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### MGNREGA: A STRATEGY TO OVERCOME LABOUR SHORTAGE IN AGRICULTURE

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#### ABSTRACT

Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is a flag ship programme of the government of India. It has two views among the farmers and labour in rural areas i.e., pessimistic and optimistic respectively. The data were collected during May to October, 2011 in Banda and Hamirpur district of Bundelkhand region, Uttar Pradesh. Interviewed 120 each small, medium and large farmer in three villages in each districts located in different distances. Thus, 60 farmers from each village have been selected randomly for the study purpose. Qualitative data were also collected through focus group discussion. Study shows that main cause of labour shortage is rural out-migration and MGNREGA work. The consequence of labour shortage in agriculture is changes in cropping pattern and land market. The farmers have adopted various strategies to overcome labour shortage in agriculture such as use of family labour, increased use of machinery and hired labour from outside the village. Farmers (especially small and medium farmers) unable to pay wage rate as equal to the MGNREGA wage rate due to low income from agriculture. As MGNREGA is a labour bank in the rural areas, these labour should involve in agricultural work in the field of farmers that the best strategy to overcome labour shortage in agriculture. Another strategy is implementation of cooperative farming in the study areas.

**Keywords:** Labour shortage, MGNREGA, migration, wage rate, family labour

#### INTRODUCTION

Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is a flagship programme of government of India, implemented in 2005-06. This is the only act that provide compulsory job for 100 days for any adult member of the household in rural areas. According to Shah (2012), MGNREGA now changed the old saying of "jab kaamkhulega, tab kaammilega" into "jab kaammaangenge, tab kaamkhulega". The revised MGNREGS is a good beginning towards helping farmers to access agricultural labour in paddy cultivation. The reports mentioned that this scheme would help the marginal and small farmers who are unable to hire agricultural labour due to high wage rates. MGNREGA has increased farm income of the small and marginal farmers, because they have been able to increase input in their farms such as irrigation, fertilizer and hybrid seeds. But, medium and large farmers face low labour supply in agriculture, because of MGNREGA work as

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farmers are unable to provide the wage rates more or equal to MGNREGA. In February, 2012 the Union Government announced that agricultural labour shortage in the villages was due to MGNREGA and due to migration of rural youth for education to the cities. We have observed that both these factors were raising the wage rate in agricultural work. The farmers who qualify for support to hire hands will get MGNREGS workers (i.e., paid for under that scheme and not by the farmers) to work for 8 man days per acre during transplantation of paddy.

According to the rural residents, MGNREGA has two impacts on socio-economic status in rural areas i.e., positive and negative. Former impact of MGNREGA is that it increases bargaining power among the labourers and empowering the women in terms of wage rate (Equal to men). The labourers are now not dependent on landlord's work and they do not need to leave the village for subsistence. Later impact emphasise that it created labour shortage for agriculture and increased high wage rate in the rural areas due to minimum wage rate of Rs. 120-150 (depending on region/state). As Jacob (2008)

reported that “the aspect of NREGA where it can be used to curb rural-urban migration was conditional on the NREGA being implemented well in that region, otherwise, if work was not supplied, if wages weren’t paid on time and if money was just being siphoned off, then workers will have no incentive to stop migrating”. He also stated that “the Rural Employment Scheme” has made zero impact on the livelihood security of Orissa’s (KBK-Kalahandi-Bolangir-Koraput) rural poor. Land owners are also not satisfied with NREGA, because they were facing labour shortage due to high mandatory wage rates of NREGA compared to earlier wage rate. Similarly, Roy and Dey (2010) observed that as a result of NREGA the rural labour demanded minimum wages from all employers, landlords and contractors. Therefore, this study is planned with specific objective-to examine the impact of MGNREGA on labour market and consequently its impact on agriculture.

#### **METHODOLOGY**

This study is based on primary survey that was conducted during the month of May to October, 2011(the period of after harvesting of rabi crops and before the sowing of the kharif crops) to the labour availability and accessibility in both seasons cultivation. The study was conducted in Banda and Hamirpur district of Bundelkhand region of Uttar Pradesh. The list of farmers obtained from lekhpal and 360 farmers have been selected randomly for the purpose of study. There were 120 each small, marginal and large farmers have been interviewed from three villages in each Banda and Hamirpur district. Researcher also kept in mind households’ socio-economic status and thus both migrant (MH) and non-migrant households (NMH) have been included in the study. To collect qualitative data, three to four focus group discussions were also organized in each village.

