



MAHATMA GANDHI NATIONAL RURAL EMPLOYMENT GUARANTEE SCHEME IN ANDHRA PRADESH: A CASE STUDY OF GUNTUR DISTRICT

Dr. SHAIK. AMEER

Department of Economics, Center of Distance Education,
Acharya Nagarjuna University, Guntur.

Introduction:

The launching of NREGS by the UPA government in 2004 in 200 backward districts and later on extending to the entire district in the country in 2008 as a part of their Common Minimum Programme agenda is an illustrious endeavor to ensure employment to the rural needy and poor family their right to employment. Unemployment is a cause of poverty. The National Rural Employment Guarantee Act (NREGS) (herein after referred as NREGS) was enacted in 2005 to provide a minimum guaranteed wage employment of 100 days in every financial year to rural households with unemployed adult members prepared to do unskilled manual work. The NREGS is a holistic measure and aimed at fulfilling one of the most important Human Rights, that is Right to Employment at least to one member of the family. The main objective of NREGS is the creation of durable assets and strengthening the livelihood resource base of the rural poor for fighting poverty.

Some of the encouraging features of NREGS are: (i) a high share of female employment; and (ii) the benefits are reflected in greater economic security, higher farm wages, lower migration and building of infrastructure. On the contrary, some of the failures relating to distribution to job cards and large numbers of needy households are in queue and the selection design and execution of projects, resulting in huge leakages. Ambasta and others (2008) pointed out some of the lacunas, which are : (i) lack of professionals (ii) under-staffing; (iii) administrative delays; (iv) lack of peoples' planning; (v) poor quality of work undertaken; and (vi) poor social audit process. Despite all these demerits, the NREGS ranks among the most powerful initiatives ever undertaken for transformation of rural livelihoods in India.

Mahatma Gandhi National Rural Employment Guarantee Act:

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is an Indian job guarantee scheme, enacted by legislation on August 25, 2005. The scheme provides a legal guarantee for one hundred



days of employment in every financial year to adult members of any rural household willing to do public work-related unskilled manual work at the statutory minimum wage of ₹120 (US\$2.68) per day in 2009 prices. The Central government outlay for scheme is ₹40,000 crore (US\$8.92 billion) in Financial Year 2010-11.

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 on 2 October 2009.

Political background:

This act was brought about by the UPA coalition government supported by the left parties. The promise of this project is considered by many to be one of the major reasons for the re-election of the UPA in the Indian general election, 2009. Dr. Jean Drèze, a Belgian born economist, at the Delhi School of Economics, has been a major influence on this project.

The plan of MGNREGA:

The act directs state governments to implement MGNREGA "schemes". Under the MGNREGA the Central Government meets the cost towards the payment of wage, 3/4 of material cost and some percentage of administrative cost. State Governments meet the cost of unemployment allowance, 1/4 of material cost and administrative cost of State council. Since the State Governments pay the unemployment allowance, they are heavily incentivized to offer employment to workers.

However, it is up to the State Government to decide the amount of unemployment allowance, subject to the stipulation that it not be less than 1/4 the minimum wage for the first 30 days, and not less than 1/2 the minimum wage thereafter. 100 days of employment (or unemployment allowance) per household must be provided to able and willing workers every financial year.

Provisions under MGNREGA:

- Adult members of a rural household, willing to do unskilled manual work, may apply for registration in writing or orally to the local Gram Panchayat



- The Gram Panchayat after due verification will issue a Job Card. The Job Card will bear the photograph of all adult members of the household willing to work under NREGA and is free of cost.
- The Job Card should be issued within 15 days of application.
- A Job Card holder may submit a written application for employment to the Gram Panchayat, stating the time and duration for which work is sought. The minimum days of employment have to be at least fourteen.
- The Gram Panchayat will issue a dated receipt of the written application for employment, against which the guarantee of providing employment within 15 days operates
- Employment will be given within 15 days of application for work, if it is not then daily unemployment allowance as per the Act, has to be paid liability of payment of unemployment allowance is of the States.
- Work should ordinarily be provided within 5 km radius of the village. In case work is provided beyond 5 km, extra wages of 10% are payable to meet additional transportation and living expenses
- Wages are to be paid according to the Minimum Wages Act 1948 for agricultural labourers in the State, unless the Centre notices a wage rate which will not be less than ₹60 (US\$1.34) per day. Equal wages will be provided to both men and women.

The original version of the Act was passed with Rs 60/ day as the minimum wage that needs to be paid under NREGA. However, a lot of states in India already have wage regulations with minimum wages set at more than ₹100 (US\$2.23) per day. NREGA's minimum wage has since been changed to ₹120 (US\$2.68) per day.

- Wages are to be paid according to piece rate or daily rate. Disbursement of wages has to be done on weekly basis and not beyond a fortnight in any case.
- At least one-third beneficiaries shall be women who have registered and requested work under the scheme.
- Work site facilities such as crèche, drinking water, shade have to be provided
- The shelf of projects for a village will be recommended by the gram sabha and approved by the zilla panchayat.
- At least 50% of works will be allotted to Gram Panchayats for execution
- Permissible works predominantly include water and soil conservation, afforestation and land development works



- A 60:40 wage and material ratio has to be maintained. No contractors and machinery is allowed
- The Central Govt. bears the 100 percent wage cost of unskilled manual labour and 75 percent of the material cost including the wages of skilled and semi skilled workers
- Social Audit has to be done by the Gram Sabha
- Grievance redressed mechanisms have to be put in place for ensuring a responsive implementation process
- All accounts and records relating to the Scheme should be available for public scrutiny

History and Funding:

The scheme commenced on February 2, 2006 in 200 districts, was expanded to cover another 130 districts in 2007-2008 and eventually covered all 593 districts in India by April 1, 2008. The outlay was Rs. 110 billion in 2006-2007, and rose steeply to Rs. 391 billion (140% increase in amount with respect to previous 2008-2009 budget) in 2009-2010.

