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## Performance of MGNREGA – A Study in Chittoor District of Andhra Pradesh

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### Abstract

The MGNREGA achieves twin objectives of rural development and employment. The works undertaken through MGNREGA focus on eco-restoration and sustainable livelihoods will lead over time, to an increase in land productivity and aid the workers in moving from wage employment to sustainable employment. The average wage rate per day per person in Andhra Pradesh is 116.24 which is below the standard of National average rate of Rs. 120 where as it is up to the mark in Chittoor district i.e., Rs. 119.99. No major roads have been built, no new homes, schools or hospitals or any infrastructure has resulted from the program. At national level, a key criticism is corruption. Poor quality of public works completed under the scheme. The process of selection of works and providing wages should be further strengthened. Frequent checks by the higher authorities will minimize the scope for manipulation of things at gross root level.

**Keywords:** MGNREGA, Rural Development, National Average, Corruption, Employment.

### 1. Introduction

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is the first ever law internationally, that guarantees wage employment at an unprecedented scale. It aims at enhancing livelihood security of households in rural areas of the country by providing at least one hundred days of guaranteed wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work. The primary objective of the act is augmenting wage employment. It's auxiliary objective is strengthening the natural resource management through works that address causes of chronic poverty like drought, deforestation and soil erosion and encourage sustainable development. The process outcomes include strengthening grass root processes of democracy and infusing transparency and accountability in governance.

MGNREGA is an Indian job guarantee scheme, enacted by legislation on August 25, 2005. This act was introduced with an aim of improving the purchasing power of the rural people, primarily semi or un-skilled work to people living in rural India, whether or not they are below the poverty line. Around one-third of the stipulated work force is women. The law was initially called the National Rural Employment Guarantee Act (NREGA) but was renamed as "The Mahatma Gandhi National Rural Employment Guarantee Act" on 2<sup>nd</sup> October 2009. MGNREGA was launched on February 2, 2006 from Anantapur in Andhra Pradesh and initially covered 200 of the "poorest" districts of the country. The Act is implemented in a phased manner and at present during the 2014-15 it covered 658 districts across the country, to increase the purchasing power of rural poor, reduce distress migration in rural India. Also, it can foster social and gender equality as 23 per cent workers under the scheme are Scheduled Castes, 17 per cent Scheduled Tribes and 50 per cent women. In 2014-15, 4.14 Crore households were employed under MGNREGA worksites.

### 2. Objectives

- to analyse the salient features of MGNREGA
- to evaluate the performance of MGNREGA in Andhra Pradesh as well as in Chittoor district
- to identify the deficiencies in the implementation of MGNREGA and suggest to overcome.

### 3. Salient features of the Act

- **Right based Framework:** For adult members of a rural household willing to do unskilled manual work.
- **Time bound Guarantee:** 15 days for provision of employment, else unemployment allowance.

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Up to 100 days in a financial year per household, depends on the actual demand.

- **Labour Intensive Works:** 60:40 wage and material ratio for permissible works; no contractors/machinery.
- **Decentralized Planning**
  - Gram Sabhas to recommend works
  - At least 50 per cent of works by Gram Panchayats for execution
  - Principal role of Panchayat Raj Institutions (PRIs) in planning, monitoring and implementation
- **Work site facilities :** Crèche, drinking water, first aid and shade provided at worksites
- **Women empowerment:** At least one-third of beneficiaries should be women
- **Transparency & Accountability:** Proactive disclosure through Social Audits, Grievance Redressal Mechanism.
- **Implementation**

Under Sec 3, States are responsible for providing work in accordance with the Scheme. Under Sec 4, every state government is required to make a scheme for providing not less than 100 days of guaranteed employment in a financial year, to those who demand work.

- **Funding**
  - Central Government -100 per cent of wages for unskilled manual work, 75per cent of material cost of the schemes including payment of wages to skilled and semi skilled workers.
  - State Government- 25 per cent of material including payment of wages to skilled and semi skilled workers cost. 100 per cent of unemployment allowance by state government.
- **Non Negotiable**
  - Only Job Card holders to be employed for MGNREGA works.
  - To provide employment within 15 days of application.
  - No contractor.
  - Task to be performed by using manual labour and not machines.
  - Muster rolls to be maintained on work sites.
    - Wage payments to be through accounts in banks/post offices.
    - Wage material ratio- 60:40