#### **RESULTS AND DISCUSSIONS**

According to Census of India (2001), rural out-migration is highest in Bundelkhand region as compared to other regions of Uttar Pradesh. During the field survey, we have observed four main causes of agricultural labour shortage in the rural areas i.e., rural out-migration, MGNREGA work (and its wage rate), disinterest of rural youth in agriculture, and political influence of leader on labour. The most affected farmers were the medium and large farmers, because they are not able to manage agriculture only with the help of family labour, because as they have large land holdings. Sometimes these

farmers are unable to hire labour because of the unavailability of labour, even if they are ready to pay higher wage rates. The small and marginal farmers have managed labour from family members. Most of the MGNREGA household and migrant’s households belong to the small and marginal farmers. Most of the farmers cannot perform harvesting, irrigation and weeding without hiring labour. Since the farmers know the root cause of labour shortage, they may be better equipped to offer solutions. Some of the suggestions of farmers may not be acceptable to government but it is worthwhile to consider the farmers demands. The suggestions given by the farmers can be categorised as those related to co-operative farming and MGNREGA. Nearly three fourths (70.3 per cent, 253/360) of the farmers mentioned co-operative farming as solution to overcome labour shortage. Nearly half of them (49.7 per cent, 179/360) have expressed an interest in MGNREGA for overcoming labour shortage in both districts. The NMHs (51.8 per cent) have asked for co-operative farming whereas MHs (59.2 per cent) have preferred involvement of MGNREGA labours to overcome labour shortage.

**Cooperative Farming vs MGNREGA:** As the surveyed area has a larger percentage of small and marginal farmers, co-operative farming was considered as ideal for overcoming labour shortage. Large farmers were also interested in co-operative farming due to labour shortage that indicates acute labour shortage. Table 2 reveals that large farmers have asked for cooperative farming and introduction of MGNREGA for agriculture. It is interesting to note that few SCs have asked for MGNREGA for agriculture but about two thirds of them have asked for cooperative farming. Cooperative farming is ideal for small landholders but large farmers demanded it more than small farmers.

India has now become a country of small and marginal farmers because of day by day decreasing size of landholdings. The agricultural human resources are not being using properly for agriculture due to land fragmentation, inaccessibility of new agricultural technology to small and marginal farmers due to high cost and lack of the skills to use it. Due to smaller landholdings, labour shortage and low accessibility of labour, costly technology and machinery, co-operative farming is the best option for farmers to adopt.

Various development activities in agriculture, small industry marketing and processing, distribution and supplies are now carried on through co-operatives.

Table 1. Demand by the farmers in agriculture to overcome labour shortage (Bi-variate analysis).

Variable	Banda (N=180)				Hamirpur (N=180)				Total (N=360)			
	NMH	MH	Total(N)	Chi-sq.	NMH	MH	Total (N)	Chi-sq.	NMH	MH	Total (N)	Chi-sq.
Cooperative farming	56.2	43.8	73	1.867	50.0	50.0	180		51.8	48.2	253	1.077
MGNREGA	45.8	54.2	120	2.500	30.5	69.5	59	13.338***	40.8	59.2	179	12.100**

Note – NMH- Non-migrant household, MH- Migrant household.

Table 2. Demand by the farmers in agriculture to overcome labour shortage by Social group and type of the farmers in per cent

Farming Demand	Marginal and small farmer				Medium farmer				Large farmer				Total			
	SCs	OBCs	Others	Total	SCs	OBCs	Others	Total	SCs	OBCs	Others	Total	SCs	OBCs	Others	Total
Cooperative farming																
No	59.1	34.7	15.4	35.0	22.2	45.6	26.5	34.7	0.0	22.7	19.0	18.6	33.3	35.2	21.1	29.7
Yes	40.9	65.3	84.6	65.0	77.8	54.4	73.5	65.3	100.0	77.3	81.0	81.4	66.7	64.8	79.0	70.3
MGNREGA																
No	100.0	50.7	46.2	58.5	94.4	29.8	40.8	43.6	90.9	40.9	46.6	48.7	96.1	41.5	44.4	50.3
Yes	0.0	49.3	53.9	41.5	5.6	70.2	59.2	56.5	9.1	59.1	53.5	51.3	3.9	58.5	55.6	49.7
Total (N)	22	75	26	123	18	57	49	124	11	44	58	113	51	176	133	360

The co-operatives in the State have made an all-round progress and their role in, and contribution to agricultural progress has particularly been significant. The schemes regarding the construction of godowns and the conversion of villages into model villages have assumed great importance in the wake of the Green Revolution. Small size of landholdings for cultivation reflects serious imbalance in the man-land ratio which is the primary cause of setting in conventionalism in farming, misallocation and improper utilization of human labour and other resources, low and marginal productivity of labour and land, small savings and subsistence oriented character of farm organization and management. The resources necessary for agricultural production are land, labour, farming equipment, livestock, irrigation, seeds, manures, finance, storage facilities,

transport, marketing and technical knowledge.

