

## Employment generation and asset creation through MGNREGA in Andhra Pradesh

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### Abstract

NREGA, enacted in 2005, forms the basis of a massive employment guarantee scheme, implemented throughout India, with two main objectives – to enhance the livelihood security of people in rural areas, and to boost the rural economy. Ever since its implementation across the country (2008-09 to 2015-16), on an average Rs.40, 000 crore per financial year has been invested under Mahatma Gandhi NREGA. In conformity with the National Act, the Government of Andhra Pradesh is implementing this Act since January 2006 and made considerable progress in fulfilling the programme objectives. The present study attempts to capture to what extent the employment was generated and durable assets are created during the last ten years of implementation of MGNREGS in Andhra Pradesh State. The study is based on secondary data such as official records of Ministry of Rural Development and Panchayat Raj, Government of Andhra Pradesh, Ministry of Rural Development, Government of India, Journals, magazines etc. It reveals that the performance of Andhra Pradesh in terms of providing employment and generating person days to rural households particularly Women, SC and ST is significant and it could be able to provide 100 days of employment to only 5.5 per cent of the participatory households. Further, the state Govt. has created substantial number of assets during this one decade of implementation in different categories. However, it was observed that the rate of completion of works is very poor and it is gradually decreased over the years of implementation.

**Keywords:** MGNREGA, employment, asset creation, livelihood security, rural economy

### Introduction

NREGA, enacted in 2005, forms the basis of a massive employment guarantee scheme, implemented throughout India, with two main objectives – to enhance the livelihood security of people in rural areas, and to boost the rural economy. It complies the former by guaranteeing wage employment to the members of the rural households who have volunteered to do unskilled manual work; and the latter through public works, including water resource management and tree-planting (World Bank, 2013) [12]. It also serves as a poverty relief intervention, to the extent that beneficiaries belong disproportionately to poor families even when the programme is not specifically targeted to the poor. The programme represents a major philosophic innovation in taking up rights-based and demand-driven approach, guaranteeing all rural households up to 100 days of employment per year at the going agricultural minimum wage (Dutta *et al.* 2012) [3]. Ever since its implementation across the country (2008-09 to 2015-16), on an average Rs.40, 000 crore per financial year has been invested under Mahatma Gandhi NREGA.

The Government of Andhra Pradesh has formulated the Rural Employment Guarantee Scheme called Andhra Pradesh State Rural Employment Guarantee Scheme in January 2006 in conformity with National Act. The scheme was renamed as Mahatma Gandhi National Rural Employment Guarantee Scheme –Andhra Pradesh as amended in the Act. In the first phase MGNREGS-AP was launched simultaneously in 13 districts viz. Anantapur, Adilabad, Chittoor, Kadapa,

Nizamabad, Karimnagar, Vizianagaram, Ranga Reddy, Medak, Khammam, Mahabubnagar, Warangal, and Nalgonda. In 2007-08 as part of phase II, the scheme was extended to six more districts viz. Srikakulam, East Godavari, Prakasam, Nellore, Kurnool and Guntur. and by 2008-09, it was extended to the remaining three districts (West Godavari, Krishna and Visakhapatnam). The present study attempts to capture to what extent the employment was generated and durable assets are created during the last ten years of implementation of MGNREGS in Andhra Pradesh State. The study is based on secondary data such as official records of Ministry of Rural Development and Panchayat Raj, Government of Andhra Pradesh, Ministry of Rural Development, Government of India, Journals, magazines etc.

### Review of Literature

Since introduction of the Act, several studies have been conducted mostly on field experiences in different States. In a beneficiary perception survey done in the six states of Andhra Pradesh, Chhattisgarh, Madhya Pradesh, Odisha, Rajasthan and Uttar Pradesh by Sambodhi Research and Communication Pvt. Ltd. (2013) revealed that MGNREGA works on the lands of individual beneficiaries had a significant impact on improving the quality of their lands, generating extra incomes, aiding small and marginal farmers' move to dual and multi-cropping and in creating alternative sources of livelihood for these households.

Liu and Deninger (2014) [4] looked at the short and medium-term impact of MGNREGS employment on various

development indicators in Andhra Pradesh. The authors found that in the short-term, participants’ caloric and protein intakes increased, indicating that one of the most important immediate effects of MGNREGS employment was an improvement in participants’ food security and nutrition. Medium-term effects, on the other hand, seemed to centre around more generalized investments, particularly the accumulation of land. Overall, participants from SC and ST households, as well as those who relied on casual labour, benefited the most from MGNREGS employment.