**4. Works / Activities under MGNREGA**

The MGNREGA achieves twin objectives of rural development and employment. The MGNREGA stipulates that works must be targeted towards a set of specific rural development activities such as: water conservation and harvesting, afforestation, rural connectivity, flood control and protection such as construction and repair of embankments, etc. Digging of new tanks/ponds, percolation tanks and construction of small check dams are also given importance. The employers are given work such as land leveling, tree plantation, etc. First a proposal is given by the Panchayat to the Mandal/Blocks Office and then the Mandal/Balocks Office decides whether the work should be sanctioned. The works undertaken through MGNREGA focus on eco-restoration and sustainable livelihoods will lead over time, to an increase in land productivity and aid the workers in moving from wage employment to sustainable employment. Almost 80 per cent works relate to soil and water conservation. MGNREGA works by their very nature place stress on increasing land productivity, recharging ground water and increasing water availability.

**5. Progress and Performance of MGNREGA in Andhra Pradesh**

The progress and performance of MGNREGS in Andhra Pradesh and Chittoor district at a glance is presented is Table 1. The scheme covers entire state in 13 districts and the scheme intends to provide employment opportunity to rural poor. The total number of mandals and Grama Panchayats covered under the scheme in Andhra Pradesh is 661 and 13083 respectively during the year 2014-15. The job cards issued under the scheme are 92.67 lakhs as on 31<sup>th</sup> March, 2015 and the number is to be increased day by day. The average wage rate per day per person in Andhra Pradesh is 116.24 which is below the standard of National average rate of Rs. 120 where as it is up to the mark in Chittoor district i.e., Rs. 119.99.

**Table 1: MGNREGA in Andhra Pradesh and Chittoor District at glance (2014-15)**

Indicator	Andhra Pradesh (2014-15)	Chittoor District (2014-15)
Total no. of Districts	13	01
Total no. of Mandals	661	66
Total no. of GPs	13083	1380
Total no. of Job Cards (in Lakhs )	92.67	7.21
Total no. of workers (in Lakhs)	208.91	17.1
(i)SC workers % as of total Workers	18.83	17.03
(ii)ST workers % as of total Workers	6.4	3.39
Total no. of Active Job cards (in Lakhs)	42.03	2.41
Total no. of Active Workers (in Lakhs)	75.62	4.06
Person days Generated (in Lakhs)	1555.39	99.61
SC Person days % as of total Person days	22.8	31.3
ST Person days % as of total Person days	11.87	3.67
Women Person days out of Total (%)	58.66	58.15
Average days of employment provided per Household	47.18	54.72
Total no. of HHs completed 100 days of Wage Employment	380448	38671
% of Men Worked	45.98	45.16
% of Women Worked	54.02	54.84
% of Expenditure on Agriculture and Agriculture Allied Works	76.98	81.85
Wages ( In Lakhs)	171613.98	11711.62
Average Wage rate per day per person (Rs.)	116.24	119.99

Source: Compiled from MGNREGA web data

The Table-1 clearly indicates that Chittoor district occupies 10 per cent of the total number of mandals and Grama Panchayats (GPs) in Andhra Pradesh. The percentage of SC person days to total person days generated is 31.3 in Chittoor district where as it is only 22.8 per cent at state level. The ratio of men and women workers is same in state as well as district levels. The percentage of women workers is more than male with 54 per cent. 76.98 per cent of the total expenditure under MGNREGA in the state is on Agriculture and Agriculture allied works where as it is 81.85 per cent in Chittoor district. The average rate per day per person and the average days of employment provided, both are above the state level percentage in Chittoor district.

## 6. Progress and performance of MGNREGA in select Mandals of Chittoor district

The progress and performance of MGNREGA in selected mandals i.e., Veduru Kuppam and Puthalapattu of Chittoor district is presented in Tables 2. The muster rolls of participated workers are updated every day by the official concerned, hence the figures shown in the Table-2 are frequently changed. The selected mandals have same number (25) of Grama Panchayats.