Above paragraph shows that farmers have different views for cooperative farming and MGNREGA. Therefore, we have discussed Cooperative farming and MGNREGA as following headings.

**Cooperative Farming as Strategies to Overcome Labour Shortage in Agriculture:** The Co-operative Movement was introduced in India by the Government as a method by which the farmers could overcome their burden of debt and keep themselves away from the clutches of the money-lenders. The Co-operative Credit Societies Act, 1904 was passed by the Government of India and rural credit societies were formed “Cooperative farming usually refers to a cooperative enterprise where a number of farmer-members pool their land, capital, equipment, and

labour, and share in the returns on the basis of their labour input”. Co-operative sector in India is world’s largest society (Handbook of Agriculture, 2009, p.960).

The Cooperative Planning Committee envisaged four types of co-operative farming societies: co-operative better farming, co-operative tenant farming, co-operative joint farming, and co-operative collective farming. In the Co-operative better farming, members retain their individual land holdings but agree to follow a plan of cultivation laid down by the society. Such a society is organized to introduce, improved methods of farming. Farmers join together for meeting some specific common process of cultivation or for joint purchase and distribution of improved seeds, fertilizers and agricultural implements. It may also undertake the provision of credit, marketing, land

development, irrigation, joint ploughing or joint harvesting, joint use of machinery or joint arrangement for watch and ward. Each member cultivates his own land and takes his profit or bears his loss. Co-operative farming means bringing together all the land resources of the farmers and performing cultivation in an organised and united way. In this system landless labour can include an agreement of share of products or payments or become owners of land by tilling the land. In this system land owners would get share according to the share of landholding and the labour who were working will get the wage. Co-operative farming is mutual and collective work as a society. In the Bundelkhand region the co-operative better farming method is more feasible because the relationships among the farmers are mutual and they share a good understanding. They can make groups of farmers by themselves in the village. A recent example is the success of self-help groups which are working in the rural areas.

**MGNREGA as Strategies to Overcome Labour Shortage in Agriculture:** Another suggestion of the farmers is that MGNREGA workers should be available agriculture work in the farmers' field. As we have discussed earlier that MGNREGA has positive and negative impacts on agriculture and rural households as on one hand remittances from MGNREGA are being used in agriculture and household expenditure and on the other it is responsible for the increasing wage rate in agriculture. MGNREGA gives equal opportunity to men and women in terms of work and wage rates. Women are happy with MGNREGA because of on time payment of wages, whereas in agriculture they get lower wages than men (Sivanandan, 2012). MGNREGA was implemented in three phases since 2006. It has improved rural socio-economic conditions among landless and marginal farmers, as well as improved environmental related components. These components are water and soil conservation (Tiwari *et al.*, 2011). Aparna (2012) also showed the impact of MGNREGA on input use, labour production, and returns of selected crops. Villages were using 75 per cent of their earnings from MGNREGA in improving irrigation and infrastructural facilities and have therefore increase land rent. Card holders have used their money to introduce chemical fertilizers and machinery in their fields.

The National Rural Employment Guarantee Act (now Mahatma Gandhi NREGA) was launched in 2005-06 for rural poor to provide 100 days of public works in 200

districts, and in 2008 all the districts of the country were covered under MGNREGA. Under this scheme a below poverty line (BPL) household head has one job card for 100 days in a year. This developmental programme has played a major role in the rural areas and has led to increased household income, empowerment of women through wage rates equal to their male counterparts, independence of labour from land owners for survival and given labour the right to job. If a job card holder is unable to get work within 15 days, the state government is entitled to pay unemployment allowance to the card holders.