Narayanan *et al.* (2014) <sup>[10]</sup>, surveyed over 4,100 works constructed under MGNREGA and 4,800 randomly selected beneficiaries across 100 villages in 20 districts in Maharashtra. The study found that 75 per cent of the works that existed were directly related to agriculture. About 92 per cent of the respondents found the works very useful or somewhat useful and only 8 per cent felt that the works were useless. A micro study conducted on wells in one GP in Ranchi, Jharkhand, Aggarwal *et al* (2014) <sup>[11]</sup> found that the wells constructed under MGNREGA increased cropping intensity and crop productivity and led to a decrease in cultivation costs for individual beneficiaries.

Debatra Kumar Dey (2016) <sup>[12]</sup> found that in the state of West Bengal the benefits of the Act in terms of employment availability to the households could not be realised due to low employment generation. For obvious reason, the State’s performance in providing 100 days of employment to the households is not at all satisfactory. Regarding asset generation, excessive work load on GPs leads to generation of low value assets -these may not be sustainable in nature. The experiences tell that due to work burden and low participation of people in forum for discussions, the implementing agencies including the gram panchayats prefer to include traditional and easy to execute projects according to their own preference – rarely the villagers get opportunity to exercise their options or to express their preferences.

**Current status of MGNREGA in Andhra Pradesh**

After bifurcation, the present Andhra Pradesh state has thirteen districts, 661 blocks and 13,084 Gram Panchayats. The state is the eighth largest state in India covering an area of 160,205 km (61,855 sq miles). There are two regions in the state namely Coastal Andhra and Rayalaseema. As per 2011 census of India, the state is tenth largest by population with 49,386,799 inhabitants, out of them 3, 47, 76, 389 (70.4%) are living in rural areas. Visakhapatnam district has the largest urban population of 47.5% and Srikakulam district with 83.8%, has the largest rural population, among others districts in the state. The overall population of the state comprises 17.1% of Scheduled Caste and 5.3% of Scheduled Tribe population. During the current financial year 2015-16, 60.56 lakh employments have been provided to households and 1991.09 lakh person days of employment is generated. The programme has attracted down trodden groups like Scheduled Caste (15.04%), Scheduled Tribes (6.99%) and women (32.14%). Out of 549573 works undertaken 14766 works are completed and 534807 works are in progress.

**Employment Generation**

One of the major objectives of MGNREGA is to provide 100 days of employment in a year to the job seekers in rural areas. Table 1 shows the employment provided to different

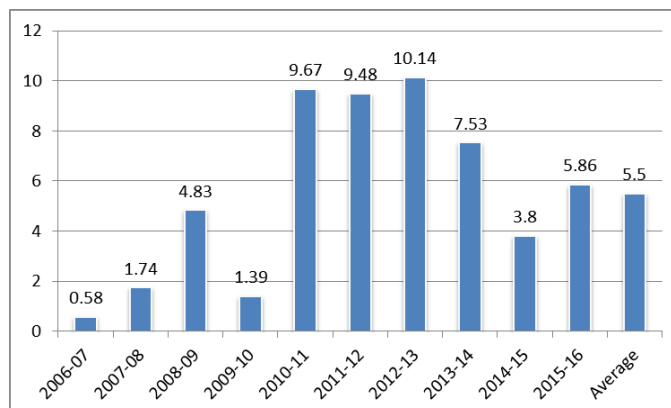
categories during 2006-07 to 2015-16. The cumulative data reveals that the overall employment generation during one decade of implementation stood at 879.9 lakhs, among which the share of SC, ST and women was 23.37 %, 13.9% and 54.18% respectively. The year wise analysis revealed that the employment generation has been increased from 31.67 lakhs in 2006-07 to 118.94 lakhs in 2010-11. From 2011-12, it has started declining till 2013-14. It is to notice that, the employment generation has suddenly reduced to 55.59 lakhs in 2014-15 from 107.65 lakhs in 2013-14 and this is due to separation of Andhra Pradesh from Telengana. However, it has registered a notable increase of 60.56 lakhs in the year 2015-16.

**Table 1:** Employment provided to different categories under MGNREGA during 2006-07 to 2015-16 (in Lakhs)

Year	SC	ST	Others	Women	Total
2006-07	9.44	4.3	17.93	16.66	31.67
2007-08	20.49	9.63	43.78	39.86	73.90
2008-09	26.53	13.45	59.9	53.81	99.88
2009-10	29.05	16.64	70.42	62.73	116.11
2010-11	29.85	17.85	71.24	64.49	118.94
2011-12	13.24	16.98	78.5	67.51	108.72
2012-13	23.38	15.43	68.3	54.64	107.11
2013-14	24.63	14.58	68.44	54.84	107.65
2014-15	13.96	6.42	35.21	30.03	55.59
2015-16	15.04	6.99	38.3	32.14	60.56
Total	205.61	122.27	552.02	476.71	879.9

