

FAILURE OF MGNREGA AND INCIDENCE OF FARMERS’ SUICIDES-

A CASE STUDY OF PUNJAB

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ABSTRACT: : Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is a flagship programme of government of India, which came into force in 2006,with the objective of providing 'livelihood' to the rural poor, thereby removing agriculture distress caused due to crop failure, droughts, pest attacks etc. It is seen that, over the time, farmers' distress instead of declining has increased, resulting in spurt in farmers' suicides in many states of the country. Punjab is also one of the prominent victims of this tragedy. Working of MGNREGA on one side and increasing farmers' suicides on the other raises a question mark on the effectiveness of this Programme. The present paper tries to relate rise in farmers' suicides in Punjab and failure of MGNREGA in providing an alternative livelihood. The study shows that lack of proper implementation of MGNREGA has resulted in low employment generation in rural areas, especially in those districts of Punjab, which are considered epicentres of farmer's suicides.

Key Words: Employment generation, agriculture distress, farmers' suicide.

SECTION I: Introduction

MGNREGA is one of the experiments undertaken by government of India to eradicate rural poverty by providing at least hundred days of guaranteed wage employment in a financial year to every household, whose adult members volunteers to do unskilled manual work. It was launched to supplement the errors and gaps in all the previous schemes with the involvement of panchayats, civil society and local administration. Under it, the poor families are targeted to get benefits of employment and livelihood to supplement their family incomes, thereby making an improvement in their quality of life (Sathiskumar, Nagarajan; 2017). The Act envisages not only an immediate livelihood (through employing unskilled labour) but also long-term livelihood opportunities by creating sustainable assets in rural areas (Desai, et al, 2015). The Act came into force on February 2, 2006 and was implemented in a phased manner. In Phase I, it was introduced in 200 of the most backward districts of the country, while it was implemented in an additional 130 districts in Phase II in the period 2007-2008. The Act was notified in the remaining rural districts of India from April 1, 2008 in Phase III (Government of India, 2013). To guarantee its success, huge financial allocation has been made by the government over the years. (Table 1)

Table 1: Government of India's allocation to MGNREGA and Employment Generated (Person Days):

Year	GOI Allocation for MGNREGA (in crore)	Employment Generated (Person Days) (in crore)
2006-07	11,300	90.5
2007-08	12,000	144
2008-09	30,000	216
2009-10	39,100	284
2010-11	40,100	257
2011-12	31,000	211
2012-13	29,387	230
2013-14	33,000	220
2014-15	32,139	166
2015-16	35,974	235
2016-17	47,412	236
2017-18	55,658	234
Compound Annual Growth Rate	14.49	8.63

Source: MGNREGA website.

Table 1, reflects the allocation made to MGNREGA and employment generated (person days), since the start of the Scheme. At the time of inception, MGNREGA was allocated 11,300 crore (2006-07) which increased to 40,100 crore in 2010-11, resulting in improvement in employment generation from 90.5 person days (2006-07) to 257 person days (2010-11). Post that, a sharp fall is seen not only in terms of allocation but also in employment generation. This decline may be due to several irregularities and corruption cases reported in different states. As per the Report of Comptroller and Auditor General (CAG) Audit Report 2013, where scrutiny of records was conducted in 24 districts of eight states and two UT's viz. Bihar, Jharkhand, Kerala, Maharashtra, Nagaland, Odisha, Rajasthan, Uttar Pradesh, Dadra & Nagar Haveli and Lakshadweep, financial irregularities in the procedure for payment of wages and materials were reported in all the eight states. The NDA government which came into power in 2014 limited the Scheme's coverage to few extremely poor districts. But in 2014-15, India's agriculture gross value added (GVA) dipped to -0.2 per cent and achieving an average annual growth target of 4 per cent during the 12th Five-year plan period (2012-13 to 2016-17) looked a distant dream. It forced a worried NDA government to revert back to the old UPA scheme of MGNREGA to bailout out rural India (Mukherjee, 2016). MGNREGA again became the main employment providing programme in rural areas and was linked to Aadhar. As a result, the funding increased to 55,658 crore in 2017-18, which is reflected on the employment front too. Employment generated in terms of person days was 166 days in 2014-15 and stood at 234 person days in 2017-18.

