid under MGNREGA and the statement of expenditures on MGNREGA in the states of Jammu and Kashmir and Haryana. The period of the study has been taken from the financial year 2012-13 to financial year 2017-18 up to Sep. 2017. The study is primarily based on secondary data collected from various publications of Ministry of Rural Development, Govt. of Jammu and Kashmir and Haryana. The study finds that the expenditure incurred on MGNREGA in Jammu and Kashmir is always very high than Haryana during the period of the study while as the average wages paid in Jammu and Kashmir is always very low than Haryana despite the low population in Jammu and Kashmir than Haryana. Both Centre and State govt. should review the baseline on which the wages are paid to the workers under MGNREGA and should minimize the differences in wage rates between the states.*

Key words: *MGNREGA, Jammu and Kashmir, Haryana, expenditure, average wages.*

1. INTRODUCTION:

Over the time many schemes have been evolved into employment creation and poverty alleviation programs. These programs have been used and advocated for alleviating both chronic and transient poverty in the South Asian context for a long time¹. In India NREGA is the outcome of such a scheme. Notification of the National Rural Employment Guarantee Act (NREGA) came in 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 2009². NREGA is a flagship program of the UPA govt. that directly touches the lives of the poor and promotes inclusive growth. The scheme was launched as a momentous initiative towards pro-poor growth. For the first time rural communities have been given not just a development program but also a regime of rights.

The scheme guarantees 100 days of employment in a financial year to any rural household whose adult members are willing to do unskilled manual work. The work guarantee also serves other objectives such as generating productive assets and skills, protecting the environment, empowering rural women, reducing rural urban migration and fostering social equity. The act offers an opportunity to strengthen our domestic process by entrusting principle role to panchayats at all levels in its implementation and promises transparency through involvement of community at planning and monitoring stages.

In many ways the NREGA is a replication of earlier schemes with a legal guarantee. The most critical difference now is that people's entitlement by law, the employment is mandated through NREGA. While other programs are allocation-based, NREGA is demand-driven³. The ongoing programs of Sampoorna Grameen Rozgar Yojana and National Food for Work Program were submerged within this program in the 200 most backward districts of the country. In the first phase 3 districts of Jammu and Kashmir 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, 2 more districts from each state 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 J and K and 17 districts of Haryana were included in the scheme thus covering the whole states of Jammu and Kashmir and Haryana.

Table 1. Districts of J and K and Haryana notified under MGNREGA

State	Districts in I phase	Districts in II phase	Districts in III phase
J and K	Doda, Kupwara, Poonch	Anantnag, Jammu	Badgam, Bandipora, Baramulla, Ganderbal, Kargil, Kathua, Kishtwar, Kulgam, Leh, Pulwama, Rajouri, Ramban, Reasi, Samba, Shopian, Udhampur

Haryana	Mahendergarh, Sirsa	Ambala, Mewat	Fatehabad, Rewari, Bhiwani, Kaithal, Jind, Jhajjar, Gurgaon, Sonapat, Hisar, Kurukshetra, Palwal, Karnal, Rohtak, Yamunanagar, Panipat, Panchkula, Faridabad
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As far as wage rate under MGNREGA is concerned it ranges from Rs 279 to Rs 156 among the Indian States in September 2017. The highest paid states include Haryana (Rs 279) followed by Kerala (Rs 261), Karnataka (Rs 237), Lakshadweep (Rs 237), Punjab (Rs 229), Manipur (Rs 204) and Maharashtra (Rs 202). The lowest paid states include Rajasthan (Rs 156) followed by Tamil Nadu (Rs 160), Madhya Pradesh (Rs 168), Jharkhand (Rs 168), Tripura (Rs 170), Chhattisgarh (Rs 171), Andhra Pradesh and Telangana (Rs 172). In J and K the wage rate in Sep. 2017 is Rs 179 and it comes under the lowest paid states. So it is important to analyze the expenditure incurred on MGNREGA and the trends in average wage rate in Jammu and Kashmir and highest paid state of Haryana.

2. RESEARCH METHODOLOGY:

The present study is about the average wages paid under MGNREGA and the statement of expenditures on MGNREGA in the states of Jammu and Kashmir and Haryana. The period of the study has been taken from the financial year 2012-13 to financial year 2017-18 up to Sep. 2017. The study is primarily based on secondary data. The relevant data have been collected from various publications of Ministry of Rural Development, Govt. of J and K and Haryana, budget papers from 2012-13 to 2017-18, Haryana and J and K census documents of 2011, various journals and various newspapers and various websites.

3. OBJECTIVES :

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

4. DISCUSSION AND RESULT:

As per details from census 2011, Jammu and Kashmir has a total population 12541302 of which of which male and female were 6640662 and 5900640 respectively. The population of J and K forms 1.04% of India population. Of the total population of J and K around 72.62% live in villages of rural areas. Haryana has a total population 25351462 of which male and female were 13494734 and 11856728 respectively. The population of Haryana forms 2.09% of India population. Of the total population of Haryana around 65.12% live in villages of rural areas⁴.

