

## THE ROLE OF MGNREGS ON THE AGRICULTURAL FARMERS IN TELANGANA

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### ABSTRACT

*This paper explores the relationship between migration, remoteness and chronic poverty in India. It addresses one of the key challenges for India, where growing levels of inequality and uneven growth have resulted in large sections of the population being excluded or adversely incorporated. Many of these people belong to remote rural areas and are chronically poor. They routinely migrate for work to smooth consumption, repay debts and invest in health and agriculture. Yet policy is poorly informed about migration and its relationship with chronic poverty. Furthermore, official datasets, which are the basis for policy formulation, do not capture circular and seasonal migration, both of which involve many more people than permanent migration do. The dominant view at the policy level is that migration, whether seasonal or permanent, is an impoverishing process which worsens urban poverty and destroys families. As a result of this simplistic perception, migrants have to travel, live and work in a policy environment that aims to control migration and is reluctant to treat migrants as full citizens at their work destinations. Unless something is done urgently to address the needs of the millions of poor migrants, India's prospects for reaching the Millennium Development Goals (MDGs) will be severely compromised.*

**Key words:** Poverty, Migration, Rural employment, Agriculture Labour

### INTRODUCTION

*The Role of the MGNREGS on landless labourers are just about meeting the threshold of overcoming the poverty line by augmenting their existing incomes and lowering their dependency on taking loans to meet expenses. On the flip side, the program has not*

*impacted agricultural productivity much through the initiation of the land development activities directly. There are indirect impacts on agriculture by the initiation of construction and repair of irrigation structures however the benefits have not shown an impact at scale. MGNREGS has added more pressure to the farming community by creating an environment of labour inaccessibility. By providing higher wages for shorter work hours, it has made it more challenging for farmers to meet this expectation for agriculture jobs as well. The works currently allocated under MGNREGS are also mostly focused on asset creation and building and maintaining infrastructure in the community. The kinds of work selected, while developing community owned infrastructure, has not added direct value to agriculture production.*

### **What is chronic poverty**

The chronically poor are a heterogeneous group and include those who are not able to support themselves as well as those who are economically active and remain poor. The definition of the chronically poor thus includes what others have termed as the extreme poor, destitute, ultra poor, the poorest or the poorest of the poor, while adding a time dimension.

### **Remote rural areas and chronic poverty**

The chronically poor often live in RRAs, where physical isolation usually goes together with social exclusion. RRAs are spatial poverty traps that include areas rich in natural resources, such as forests, as well as low productivity areas, such as drought-prone and hilly zones. Although different types of RRAs suffer from different combinations of problems, they do share the common feature of being on the margins of political priorities and therefore merit attention as a separate geographical category. RRAs suffer from a range of governance, market and resource endowment failures that make them spatial poverty traps.

There is a rich literature on the chronic poverty and RRAs. Bird et al. (2002) summarise a number of country studies and datasets that show that the chronically poor are

concentrated in RRAs. RRAs typically suffer from mutually reinforcing log jams of disadvantage (de Haan and Lipton, 1998), which constrain the development of both farm and non-farm employment opportunities. Poor agriculture, corruption, interlocked markets for labour, credit and commodities and poor service delivery characterise RRAs. Almost all social, political and economic transactions are controlled by the local elite and are weighed against the poor. Very often, the only option left for people living in RRAs is to find work outside the village.

Remote rural areas and chronic poverty in India An estimated 130 million Indians live in chronic poverty (CPRC India and Braunholtz, 2007). India and China account for almost a half (49-51%) of chronic poverty worldwide and just over a half (55%) of extreme poverty. India accounts for a higher share of global chronic poverty than China because of the higher probability of staying poor in India (McKay and Baulch, 2004). Well-known pockets of chronic poverty in India are the central 'poverty square', comprising the contiguous forested area cutting across eastern Maharashtra, eastern Gujarat southern MP, northern AP, Orissa and Jharkhand. Large parts of the BIMARU3 states are also chronically poor and there are large pockets of chronic poverty within prosperous states such as Tamil Nadu. Shah (2007) notes that, contrary to common perceptions, incidence of chronic poverty in dryland areas is lower than in higher-potential forested areas. There, transient poverty is more common. The reasons could be that people living in and around forests have limited access to natural resources which are heavily protected by the government. However, she warns that many of these areas are also heading towards chronic poverty as water tables drop and out-migration becomes difficult with worsening urban poverty.