Table 2: State Wise Implementation of MGNREGA (2015-16)

STATES	Employment Generated		
	Person Days (lakh)	Average Person Days per Household	Percentage of Households Provided at least 100 Days of employment
ANDHRA PRADESH	1983.20	55	16.3
BIHAR	702.64	45	4.1
CHHATTISGARH	1014.90	47	11
GUJARAT	225.54	40	3.5
HARYANA	48.48	29	2.1
HIMACHAL PRADESH	177.06	42	4.8
JHARKHAND	586.70	52	15.5
KARNATAKA	599.26	48	10.8
KERALA	741.71	49	11.0
MADHAYA PRADESH	1237.73	46	8.3
MAHARASHTRA	763.52	60	17.0
PUNJAB	144.19	30.44	2
RAJASTHAN	2341.22	55	11.1
TRIPURA	538.77	94	53.5
UTTAR PRADESH	1831.06	34	3.4
UTTARAKHAND	224.30	41	3.7
WEST BENGAL	2866.12	47	6.7
NATIONAL AVERAGE	235.57	49	10.1

Source: Government of India, MGNREGA Performance Report, 2016.

State-wise implementation of MGNREGA on the basis of three major indicators i.e. Total Person Days, Average Person Days per Household and Percentage of Households provided at least hundred days of employment is reflected in Table 2. Under Employment generated (person days), the top performing states were West Bengal, Rajasthan and Andhra Pradesh providing 2866.12 , 2341.22 and 1983.20 lakh employment respectively while Haryana (48.48), Punjab (144.19) and Himachal Pradesh (177.06) were at the bottom, much below than the national average (235.57). In terms of Average Person Days per Household, the states which provided highest number of employment were Tripura (94), Maharashtra (60), Rajasthan (55) and Andhra Pradesh (55) while Haryana (29), Punjab (30.44) and Uttar Pradesh (34) were at the bottom. Similar pattern was observed in case of Percentage of households providing at least 100 days of employment with highest number of employment was recorded in Tripura, Maharashtra and Andhra Pradesh with 53.5, 17.0, 16.3 percentage respectively and the lowest percentage was recorded in Punjab,

Haryana, Uttar Pradesh with 2, 2.1 and 3.4 percentage respectively much below than the national average of 10.1. This analysis shows that the states like Haryana and Punjab have consistently been poor performers in all the above mentioned three indicators.

The present scenario of rural distress resulting in increasing incidence of suicides by the farming community is another area of concern. Inter-state variation in farmer's suicide is depicted in the Table 4.

Table 3: Inter State Variation in Farmer's Suicides in India (2015)

STATES	ALL SUICIDES	FARMER SUICIDES (in number)	FARMER SUICIDE AS PERCENTAGE OF ALL SUICIDE
ANDHRA PRADESH	6226	916	14.7
ARUNACHAL PRADESH	135	10	7.4
ASSAM	3231	138	4.2
BIHAR	516	7	1.3
CHHATTISGARH	7118	954	13.4
GOA	302	0	0
GUJARAT	7246	301	4.1
HARYANA	3545	162	4.56
HIMACHAL PRADESH	543	46	8.4
JAMMU & KASHMIR	372	21	5.6
JHARKHAND	835	21	2.5
KARNATAKA	10786	1569	14.5
KERALA	7692	210	2.7
MADHAYA PRADESH	10293	1290	12.5
MAHARASHTRA	16970	4291	25.2
MANIPUR	37	1	2.7
MEGHALAYA	172	3	1.7
MIZORAM	123	1	0.81
NAGALAND	21	0	0
ODISHA	4087	50	1.22
PUNJAB	1049	124	11.82
RAJASTHAN	3457	76	2.19
SIKKIM	241	18	7.46
TAMIL NADU	15777	606	3.84
TELANGANA	10140	1400	13.8
TRIPURA	746	49	6.5
UTTAR PRADESH	3902	324	8.3
UTTARAKHAND	475	2	0.4
WEST BENGAL	14602	0	0
TOTAL	130639	12590	9.6

Source: Accidental Deaths and Suicides in India-2015, National Crime Records Bureau (NCRB), Ministry of Home Affairs, Government of India.