❖ **Financing of MGNREGA**

Restructuring of the centrally sponsored schemes came into effect from budget 2016-17 onwards. As a follow up there were only 28 schemes under this budget. Out of which core of the core schemes were 6, core schemes were 22 and optional schemes were shifted to states. As far as MGNREGA is concerned it is a core of the core type of scheme. In this scheme the Centre Govt.’s share in the financing is 75% and states have to incur 25% material cost⁵.

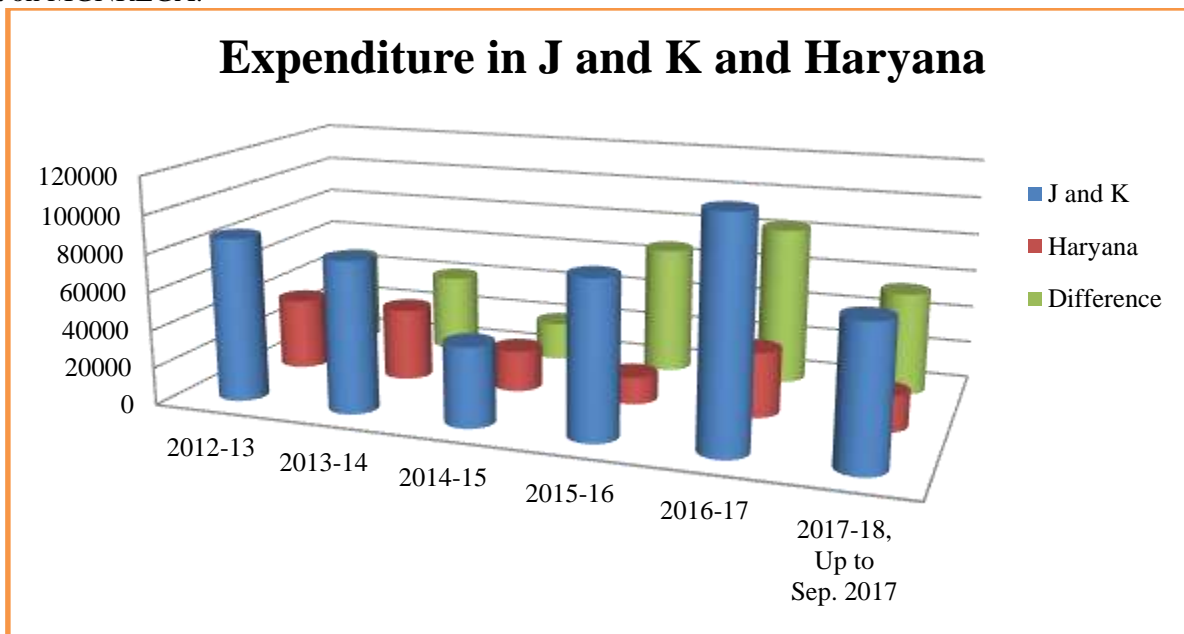
Table 2. Statement of Expenditure on MGNREGA in J and K and Haryana (Rs Lakhs)

Year	Expenditure in states		Difference
	J and K	Haryana	
2012-13	86542.89	38095.07	48447.82
2013-14	80139.00	38536.16	41602.84
2014-15	42222.13	21922.93	20299.2
2015-16	82269.31	14427.96	67841.35
2016-17	118216.21	34382.46	83833.75
2017-18	73712.29	19028.9	54683.39

Source: mnregaweb4.nic.in

Table 2 shows the figures of expenditure on MGNREGA in J and K and Haryana. It is clear from the table that in the financial year 2012-13 the expenditure in J and K was Rs 86542.89 lakhs while as in Haryana it was Rs 38095.07 lakhs. In this year J and K spends Rs 48447.82 lakhs more than Haryana. Similarly in the financial year 2013-14 the expenditure in J and K was Rs 80139.00 lakhs while as in Haryana it was Rs 38536.16 lakhs. In this year J and K spends Rs 41602.84 lakhs more than Haryana. In the year 2014-15 the expenditure in J and K was Rs 42222.13 lakhs while as

in Haryana it was Rs 21922.93 lakhs. In this year J and K spends Rs 20299.2 lakhs more than Haryana. Up to Sep. of the current financial year the expenditure in J and K is Rs 73712.29 lakhs while as in Haryana it is Rs 19028.9 lakhs. In this year J and K spends Rs 54683.39 lakhs more than Haryana. In all the financial years J and K spends more than Haryana on MGNREGA.