### **Circular migration and poverty in India**

Official statistics show low mobility, especially among the poor Official statistics show lower levels of mobility among SCs and STs and the poor. For instance, Dubey et al. (2006) argue on the basis of their analysis of the 1999-2000 round of the NSS that individuals from SCs and STs and those with little or no education are less likely to

migrate to urban areas. In contrast, village studies of RRAs show high levels of out-migration among SCs and STs. Kundu, a leading analyst on migration and urbanisation in India, shows on the basis of NSS data that the probability of being poor is greater among non-migrants than it is among rural-urban migrants, both permanent and seasonal. Village-level studies show high levels of mobility among the chronically poor. However, a growing number of village studies across the country, especially from RRAs, are showing the opposite: that migration rates among chronically poor groups are high.

### **Migration and improved living standards**

Qualitative accounts of the impacts of migration on household and individual wellbeing and wealth vary. But on the whole, migration money can help the household to maintain or improve its food consumption and even lead to greater investment in health, education and productive assets. In Jharkhand, 98% of migrants reported an improvement in their lives because of migration (Dayal and Karan, 2003). Migrant households have a better diet and spend on average 15% more on food than non-migrating households. Roughly 13% of those owning five to 20 acres of land spent their additional income on productive uses.

### **Migration and debt**

In some cases, migration reduces the need to borrow. In the village studied by Llewellyn (2005), migration to brick kilns reduced borrowing from moneylenders and reduced bonded labour. Migrant work appeals to villagers because it presents a chance to earn more money or a larger in-kind payment than they could earn in the village. Llewellyn states that: 'In a shock situation, people who previously would have had no choice but to submit to a year's bonded labour for Rs5000 can now weigh the option of soliciting an advance from a contractor and migrating instead.' But the relationship between debt and migration is not straightforward. Some analysts have concluded that migration increases debt levels because of higher expenditures during transit and at the

destination; others have argued that migration improves the creditworthiness of households and they are able to borrow more because of that (Ghate, 2005).

### **Geographic and socioeconomic context**

Telangana is the poor southern state but has a dynamic and growing information technology (IT) sector and receives a large flow of remittances from abroad, which fuel the economy. According to the 2001 Census, 28.7% of the workers in the state are agricultural labourers and most of them are concentrated in the southern tribal and forested districts. The vast majority of the workforce (around 94% and including agricultural labour, construction labour and labour in traditional leather tanning, forestry, fishing, bidi rolling, household industry, village artisans and urban informal workers) is poor and in the unorganised sector.

### **Migration as a coping strategy**

For many chronically poor people with few assets, education or social connection, migration has become an important way of coping with seasonal fluctuations in income. Where agents or middlemen (sometimes women) are involved, earnings can be limited and working and living conditions can be basic. Olsen and Ramanamurthy (2000) document the variety of insidious ways in which migrant construction workers are exploited by mestris or recruiting agents, ranging from trapping them in bonded labour by paying less than subsistence level, extracting overtime and child labour and using caste-based and patriarchal modes of oppression to maintain exploitative labour relations. The system survives because mestris are seen as those who save the labourer in distress by offering work when otherwise they might starve. Some lower-caste people who serve the landlords and employers think they will be rewarded with patronage during crises. This patronage may consist only of loans, which further bind the worker and the worker's family.

### **Conclusions and policy implications**

Both the empirical findings and the secondary material reviewed in this paper show that migration is higher in remote rural areas and, within those areas, among the chronically poor, who in this case are the SCs and STs. An important finding was that permanent migration constituted a small proportion of total movements for work and that circular migration was the most important form of mobility. This demonstrates powerfully the inadequacy of official statistics in capturing the mobility of the poor. In remote villages, migration involved all but the poorest (disabled, old and sick) and the richest households. In the case of the poorest, this is because they do not even have labour to sell on account of being old, sick or disabled and therefore cannot undertake physical work. In the case of the richest, the reason for not migrating is that they can live comfortably from farming and/or other enterprise. Circular migration earnings account for a higher proportion of household income among the lower castes and tribes, namely SC, BC and ST (in households with one person working outside the village). Migration is critical to managing risk and smoothing consumption for a majority of chronically poor households living in remote rural areas. The extra income from migration has allowed the family to eat regularly and better, pay for health care when needed and spend on social events. Migration has improved the creditworthiness of families left behind in the village, who can now obtain large loans easily.

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