

Performance of MGNREGA in Andhra Pradesh

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ABSTRACT: Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) was notified on September 2005 and implemented all over the country in three phases. The Act covered 200 districts in its first phase, implemented on February 2, 2006, and was extended to 130 additional districts in 2007- 2008. All the remaining rural areas have been notified with effect from April 1, 2008. The objective of the programme is to provide guaranteed employment for at least 100 days in rural areas in a financial year to every rural household whose adult members volunteer to do unskilled manual work. Besides generating wage employment, the novel idea involved in NREGA is creation of assets both at individual level and the community level in rural areas. The Act envisages strengthening the natural resources management and addressing causes for chronic poverty like drought, deforestation and soil erosion and thereby to achieve sustainable development. The present study is undertaken to assess 1) the employment generated by MGNREG, 2) The nature of assets generated by the programme, 3) the growth in wage rates and growth in productivity and 4) Categories of persons secured employment in Andhra Pradesh. The present study relies on secondary sources for information to analyze and infer the conclusions. The study also depends on the reports published by the Government of India and the research works published by the scholars and professionals. Performance of MGNREGA is evaluated for the period 2012-13 to 2014-15 by considering number of persons employed, categories of persons employed, and type of assets created.

KEY WORDS: MGNREGA Wages Employment Assets Labour supply

I. INTRODUCTION:

Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) was notified on September 2005 and implemented all over the country in three phases. The Act covered 200 districts in its first phase, implemented on February 2, 2006, and was extended to 130 additional districts in 2007- 2008. All the remaining rural areas have been notified with effect from April 1, 2008. The objective of the programme is to provide guaranteed employment for at least 100 days in rural areas in a financial year to every rural household whose adult members volunteer to do unskilled manual work. Besides generating wage employment, the novel idea involved in NREGA is creation of assets both at individual level and the community level in rural areas. The Act envisages strengthening the natural resources management and addressing causes for chronic poverty like drought, deforestation and soil erosion and thereby to achieve sustainable development. The salient features of MGNREGA are:

1. Right based Framework, 2) Time bound Guarantee, 3) work up to 100 days in financial year per household, depending on the actual demand, 4) Labour Intensive Works, 5) No contractors/machinery, 6) Gram Sabha's to recommend works 7) At least 50% of works by Gram Panchayats for execution, 8) Principal role of PRIs in planning, monitoring and implementation, 9) Work site facilities, 10) At least one-third of beneficiaries should be women, 11) Transparency & Accountability: Proactive disclosure through Social Audits, 12) Grievance Redressal Mechanism

Implementation:

Under Sec 3 of the MGNREG Act, States are responsible for providing work in accordance with the Scheme. Under Sec 4 of MGNREG Act, 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% of wages for unskilled manual work, 75% of material cost of the schemes including payment of wages to skilled and semiskilled workers.

- State Government- 25% of material including payment of wages to skilled and semi skilled workers cost. 100% of unemployment allowance by state government.

The works undertaken through MGNREGA give priority to activities related to Water harvesting, groundwater recharge, drought-proofing, and flood protection. Its 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% 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. Recent amendment of the Act to permit MGNREGA works on individual land of small and marginal farmers who constitute 89% of the farming community, in addition to the individual land of SC/ST/BPL/IAY/ land reform beneficiaries will augment the impact on agricultural productivity and household income.

Objectives:

The present study is undertaken to assess 1) the employment generated by MGNREG, 2) The nature of assets generated by the programme, 3) the growth in wage rates and growth, in productivity and 4) Categories of persons secured employment in Andhra Pradesh.

Methodology:

The present study relies on secondary sources for information to analyze and infer the conclusions. The study also depends on the reports published by the Government of India and the research works published by the scholars and professionals. Performance of MGNREGA is evaluated for the period 2012-13 to 2014-15 by considering number of persons employed, categories of persons employed, and type of assets created.