The goals of MGNREGA are to provide social protection to the most vulnerable people living in rural India; livelihood security for the poor through creation of durable assets, improve, water security, soil conservation and increased land productivity; drought-proofing and flood management in rural India; empowerment of the socially disadvantaged, especially women, scheduled castes and schedules tribes, through the processes of a rights-based legislation; strengthening decentralised, participatory planning through convergence of various anti-poverty and livelihoods initiatives; deepening democracy at the grass-roots by strengthening Panchayati Raj Institutions; and effecting greater transparency and accountability in governance. These goals are thus indirectly related to agriculture.

Misra and Rani (2012) compiled the quantitative achievements of MGNREGA and these are- (i) 1200 crore person-days of employment has been generated; (ii) 85 per cent of households are being paid directly through bank/post office accounts; (iii) wage rate have gone up to Rs. 122 and 191 in Bihar and Haryana respectively; (iv) 51 per cent of the card holders are SCs/STs and 33 per cent reserved for women in which 47 per cent of the women are card holder at present; (v) 146 lakh works have been taken up since the beginning of MGNREGA of which 60 per cent have been completed. Of these completed works- 19 per cent relate to rural connectivity, 25 per cent relate to water conservation and water harvesting, 14 per cent related to irrigation canals and renovation of traditional water bodies, 13 per cent relate to flood protection and drought proofing, 14 per cent relate to work done on private lands which belong to small and marginal farmers, and SC/ST/BPL families. According to Ramesh (2012), 90 per cent of MGNREGA work is agriculture related. He has also mentioned that 30 new works were approved to be

included in the new avatar of MGNREGS. He further viewed MGNREGA as a tool to promote agricultural development. He stated that labour shortage in agriculture will lead to focus on technological advancement in agriculture which will in turn raise agricultural productivity. But, the key question here is whether advanced agricultural technology is at present accessible and feasible for the poor who are mostly marginal and small farmers.

The reports on MGNREGA's revision, written by *Shah*, that was released by Ramesh, on 22<sup>nd</sup> February, 2012, mentioned that farmers can get eight man-days per acre for transplantation and another four man-days for weeding in 2 intervals under the MGNREGA scheme free of cost. However, those farmers are eligible to get MGNREGA labour, who would adopt System of Rice Intensification (SRI) for a maximum of 3 years in SRI block. SRI is an agronomic technique of paddy transplanting in early stage (8 to 14 days age), followed by alternate wetting and drying irrigation and mechanical weeding (*Shah*, 2012, ). Normally for SRI planting, 45 labourers are needed to cover one hectare land (*Prabu*, 2013). The revised MGNREGS is a good beginning towards helping farmers to access agricultural labour in paddy cultivation. The reports mentioned that this scheme would help the marginal and small farmers who are unable to hire agricultural labour due to high wage rates. MGNREGA has increased farm income of the small and marginal farmers, because they have been able to increase input in their farms such as irrigation, fertilizer and hybrid seeds. But, medium and large farmers face low labour supply in agriculture, because of MGNREGA work as farmers are unable to provide the wage rates more or equal to MGNREGA.

Agriculture sector is a labour engaging enterprise and it requires around 30 to 225 man-days per hectare depending on the type of crops cultivated (pulse to sugarcane). During the 19<sup>th</sup> annual conference of Agriculture Economic Research Association (AERA) 2011, at AAU, Jorhat, on "*Agriculture labour demand and Supply*" MGNREGA was discussed as being a rural labour bank. It was observed during our survey that farmers would like MGNREGA to be introduced and it should be involved in agricultural work in the farmer's field. The MGNREGA labour should be provided to the farmers at a subsidised rate. In our survey, we have found that most of the medium and large farmers were facing acute labour shortage in agriculture since 2005-06, when

MGNREGA was introduced. They have reported that before MGNREGA, labour was willing to do any type of work at the wage rate of Rs. 60-80 per day, but now they were asking for wage rates (Rs. 150 to 200 per day) more than the MGNREGA wage rate. In the rural areas, wage rates in general has increased due to the MGNREGA minimum wage rate, and the farmers were facing acute agricultural labour shortage during agricultural operations especially in the harvesting period, because, the farmers were unable to pay wages equal to the wages of MGNREGA. The farmers were also unable to pay the wage on daily basis. It seems that MGNREGA wage rate has become the benchmark for wage rates in the rural areas. The labour does not prefer to work at wage rate which are lower than the MGNREGA wage and for work which was harder than MGNREGA work. During the off season when there is no MGNREGA work, labourers prefer to migrate to the urban areas to earn more money.