It is observed that in the year 2015, there were 130639 cases of reported suicides in the country, of which 9.6 percent (12590) were those of suicides committed by farmers. State- wise it is observed that in absolute numbers, the worst performing states were Maharashtra (4291) followed by Karnataka (1569) and Telangana (1400). As proportion to total suicides, the percentage was highest again in Maharashtra (25.2%) followed by Karnataka (14.5%).

Another critical point to be noted that majority of reported suicides are those of small and marginal farmers who covered around 46.17 percent of the farmers who have committed suicides. This holds true for Punjab also.

Though Punjab was ranked sixth in the above Report, but the growth in farmers suicides has been maximum post that. This is evidenced from the answer to a query raised in the Parliament (Table 4). While the traditional hot-beds like Maharashtra, Telanagana and Andhra Pradesh have shown a decline. Punjab has shown an increase of 118 percent in terms of farmers' suicides.

Table 4: Growth in Farmers Suicides in Selected States of India

States	2015	2016	Percentage Change
Punjab	124	271	118.0
Haryana	162	250	54.32
Karnataka	1,569	2,079	32.50
Gujarat	301	408	35.5
Madhya Pradesh	1,290	1,321	2.4
Telanagana	1,400	645	-54.0
Maharashtra	4,291	3,661	-15.0
Andhra Pradesh	916	804	-12.2
Chhattisgarh	954	682	-28.5

Source: Parliament questions (Business Standard: March 23, 2018)

This is collaborated by The Tribune coverage (Feb 12, 2019), where it was reported that 919 farmers and agricultural labourers committed suicides between April 1, 2017 and January 31, 2019.

Though there are many factors responsible for this sorry state of affairs, but one out of them could be failure of implementation of MGNREGA in the state. Against this background, the present study attempts to examine the working of MGNREGA in Punjab and farmer suicides in the districts of Punjab. The study has been divided into three sections including present one. Section I introduces the study, highlighting the working of MGNREGA and incidence of farmer suicides in states of India, Section II focuses on working of MGNREGA and farmer suicides in Punjab, while Section III summarises the findings in order to derive policy implications.

SECTION II:

On the directives of High court, the government of Punjab in March 2016, assigned the Guru Nanak Dev University, Punjabi University and Punjab Agriculture University the task of conducting to conduct a survey on the number of suicides committed in the state. The Reports by respective universities were tabled in the State Assembly on March 28, 2018, but have not been made public. Therefore to get an idea about the incidence of suicides in Punjab according to districts, the information was collected from various newspaper reports like *The Hindu*, *Tribune*, and *Indian Express* and *Hindustan Times* etc.

Table 5: Farmers' Suicides in Various Districts of Punjab.

DISTRICTS	FARMERS SUICIDES	FARMERS SUICIDES (ANNUAL AVERAGE)
LUDHIANA*	1,238	82.5
MOGA *	1,423	95
BARNALA*	1,706	114
BATHINDA*	3,094	206
SANGRUR*	3,818	255
MANSA*	3,388	226
MUKTSAR SAHIB**	426	71
PATIALA**	190	32
FARIDKOT**	73	12
SAS NAGAR**	18	3
FATEHGARH SAHIB**	15	3
HOSHIARPUR**	09	2
RUPNAGAR**	06	1
AMRITSAR***	18	3
TARN TARAN***	16	3
KAPURTHALA***	05	1
JALANDHAR***	14	3
SBS NAGAR***	10	2
FEROZPUR***	43	7
FAZILKA***	43	7
GURDASPUR***	33	6
PATHANKOT***	NIL	----

Source: *information taken from The Tribune (11Jan, 2018) for the period 2000-15 on the basis of survey conducted by PAU, Ludhiana.