Profile of Rural Andhra Pradesh:
Table.1 Rural Population in Andhra Pradesh-2011 Census

Sl.no	District	Total	Men	Women	Sex Ratio
1	Srikakulam	22,63,124	11,25,738	11,37,386	1010
2	Vizianagaram	18,52,446	9,21,155	9,31,291	1011
3	Visakhapatnam	22,50,655	11,13,637	11,37,018	1021
4	East Godavari	38,36,952	19,20,872	19,16,080	998
5	West Godavari	31,26,191	15,65,446	15,60,745	997
6	Krishna	26,71,718	13,37,414	13,34,304	998
7	Guntur	32,32,485	16,20,120	16,12,365	995
8	Prakasam	27,30,648	13,81,772	13,48,876	976
9	S.P.S.Nellore	21,03,773	10,59,330	10,44,443	986
10	Chittoor	29,41,581	14,69,263	14,72,318	1002
11	Y.S.R	19,00,788	9,59,697	9,41,091	981
12	Anantapur	29,36,359	14,89,021	14,47,338	972
13	Kurnool	29,02,877	14,66,622	14,36,255	979
	Total	34749597	17,430,087	17,319,510	993

Source: Statistical Abstract, Andhra Pradesh 2011

The rural population of residual Andhra Pradesh after bifurcation of Telangana is shown in above Table. 70 percent of the population in the state is living in rural areas. The main occupation of these people is agriculture and allied activities. The sex ratio in eight districts of the state is above the state sex ratio. Adult Sex ratio is lower in Prakasam, SP.S. Nellore, Y.S.R, Anantapur and Kurnool district than the state sex ratio. (Table.1)

Table.2 Decadal Growth Rate of Rural Population (2011 Census)

S.no	District	Total	Male	Female
1	Srikakulam	0.19	0.39	-0.01
2	Vizianagaram	0.85	0.68	1.01
3	Visakhapatnam	-2.21	-3.15	-1.26
4	East Godavari	2.33	1.9	2.77
5	West Godavari	2.41	1.8	3.02
6	Krishna	-6.07	-7.07	-5.05
7	Guntur	1.67	0.96	2.4
8	Prakasam	5.35	4.96	5.75
9	S.P.S.Nellore	1.66	1.54	1.78
10	Chittoor	0.23	-0.6	1.07
11	Y.S.R	-5.62	-6.02	-5.21
12	Anantapur	7.92	6.98	8.9
13	Kurnool	7.04	6.23	7.87
	Andhra Pradesh	1.4	-0.84	1.98

Source: Statistical Abstract, Andhra Pradesh 2011

The population in rural areas grew at a lower rate compared to the growth of population in urban centers of the state in the decade 2001-2011. Visakhapatnam, Krishna and Chittoor and Y.S.R districts of the state exhibited negative growth of population in rural areas of the state. It indicates that population in rural areas of these districts declined in the decade 2001-2011. Male population decadal growth rate in Andhra Pradesh is less than the female population growth rate in the rural areas of the state (Table2). This may be because of lack of employment in rural areas which forced people to migrate to urban centers for either short or long duration.

Table.3 Literacy Rate in Rural Andhra Pradesh

S.No	District	Total	Males	Females
1	Srikakulam	59.08	69.5	48.82
2	Vizianagaram	54.35	64.6	44.28
3	Visakhapatnam	54.52	64	45.3
4	East Godavari	67.97	71.48	64.46
5	West Godavari	72.46	75.79	69.13
6	Krishna	68.98	74.35	63.62
7	Guntur	62.53	70.8	54.27
8	Prakasam	59.72	70.39	48.86
9	S.P.S.Nellore	64.01	71.68	56.27
10	Chittoor	67.86	77.73	58.08
11	Y.S.R	63.68	75.36	51.87
12	Anantapur	59.85	70.41	49.05
13	Kurnool	56.16	67.52	44.63
	Andhra Pradesh	56.52	63.80	49.19

Source: Statistical Abstract, Andhra Pradesh 2011

The total literacy rate in the newly formed Andhra Pradesh state is 56.52 percent. The male literacy rate in the state is 63.80 and female literacy rate is 49.19 percent. Low literacy rate indicates the few opportunities available for the population of the state to secure employment outside the agricultural sector in the state (Table3).

Performance of MGNREGA

The Andhra Pradesh state has thirteen districts, 655 blocks and 12, 996 Gram Panchayats. 90.25 lakh job cards have been issued and 204.21 lakh workers are working in MGNREG works in the state.