Source: www.nrega.nic.in

Further, from Figure 1 it can be observed that the basic objective of the guarantee of at least 100 days of work in a year to the households participated in the employment guarantee scheme could not be ensured. Even after completion of ten years of implementation, on an average the MGNREGA could be able to provide 100 days of employment to only 5.5 per cent of the participatory households. If hundred days of employment is not guaranteed to the households demanded work, this simply leads to non-adherence of commitment made in the National Rural Employment Guarantee Act, 2005. Then the enhancement of livelihood security of the households in rural areas participating in this employment guarantee scheme as enshrined in the preamble of the Act may remain a distant dream.



Source: www.nrega.nic.in

**Fig 1:** Number of Households completed 100 days of employment under MGNREGA during 2006-07 to 2015-16 (in Lakh)

Table 2 presents the person days generated under MGNREGA during 2006-07 to 2015-16. It shows that the total number of person days generated during the one decade of implementation are 23285.45 lakhs, among which the total number of person days generated for women, SC and ST are 12235 lakhs, 4672.6 lakhs and 2804.6 k lakhs respectively. The analysis of year wise data reveals that the total person days generated in the year 2006-07 is 655.31 lakhs, which is increased to its maximum of 3900.75 lakhs in 2009-10. The performance during 2009-10 was highest due to prevalence of drought conditions in the state. However, it has been reduced to 1241.18 lakhs in 2011-12 and increased suddenly to 3273.35 in 2012-13. Due to separation of Telengana from Andhra Pradesh state the performance in terms of generating

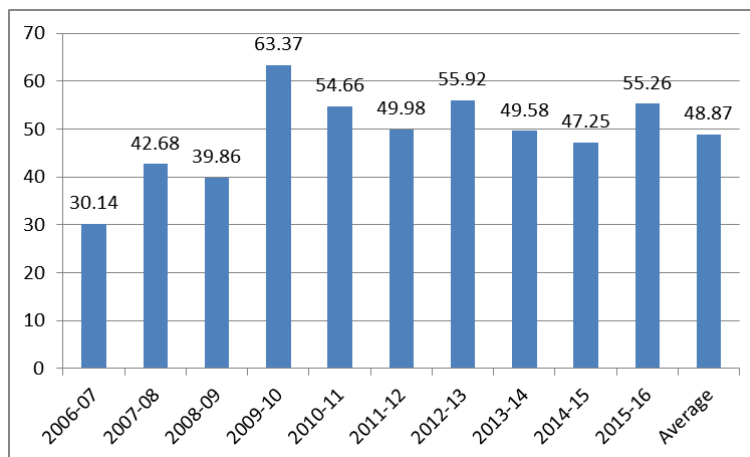
person days has suddenly decreased from 2013-14 to 2014-15. The category wise analysis reveals that the women occupies higher share (52.54 per cent) followed by SC (20 per cent) and ST (12.04 per cent).

Figure 2 shows that the average person days per households out of 100 days during 2006-07 to 2015-16. It can be observed that the average person days generated have increased gradually since 2006-07 (30.14 days) and reached to the maximum of 63.37 in 2009-10 and stands at 55.26 days in 2015-16. As a whole, the Act could generate an average of 48.87 days per household out of 100 days during this one decade of implementation. It was observed that the national average in terms of generating person days to each household stood at 44.8 days, which is less than state average.

**Table 2:** Person days generated under MGNREGA during 2006-07 to 2015-16

Year	Total Person days Generated (in lakhs)	Women (in lakhs)	SCs (in lakhs)	STs (in lakhs)
2006-07	655.31	371.93	202.41	88.31
2007-08	1999.45	715.98	335.72	158.56
2008-09	2273.53	1590.78	715.02	354.36
2009-10	3900.75	2349.6	713.00	400.10
2010-11	3394.18	1912.09	815.3	537.08
2011-12	1241.18	972.53	469.03	294.28
2012-13	3273.35	1312.24	548.02	332.73
2013-14	2994.7	1116.16	457.40	249.76
2014-15	1559.04	743.16	302.86	143.93
2015-16	1990.96	1150.57	449.56	245.51
Total	23285.45	12235	4672.6	2804.62

Source: www.nrega.nic.in



Source: www.nrega.nic.in

**Fig 2:** Average person days generated per family out of 100 days Under MGNREGA during 2006-07 to 2015-16

**Asset Creation**

Section 2 of Schedule-I of the MGNREG Act vividly expresses that ‘Creation of durable assets and strengthening the livelihood resource base of the rural poor shall be an important objective of the Scheme’. The choice of works suggested in the Act addresses causes of chronic poverty like drought, deforestation, soil erosion, water availability etc. so that the process of employment generation is maintained on a sustainable basis and durable assets are created in rural areas by strengthening the natural resource base. Table 3 shows that