**Table 2:** Progress of MGNREGA in selected Mandals of Chittoor district (2014-15)

Indicator	Veduru Kuppam Mandal (2014-15)	Puthalapattu Mandal (2014-15)
Total no. of GPs	25	25
Total no. of Job Cards	11655	11978
Total no. of workers	30140	27049
(i) SC workers % as of total Workers	16.53	16.46
(ii) ST workers % as of total Workers	1.83	2.25
Total no. of Active Job cards	4562	3243
Total no. of Active Workers	7819	5438
Person days Generated	197874	186937
SC Person days % as of total Person days	42.15	29.31
ST Person days % as of total Person days	2.49	2.48
Women Person days out of Total (%)	59.26	45.78
Average days of employment provided per Household	54.75	67.49
Total no. of HHs completed 100 days of Wage Employment	737	904
% of Men Worked	44.78	53.33
% of Women Worked	55.22	46.67
% of Expenditure on Agriculture and Agriculture Allied Works	78.54	74.61
Wages ( In Lakhs)	232.96	235.26
Average Wage rate per day per person (Rs.)	120.9	128.59

**Source:** Compiled from MGNREGA web data

The Table-2 explains that even though the number of workers and the active job cards are high in Veduru Kuppam mandal, the average days of employment provided per household is high in Puthalapattu mandal with 67.49. The total number of households complete 100 days of wage payment is also high in Puthalapattu with 904. The per cent of men worked is high in Puthalapattu mandal where as the per cent of women worked is high in Vedur Kuppam mandal. The average wage rate per day is high in Puthalapattu i.e., Rs.128.59 when compared to Veduru Kuppam i.e., Rs. 120.9. It is a contradictory that the person days generated is high in Veduru Kuppam but the total wages paid are high in Puthalapattu i.e., 235.26 lakhs.

## 7. Findings of the Study

The main findings of the study are:

- **Employment opportunity:** Rural people got the guarantee employment opportunity of 100 days in a year.
- **Increase in household income:** Income of rural labour households particularly women has gone up as a result of this programme.

- **Increase in agricultural wages:** wages in various agricultural operations have gone up as a result of implementation of MGNREGA. This has lead to an increase in fertilizer use, and quality seeds.
- **Reduction in distress migration:** the incidence of out-migration from the village to distant places for manual works had come down as a result of MGNREGA works.
- **Increase in Consumption Levels:** purchasing capacity of the rural poor increased they spend more on food items.
- **Social Awareness:** Social Awareness among rural women is improved with the participation in Grama Sabha.

No doubt the scheme is undoubtedly beneficial to the rural poor particularly women in their empowerment and social justice. But, many deficiencies are identified in implementing the scheme at village level and lot of scope for criticism.

## 8. Defects in implementation of MGNREGA

Many criticisms have been leveled at the programme, which has been argued to be no more effective than other poverty reduction programs in India. The program is beset with controversy about corrupt officials, deficit financing as the source of funds for the program, poor implementation, and unintended destructive effect on poverty. Despite years of spending and the creation of government mandated unskilled rural work, no major roads have been built, no new homes, schools or hospitals or any infrastructure has resulted from the program. At national level, a key criticism is corruption. Workers hired under the MGNREGA program say they are frequently not paid in full or forced to pay bribes to get jobs, and aren't learning any new skills that could improve their long-term prospects and break the cycle of poverty. There are also claims of fictitious labourers and job cards by corrupt officials causing so called *leakage* in program spending. Another important criticism is the poor quality of public works completed under the scheme. In February, 2012, Sri. Jairam Ramesh, the Minister of Rural Development for the Central Government of India, has admitted that the roads and irrigation canals built by unskilled labour under this program are of very poor quality and wash away with any significant rains. Villagers simply dig new irrigation pits every time one is washed away in the monsoons. The completed works do not add to the desperately needed rural infrastructure.

Another criticism is the unintended effect of MGNREGA in terms of skill growth. A review published by India in September 2011 conceded that the lack of skilled technicians at almost every site under MGNREGA program, along with rules banning the use of machinery or contractors (labour is usually by shovel). Such bureaucratic regulations mean that the labourers learn no new skill, and that the ponds, roads, drains, dams and other assets built with manual labour are often of wretched quality. The idea behind MGNREGA program is to create as many jobs as possible for unskilled workers. But in practice, say critics, it means no one learns new skills, only basic projects get completed and the poor stay as poor — dependent on government.

## 9. Conclusion

The MGNREGA is providing employment for rural poor for their livelihood. But no concrete works are under taken under the Scheme. The act if self restricted to most of works under the scheme are Agriculture and Agriculture allied works. Government of India is evaluating and monitoring the implementation of the scheme from time to time and try to minimize the deficiencies to a greater extent. Recently the Government of India announced to provide additional 50 days

employment in drought prone blocks identified by the central teams. The process of selection of works and providing wages should be further strengthened. Frequent checks by the higher authorities will minimize the scope for manipulation of things at gross root level.

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