**information taken from The Hindu (16 June, 2017) for period 2010-16 on the basis of survey conducted by Punjabi University, Patiala.

***information taken from the Field Survey Report for 2010-16 by Guru Nanak Dev University (2017).

From Table 5, it is observed that maximum farmers suicides are reported in Sangrur (255), Mansa (226), and Bathinda (206) annually, while least were observed in case of Pathankot, Kapurthala and Rupnagar. The Table clearly shows that though suicides by the farmers have been reported in almost all the districts, but the hot beds of it are the districts which collectively are known as the “cotton-belt of Punjab” belonging to the Malwa region. It is well known that cotton cultivation requires relatively large capital expenditure, and it is widely argued that these costs have increased dramatically since the liberalization of the economy. In addition, cotton cultivation is a water intensive crop, but since the early 1990s, the amount of public money spent on irrigation has fallen and farmers are increasingly forced to invest in their own systems. In many cases, cotton cultivators have to borrow money to pay for these capital outlays and this is particularly true for marginal farmers with very few resources (Kaur & Mehra; 2018). Cash crunch is not the only problem to deal with, but also the genetically modified cotton crop i.e. BT cotton, which has added to the woes of farmers. BT (*Bacillus thuringiensis*) cotton which entered the agriculture sector as a ray of hope for the farmers because of its capability of resistance to certain organisms like bollworm and white-fly. But later, it shattered all the hopes as it failed in controlling the pests. A devastating attack by white-fly on the cotton-crop in Punjab’s Malwa region, adversely affected about two-thirds of standing cotton-crop in the State in 2015, leading to increase in farmers woes. (Times of India, Oct.8, 2015).

The suicide crisis is not limited to the cotton belt alone. Other crop growing areas are equally affected due to several other reasons like rising input costs, stagnant yields, no appreciable increase in output prices etc., which has reduced the farm income that has led to severe economic and social distress among the farmers and agricultural labourers (Indian Express, June 18, 2017). Due to loss of revenue, many farmers have been rendered unemployed. The situation becomes worse due to lack of industrialisation resulting in them not being absorbed in other sectors. Thus, unemployment and low auxiliary non-farm income opportunities have emerged as the main issues plaguing the State (Sharma, et al, 2017). This is where MGNREGA could have come to the rescue of farmers.

Table 6: Districts wise Demand of Work and Employment Provided by MGNREGA (2015-16)

DISTRICTS	AVERAGE OF WORK DEMANDED PER HH	EMPLOYMENT PROVIDED AVERAGE DAYS PER HH
AMRITSAR	2410.25	35.96
BARNALA	4342.91	27.91
BATHINDA	12373.25	30.02
FARIDKOT	7783.83	30.53
FATEHGARH SAHIB	8328.91	44.42
FAZILKA	13025.66	30.49
FEROZPUR	3086.41	23.02
GURDASPUR	1862	37.28
HOSHIARPUR	5739.75	22.83
JALANDHAR	2013.91	29.42
KAPURTHALA	3886.91	35.09
LUDHIANA	9485.5	32.93
MANSA	12308.66	32.69
MOGA	9044	30.19
MUKATSAR	12954.16	29.69
SBS NAGAR (NAWANSHAHAR)	3200.08	41.49
PATHANKOT	1671	47.69
PATIALA	5831.75	21.36
ROPAR	2035.25	38.89
SANGRUR	6713	22.76
SAS NAGAR (MOHALI)	1764.41	37.47
TARN TARAN	2369.33	26.86
STATE AVERAGE	6010.49	32.23

Source: MIS report, MGNREGA website, Government of India.