Table4 Labour budget for MGREG activities (2012-2015) in Andhra Pradesh

S.no	Item	FY2014-15	FY2013-14	FY2012-13
1	Approved Labour Budget(in lakhs)	1958.66	3642.50	3690.40
2	Person days generated(in lakhs)	1269.26	2993.53	3273.35
3	% of Total Labour Budget	64.8	82.19	88.7
4	SC person days % as total person days	23.84	23.17	23.38
5	ST person days % as total person days	11.24	14.67	15.43
6	Women person days % as total person days(AP) (National)	58.46 51.51	58.68 47.94	58.34 47.07

Source: mnregaweb4.nic.in

The budget approved for MGNREGA has declined in the span of three years. The person days generated also declined in three years from 2012- 13 to 2014-15. Labour component of the budget is significant, though it declined from 88.7 percent in 2012-13 to 64.8 percent in 2014-15. SC, ST and Women secured significant percentage wage employment under MGNREGA. The women's share of total person days generated is near 59 percent in all the three years in Andhra Pradesh and it is higher than the national person days for women for the three years under study. Women person days of total person days generated at the national level is 51.51, 47.94 and 47.07 respectively for the years 2014-15, 2013-14 and 2012-13(Table4)

Table5. Average days of employment provided to Households

S.No	Item	2014-15	2013-14	2012-13
1	Average days of employment provided per household	40.91	49.57	55.92
2	Average person days for SC households	38.53	46.34	52.01
3	Average person days of employment provided to ST households	46.99	56.96	66.52

Source: mnregaweb4.nic.in

The average days of employment provided to the households has gradually declined in the span of three years. It declined from 55.92 days in 2012-13 to 40.91 days in 2014-15 financial years. The average person days provided to SC households is respectively 38.53, 46.34 and 52.01 for the financial years 2014-15, 2013-14 and 2012-13. The person days provided to ST households declined from 66.52 in 2012-13 to 46.99 in 2014-15 financial years. The average person days provided to ST households in Andhra Pradesh is respectively 46.99, 56.96 and 66.52 for the financial years 2014-15, 2013-14 and 2012-13. The decline in person days provided to ST households is sharper compared to the decline in person days for SC households (Table5).It is shown in the figure given below (Fig1) .

Fig.1 Average days of employment provided to Households

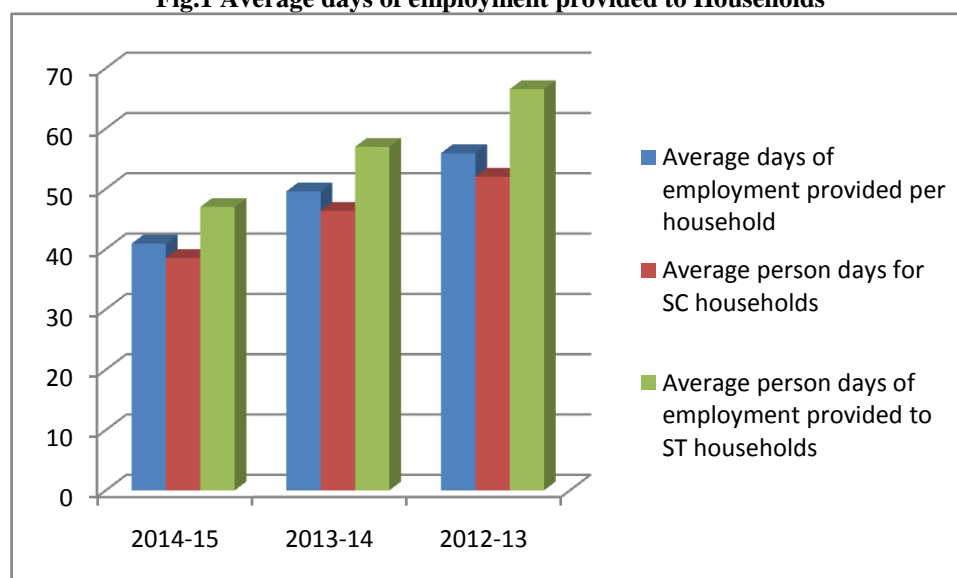


Table6. Works completed under MGNREGA in Andhra Pradesh

S.No	Item	2014-15	2013-14	2012-13
1	Total No of Works taken up (New + Spill over in lakhs)	12.23	20.19	49.98
2	No of ongoing works (in lakhs)	12.16	16.19	46.98
3	No of completed works	6,690	4,00,435	3,00,669
4	% of Expenditure on Agriculture & Allied Activities	75.7	58.53	64.24