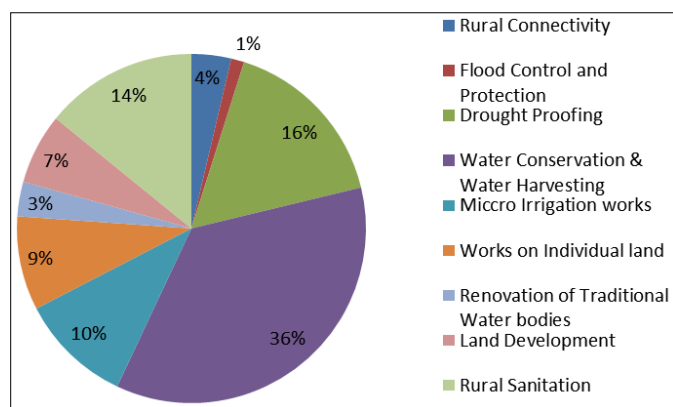
share of assets created in different categories in Andhra Pradesh state since the extension of the MGNREG Act to whole state from 2008-09 to 2014-15. The data indicates that out of the total 1, 26, 82, 619 works taken up, 23, 89, 133 works have been completed during 2008-09 to 2014-15. Further, it can be observed that the total number of assets created were significantly increased during this period (2008-09 to 2013-14), but the number of assets completed were gradually decreased except in the year 2010-11.

**Table 3:** Share of Assets created in different categories under MGNREGA during 2007-08 to 2014-15

Assets created	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	Total
Rural Connectivity	11041	26229	94780	87058	103526	95178	40459	464686
Flood Control and Protection	3372	5663	5412	41491	42664	40656	7452	153203
Drought Proofing	33107	36375	30940	171040	543353	933727	234338	2066903
Water Conservation & Water Harvesting	169890	287882	485670	666595	1133425	1365445	142954	4522554
Micro Irrigation works	42165	99209	164055	221853	314319	255431	172204	1317432
Works on Individual land	64519	128184	239363	146248	230897	14375	238837	1100658
Renovation of Traditional Water bodies	37242	71462	96790	49987	66807	6107	25742	405753
Land Development	99830	194798	168566	70525	64759	19823	16420	825996
Rajiv Gandhi seva Kendra	0	0	735	2338	4066	2033	2171	11343
Rural Sanitation	0	0	0	0	0	1445242	343427	1788669
Rural drinking water	0	0	0	0	0	1149	0	1149
Any other activity approved by MoRD	0	0	0	8134	8926	6982	242	24284
Total works created	461166	849802	1286311	1465269	2512742	4186148	1224246	12682619
Total works completed	670693	396718	864989	6915	2741	35188	6867	2389133

Source: www.nrega.nic.in

Figure 3 shows that the cumulative share of assets created under MGNREGA in different categories from 2007-08 to 2014-15. Out of the total works taken up the large number of works related to six categories viz. Water conservation and water harvesting, Drought proofing, Rural sanitation, Micro irrigation, works on Individual land and Land Development. These six categories constitute 92 per cent of the total works taken up. Recently, Andhra Pradesh state has taken up some initiatives by including new categories of works under asset creation viz. construction of Anganwadi buildings, Gram Pachayat Buildings, Rural Godowns, Play fields and Burial grounds etc to strengthen the rural infrastructure.



Source: www.nrega.nic.in

**Fig 3:** Cumulative share of Assets created in different categories under MGNREGA from 2007-08 to 2014-15

**Conclusion**

Andhra Pradesh State has made considerable progress in fulfilling the twin objective of the MGNREG Act i.e. to enhance the livelihood security of people in rural areas, and to boost the rural economy. The performance of the state in terms of providing employment and generating person days to rural households particularly SC and ST and Women is significant and it has provided employment to 879.9 lakh households during 2006-07 to 2015-16 among which the share of SC, ST and Women was 23.37 %, 13.9% and 54.18% respectively. However, it could be able to provide 100 days of employment to only 5.5 per cent of the participatory households. Further, the state Govt. has created substantial

number of assets during this one decade of implementation in different categories. However, the rate of completion of works is very poor and it is gradually decreased over the years of implementation. Therefore, the implementing agencies need to be more committed to implement the Act in a provocative manner so as to ensure 100 days of employment as stipulated in the Act as well as to concentrate on completion of works rather than creation of works which leads to wastage of public money and corruption.

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