Table 6 reports employment provided under MGNREGA in the districts of Punjab. Pathankot is at the top with employment of 47.69 average days generated. It is to be mentioned here that as per the Survey conducted, no farmer suicide was reported in this District. It is followed by Fatehgarh Sahib and SBS Nagar, where employment provided under MGNREGA was 44.42 and 41.49, average days per household respectively. The average annual suicides committed in these districts were 3 and 2 respectively (Table 5).

On the other hand, the districts which had reported maximum farmer suicides i.e. Sangrur (255), Mansa (226), Bathinda (206) and Barnala (114) had employment provided under MGNREGA below the State average of 32.23 average days per household. Another significant point to be considered here that the districts which have reported maximum number of farmers suicides, the number of households there who had got themselves registered under MGNREGA was also highest, i.e. Sangrur (6713), Mansa (12308.66), Bathinda (12373.25) and Barnala (4342.91) indicating that there is demand for alternative employment. Despite of the highest demand, the employment provided under the Act was much less than the state average, which made the problem more severe. This indicates that the districts which have not performed well in providing an alternative source of employment to labourers and marginal farmers through MGNREGA, have witnessed a spurt in farmers' suicides.

Lack of awareness, political interference, and huge wage differentials could be some of the reasons for failures in MGNREGA in the State. Mehra and Raikhy (2009) in their study found that lack of success of MGNREGA in Punjab compared to other states was due to lack of its awareness both in case of program officials and the intended beneficiaries. This was supported by a study by Sharma (2015) who found information asymmetry especially among the sarpanches regarding the design of Act preventing them for discharging their responsibility in providing 100 days of employment. Bishnoi and Rampal (2015), cited delay in issuing job cards as well as payments and harassment at work sites as other major problems faced by the people while working under this Act. Seth, et al, (2017), found non-availability of the skilled labour as the major limitation of this Act, because majority of the labourers are unskilled, which many a times hamper the output. Kaur and Randhawa (2017), revealed in their study that non-maintenance of work and complaint registers and non-conductance of social audit as the major flaws in the Programme. This was further supported by Ranjan, Rajiv (2016) who highlighted cases of corruption and irregularities especially in cases of fake entries in muster rolls, overwriting, and false names recorded in various states.

In a report Kapoor (2018), highlighted wage gap differential i.e. difference between State Agriculture Wages and wages offered under NREGA, as one of the causes behind its less viable option for livelihood. In case of Punjab, the daily wages for agricultural worker is 294 rupees while under NREGA they get 240 rupees i.e. a difference of 54 rupees per day. Thus the labourers prefer to choose other manual work available which ensures better wage payments. State agriculture wages being less than the NREGA wages forces the labourers to choose other manual works available in the market, which ensures them a better wage payment.

POLICY IMPLICATIONS:

From the above discussion, it is clearly seen that the stagnant agriculture, rising input costs, compiled with lack of alternative sources of employment has resulted in spiralling farmers suicides in the state. MGNREGA has also failed in the State due to low levels of awareness, beauracratc apathy and lack of accountability resulting in increasing distress in the rural areas. Thus it can be advocated that the need of the hour, is to provide alternative sources of employment to the farmers' specially small and marginal ones. Thus there is need for effective implementation of MGNREGA so as to give some economic security to small and marginal farmers and the landless labourers.

- Constructive efforts should be made to fill the gap between allocation and actual availability of funds. Misuse of funds should be checked upon, so that financial resources don't become a hindrance in its implementation. The focus of the Programme should be more on supply of work. More diversified work options could be found out to include skilled as well as unskilled workers. This can be further extended to include even educated youth in providing skilled work suitable to their educational background.
- Timely payment of wages and adequate number of work-days to the people should be stressed upon in the affected areas as well as in other areas so that it built up a faith among people about the employment assurance in case of any crop loss. In case of delay in getting the work, unemployment wages should be provided timely, so that they get suitably compensated.
- It is also required to regulate its working among different stakeholders like Sarpanches, programme officers, state-government, and central-government. And proper coordination among them should

be ensured upon.

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