❖ Wages under MGNREGA

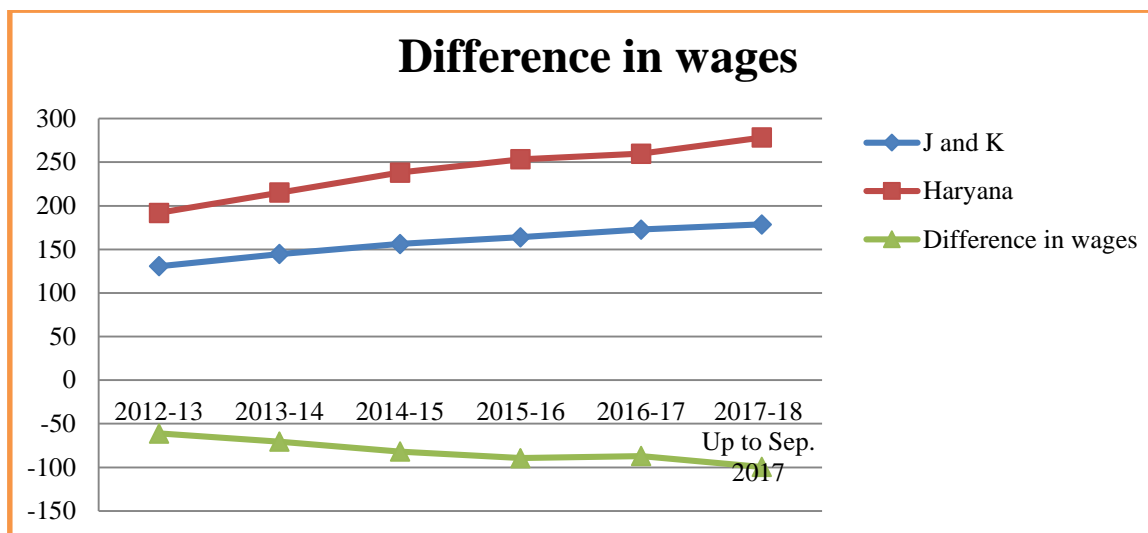
Under the Mahatma Gandhi National Rural Employment Guarantee Act wages are paid on the basis of consumer price index for agricultural laborers, which is based on the consumption pattern of 1983. There is a huge variation between wages notified by the centre and the minimum wage of some states and the wages are way below the state's minimum wages. To end this variation the centre is looking to rework the baseline for paying MGNREGA wages and a committee under Nagesh Singh, additional secretary in department of rural development, has been constituted for the same. The committee had recommended baseline MGNREGA indexation should be the current minimum wage fixed by the state. The committee also recommended that the consumer price index for rural which reflects the current consumption pattern of rural households should be the basis for MGNREGA wage rates⁶.

Table 3. Average wage paid to workers under MGNREGA in J and K and Haryana in Rs

Year	Wage paid in states		Difference
	J and K	Haryana	
2012-13	130.74	191.81	- 61.07
2013-14	144.72	215.16	- 70.44
2014-15	156.15	238.06	- 81.91
2015-16	163.89	253.32	- 89.43
2016-17	172.83	259.88	- 87.05
2017-18 Up to Sep. 2017	178.72	278.32	- 99.60

Source: mnregaweb4.nic.in

Table 3 reveals the average wages paid under MGNREGA in J and K and Haryana. In 2012-13 the average wages paid in J and K were Rs 130.74 while the average wages paid in Haryana were Rs 191.81. In 2013-14 the average wages paid in J and K were Rs 144.72 while the average wages paid in Haryana were Rs 215.16. Similarly in 2014-15 the average wages paid in J and K were Rs 156.15 while the average wages paid in Haryana were Rs 238.06. In 2017-18 up to Sep. 2017 the average wages paid in J and K were Rs 178.72 while the average wages paid in Haryana were Rs 278.32. 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 2012-13 Haryana pays Rs 61.07 more than J and K, similarly in 2013-14 Haryana pays Rs 70.44 more than J and K, in 2014-15 Haryana pays Rs 81.91 more than J and K, in 2015-16 Haryana pays Rs 89.43 more than J and K, in 2016-17 Haryana pays Rs 87.09 more than J and K and at last in 2017-18 up to Sep. 2017 Haryana pays Rs 99.60 more than J and K.



5. CONCLUSION:

The study is all about the average wages paid under MGNREGA and the statement of expenditures on MGNREGA in the states of J and K and Haryana. From the above discussion it can be concluded that of the total population of J and K around 72.62% live in villages of rural areas while as of the total population of Haryana around 65.12% live in villages of rural areas. In the financial year 2012-13 J and K spends Rs 48447.82 lakhs more than Haryana. In the financial year 2017-18 up to Sep. 2017 J and K spends Rs 54683.39 lakhs more than Haryana. As far as average wage rate in the two states is concerned, in 2012-13 the average wages paid in J and K were Rs 130.74 while the average wages paid in Haryana were Rs 191.81. In this period Haryana pays Rs 61.07 more than J and K. while as in the financial year 2017-18 up to Sep. 2017 Haryana pays Rs 99.60 more than J and K. The expenditure incurred on MGNREGA in J and K is always very high than Haryana during the period of the study while as the average wages paid in J and K is always very low than Haryana despite the low population in J and K than Haryana. Both Centre and State govt. 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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