Though MGNREGA was introduced to check rural out-migration, it now seems that it has become the main cause of rural out-migration indirectly because of its wage rate and nature of its work. *Haque* (2011) has discussed that most rural youth were still migrating to urban areas in search of employment from both MGNREGA and non-MGNREGA households. Rural youth seems to regard agricultural work as strenuous and a low status job; and especially educated youths don't prefer agricultural work. Some of the rural youth state that agriculture is boring, low paid and requires hard work, and thus they prefer to move to urban areas.

As agricultural work cannot be pre-poned or post-poned and all the agricultural work in a season starts at the same time for each farmer. To be able to perform uninterrupted farming, the needy farmer should have assured agricultural labour supply on demand at a subsidised labour cost. In this situation, the MGNREGA labour is the best alternative to overcome labour shortage in agriculture. We have found that labourers don't prefer agricultural work in the fields/farms of the land owners. They either work under MGNREGA or migrate to urban areas. Labourers prefer MGNREGA work because of wage rate, timely payment, relaxation in work and short durations of work. Sometimes, farmers feel helpless and blame government policies. MGNREGA is beneficial for the poor on one side and on the other side it creates problems in agriculture for the large and medium farmers. Thus, government should

implement this development schemes in a balanced way. Therefore, MGNREGA labour should be regularised and the Panchayati Raj Institution should be authorised to distribute labour to the needy farmers on demand.

**MRNREGA for Agricultural Work:** During the group discussion, farmers have suggested in such a way that MGNREGA for agriculture work, the Panchayati Raj Institutions (PRIs), labour and the farmers should be on agreement. The farmers need labour during the peak period of agriculture, but not on a regular basis or per day. During the off-season of agriculture the MGNREGA job card holder should work in public works and during peak agricultural season the same card holder should work on farmers' field at the same wage rate. In MGNREGA for agriculture there should be 30-50 days more jobs per household per annum if needed, but not compulsorily. Thus, MGNREGA job card holders would get more than 100 days of work. Wages for the MGNREGA labour for agriculture would be paid by the farmers. However, the gestation period of agricultural input is longer and farmers may not be able to pay wage on the spot. In this case the Panchayat should pay the wages to the labour. When the farmers would be able to pay the wage amount the panchayat would collect it. In case the farmers are unable to pay the wage money to the panchayat, except in case of natural hazards, the panchayat would be authorized to take farmers land equal to the amount of the wage and that land can be leased out to other farmers or labour for a year. If the crops are lost due to natural hazards, government should pay or provide subsidy to the farmer.

According to the farmers' requirement, we propose that, the Panchayat should arrange the registration process and maintain records of MGNREGA job card holder/labour and of the farmers requiring labour. For registration, the farmers should show their land record documents and pay nominal charges for maintenance for a year. The farmer should also have to pay some money to the panchayat as security, depending on the number of labour demanded. The registered farmers should get a labour bank card. The Panchayat would then provide MGNREGA labour to the registered farmers under the agreement.

We have also observed that the agreement of MGNREGA for agriculture should not be static in nature, but should be need based and depend on the mutual understanding of the farmers and labours. Panchayat should play the role of a mediator only. In case the labour is not

interested to work for any of the registered farmers' land, the panchayat should not be force the labour to do so, and similarly, if the farmer is not interested to hire any particular MGNREGA labour then the panchayat should not force the farmers to hire that labour too. Labour and farmers should be mutually interested to work for each other and should respect each other. Based on discussion with SCs youth, we have found that farmers (Landlord) should not be insult the labour in any form (physical, emotional, others) and according to the other caste farmers, labour should not leave the work till it is finished. Labour should be paid full wage for a day, if he/she has spent more than two hours in the field/house of the farmer, but, if the labour has left the work after two hours without the consent of the employer (farmer), the labour should not be eligible to get wages for that period of work. All labourers are hired for one day only and they are free to choose their employer again next day.

The farmers stated that they have witnessed sudden change in relationship among the labours and owners in the village since 2005-06, when MGNREGA was introduced. This feeling was more common among the MHs as compared to NMHs. They felt that earlier people were helping each other all the time, but now for any work they have to pay charges, even if it is only an one or two hour work. It is natural that labours don't want to waste their time without money, because MGNREGA job card holders can earn Rs. 100-150 per three to four hours by digging pits size of 10 x 6 x 1 feet, but they cannot earn that amount of money from any other type of work in the village.