Source: mnregaweb4.nic.in

It is observed that number of works taken up, number of ongoing works in monetary terms declined and also the number of completed works declined in the span of three years. The decline is sharper in the financial year 2014-15. The percentage of expenditure incurred on agriculture and allied activities declined in the financial year 2013-14 compared to the financial year 2012-13 but it increased in the financial year 2014-15. The percentage of expenditure incurred in the financial year 2014-15 on agricultural and allied activities is 75.7. (Table.6)

The lands of marginalized communities including Scheduled Castes (SCs) and Scheduled Tribes (STs) are taken up on priority. Horticulture plantations on the individual lands of vulnerable sections have been initiated with an objective of enhancing rural livelihood security and generating sustainable source of income. 100 per cent subsidy for 3 years is given to the beneficiaries for crops including Mango, Sweet orange, Sapota, Acid lime, Guava, Tamarind and Custard apple. The cost of pitting, planting etc. is paid from MGNREGA funds. For drip/micro- irrigation, 30 per cent of the cost of installation is paid from MGNREGA and 70 per cent is provided in convergence with other Schemes. Overall, in Andhra Pradesh, plantations have been taken up in 2.8 lakh hectares in last seven years of implementation benefitting around 3.6 lakh SC / ST/ Small and Marginal farmers. The programme has positively impacted the income from the mango harvest esp. in districts like Chittoor and Anantapur where horticulture has been promoted on a large scale.

Table7. Financial progress of MGNREGA in Andhra Pradesh

S.No	Item	2014-15	2013-14	2012-13
1	Wages (in lakhs)	1,36,571.1 (62.19)	3,40,582.55 (63.25)	3,47,762.45 (67.87)
2	Material & Skilled wages (in lakhs) % material Expenditure of the total expenditure	42,160.25 23.59	1,39,054.33 28.99	1,10,159.58 24.06
3	Total Admn Expenditure	40,837.15	58,833.25	54,455.58
4	Total Expenditure	2,19,568.49	5,38,470.13	5,12,377.74

Source: mnregaweb4.nic.in

The wage component of the MGNREGA continues to be more than sixty percent though it declined from 68.87 percent in the financial year 2012-13 to 63.25 in the financial year in 2013-14 and further to 62.19 in the present financial year. The material component of the expenditure in MGNREGA works in Andhra Pradesh is low compared to the all India average expenditure on material component on MGNREGA works in the financial years 2012-13 and 2014-15. However, in 2013-14 the material component of the expenditure on MGNREGA in A.P exceeded the national average expenditure on material component (Table7).

Discussion/Conclusion:

MGNREGA is introduced to mitigate rural distress a consequence of agrarian crisis caused by the implementation of the neo-liberal policies in our country. The implementation of MGNREGA resulted in right to employment for at least 100 days in a year in rural areas. The Act creating community assets and right to employment benefitted small and marginal farmers and agricultural labourers. The assets created resulted in increasing the productivity of agriculture (www.mgnrega.nic.in). It prevented distress migration to some extent. However, there are people who claim that implantation of MGNREGA resulted in increasing the wages and non availability of farm labour for agricultural operations. But, the research findings and also the fact that job cards are not issued to 100 percent households and also the fact that very few households completed 100 days work through MGNREGA indicates that there is no scarcity of labour in rural areas (www.mgnrega.nic.in). Even if scarcity exists it is not due to MGNREGA but some other factor, which we have to look out. MGNREGA through wage employment and assets creation, which improve agricultural productivity, enhanced the demand in rural areas. Besides, public investment in employment and asset creation is necessary to compensate the

deficiency of private investment to revive agrarian economy. MGNREGA is not only necessary but also it has to be strengthened through convergence of various departments to pool technology, skill and resource for efficient delivery. MGNREGA created employment and hence income to hitherto excluded sections and thereby it lead to achieve inclusive growth in rural areas. MGNREGA not only delivered economic benefits but also many social benefits to the society to attain sustainable development. Hence, financial allocations to MGNREGA should not be curtailed but it should be strengthened by removing any pitfalls in its implementation. The continuation of MGNREGA is essential to curtail excess migration to urban areas and given the literacy rate in rural areas.

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