As farmers have revealed that they are unable to pay wages equal to the MGNREGA wage rate, the government should provide subsidies to the farmers. The MGNREGA minimum wage rate is Rs. 120 per day and it varies from state to state. MHs have not faced difficulties to pay higher wage rate when there is labour shortage and want to hire labour. During the survey, we found that farmers have paid more than MGNREGA wage during the peak period of agriculture due to low labour availability in the village. Most of them reported that they have paid Rs. 50 to 80 more than the minimum wage to get labour. But, sometimes they did not get sufficient labour, even if they were willing to pay a higher amount. The farmers were asked about the wage rate that how much minimum they are able to pay to the labour. They also reported that agriculture production

has decreased drastically and agriculture is not profitable as it was earlier. Majority of the farmers reported that they were able to pay Rs. 60 to 80 per day. Thus, farmers agree that they can pay an average of Rs. 70 per day and rest amount should be subsidized. Therefore, government should provide Rs. 50 per day as subsidies to hire MGNREGA labour. In this way farmers income can increase and financial burden of the government would be low. As farmers expressed that the MGNREGA labour should not be provided free of cost to the farmers, but they should be get subsidies. Otherwise government would face another financial burden as farmers would be discouraged from farming that would not be fruitful. According to the MHs, these 100 working days are not sufficient for the survival of a large family size. Hence labourers need more income from other work and are asking for more than 100 MGNREGA working days. The government can increase number of days of MGNREGA work. The MGNREGA working days are 100 days in a year and if it can be increased to more than 100 days (125 days) in a year it can become Maha- MGNREGA. This strategy can be helpful to the labour for getting more than 100 days job in the village.

Farmers may also be hire labour from the panchayat for other works, such as construction work at the same wage rate. Thus, number of working days would be increased without extra financial burden to the government. Farmer can get wage subsidies only for agriculture works and it will be monitored by the panchayat and the village development officer (VDO) and the agriculture extension officer (AEO) under the supervision of the district collector and MGNREGA officers. The registered farmers would be eligible to hire the MGNREGA labour. In this way labour and farmers would never be cheated in getting and delivering wages respectively as both MHs and NMHs have stated.

The farmers of MHs and NMHs asked that village panchayat should assure the farmers the availability of agricultural labour during the peak period, and should assure the labour jobs with full wages. In this way the farmers would overcome labour shortage problems and labour would get jobs in the same village and would not migrate. It will help agricultural growth and prosperity in the village. This model should be implemented as a pilot project in all the regions of India. We hope this would give fruitful results to the nation. Thus, MGNREGA should not be stopped but it needs modification and it

would be implemented in a balanced way, such that agricultural operation is not affected.

Monitoring and Evaluation is a must in any development programme. Corruption and irregularity has been seen in the MGNREGA in the current and past year. This scheme requires strong monitoring and evaluation to control corruption and irregularity. In this proposed model panchayat, however, labour and farmer can make another informal agreement, and distribute money amongst them. For example, a farmer who has leased out his total land and is registered as a labour bank card holder according to the land records can ask the panchayat for MGNREGA labour, even though he is not a cultivator. In this way he can collect labour subsidy charge from the panchayat. So, only those registered farmers should be eligible who are cultivating land whether own land or leased in land. Similarly labour and farmers can make another agreement that is "*I would hire you and you would hire me*" even there is no need to hire labour. Therefore, monitoring and evaluation is a must for this programme to succeed. MGNREGA should be strengthened and should be better utilized. This system of utilizing MGNREGA workers into farmers' field would build a harmonious relationship between labour and land owner. Thus, agriculture labour shortage problem will overcome.

#### **CONCLUSION AND RECOMMENDATION**

Labour shortage in agriculture is being major problem in agriculture sector in India. The main cause of labour shortage in agriculture are- rural out-migration of agricultural labour; MGNREGA works and its wagherate; high wage rate; institutional factors. Former two factors are more prominent in rural areas. According to the farmers' response, labour shortage started since 1990s when economic reform was introduced but acute labour shortage started since 2005-06 when the MGNREGA was begin. Mechanization in agriculture is the best alternative for labour shortage but it has some limitation such as costly, small landholding, high maintenance charges, etc. MGNREGA is a labour bank in rural areas and involvement of it in agriculture is the best strategy to overcome labour shortage in agriculture. But is needs some regulation with rules and conditions.

The study recommends that farmers and agricultural labours are mutual partner in agriculture, Hence, both should be satisfied in terms of wage rate and nature of works. Government should facilitate MGNREGA labour to the farmers in subsidised rates.

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