Implementation:

The Comptroller and Auditor General (CAG) of India, in its performance audit of the implementation of MGNREGA has found "significant deficiencies" in the implementation of the act. The plan was launched in February 2006 in 200 districts and eventually extended to cover 593 districts. 44,940,870 rural households were provided jobs under NREGA during 2008-09, with an national average of 48 working days per household. In recent times, nrega workers have faced problems due to delays in payment of wages, some of which have been pending for months.

Employment under MGNREGAS in 2010:

Indian Minister of State for Rural Development Pradeep Jain said in a written reply to a question in Rajya Sabha on Tuesday that As of 30 June, a total of 179,43,189 families in the country have been provided employment under MGNREGAS.

Works and Activities:

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 Block Office and then the Block Office decides whether the work should be sanctioned. In Rangareddy district manchal mandal the dry land horticulture and plantation of trees on the bunds of the fields taken up under MGVN programme is taken up in a big way.

MGNREGA PHASES:

Table: 1
MGNREGA Phases in Andhra Pradesh

Districts notified under Mahatma Gandhi National Employment Gurantee Act				
STATE NAME	Sl. No	DISTRICT NAME IN PHASE I	DISTRICT NAME IN PHASE II	DISTRICT NAME IN PHASE III
ANDHRA PRADESH	1	Adilabad	Nellore	West Godavari
	2	Anantapur	East Godavari	Krishna
	3	Chittor	Srikakulam	Visakhapatnam
	4	Cuddapah	Kurnool	
	5	Karimnagar	Prakasam	
	6	Khammam	Guntur	
	7	Mahabubnagar		
	8	Medak		
	9	Nalgonda		
	10	Nizamabad		
	11	Rangareddi		
	12	Vizianagaram		
	13	Warangal		

Source: MGNREGA Records:

The above table-1 shows that in Andhra Pradesh MGNREGA's divided in 3 phases. In Phase – I, 13 districts, Phase-II, 6 districts and Phase – III only 3 districts. Thus, finally total 22 districts in Andhra Pradesh effectively implemented MGNREGA Scheme.

Brief History of Andhra Pradesh:

In February 2014, the Andhra Pradesh Re organization Act, 2014 bill was passed by the Parliament of India for the formation of Telangana state comprising 10 districts and in Andhra Pradesh 13 districts. Hyderabad will remain as a joint capital for 10 years for both states.



Andhra Pradesh is one of the country's south eastern coasts. The state is the 8th longest state in India covering an area of 61,855 sq.m. According to 2011 census the state is 10th largest by population with 49,386,799. The state has the 2nd longest coastal line of 972 k.m. There are 2 Regions which are more often referred as Seemandhra by the news media. There are 13 districts with 9 in costal Andhra and 04 in Rayalaseema. The GSDP of Andhra Pradesh was Rs.2953.3billion in 2012-13. The growth in state was mainly driven by the Agriculture, Industry and Service sectors.

Literacy rate of 72.87 per cent (male literacy stands at 81.59 per cent while female literacy is at 62.46 per cent. The state also claims an outstanding sex ratio of 978 Rural sex ratio 994, Urban sex ratio 1,004. Out of the total population of Andhra Pradesh only 29.47 per cent people live in the urban areas while a massive 70.53 per cent of the population lives in villages (Census 2011). Andhra Pradesh is Agriculture rich and has a long coastline . Although the State Agricultural annual growth rate 5.90 per cent, Industrial Sector annual growth rate 5.25 per cent and Service

Sector annual growth rate 8.48 per cent as on 2014-15. The poverty head count ratio of the state is 21.9 per cent in India (2014-15) and the number of poor in the state of Andhra Pradesh has been estimated to about 21.1 per cent (2014-15). The Global Hunger Index of the state is 23.8 (2007) which is more than that of the entire country estimated at 23.3 (2007). Considering the figures above the task of ensuring food security in the state has been a tremendous challenge for the state government.

Agricultural productivity of the state has been on a decline with more people opting for other jobs rather than being agricultural farmers. Despite several efforts by the government in providing opportunities to the farmer at various levels like providing loan at subsidized interest rates, cheap and high quality seeds, severe hunger and malnutrition poses a serious threat to development of the state. To ensure minimum food security to the poor the government has made several policy reforms in the Public Distribution System as initiated by the government of India after independence. livelihood activities while the SC communities earn their livelihood by being dependent on caste based activities passed down since generation. But due to varied factors comprising of both man made (deforestation, industrialization etc.) and natural (flood, cyclone, droughts etc.) the livelihood of the above mentioned communities are at stake. So, ensuring food security through the



Public Distribution System is the best alternative for the poor and the marginalized sections of the society.

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GUNTUR DISTRICT PROFILE:

As per census of India 2011, in Guntur District constitute 48,89,230 total population and Guntur is one of the district where 64.20 per cent Rural population lives in rural areas of villages. As per 2011 Census, the total Guntur district population living in rural areas is 32,32,485 of which total males and total females are 24,41,128 and 24,48,102 respectively. In rural areas of Guntur district, sex ratio is 995 females per 1000 males and Urban areas 1018. The rural literacy rate of the district is 67.99 per cent with a male literacy of 75.40 per cent and female literacy of 60.64 per cent Female literacy of Guntur district is low as compared to other. Total number of households 12,87,831 and 80.0 per cent of households are ration cards facility available.

Objectives of the Study:

- To examine the socio economic conditions of MGNREGA members.
- To examine the pre and post MGNREGA status.
- To examine the impact of MGNREGA in empowering in rural areas.

Methodology:

The present paper was undertaken in Guntur District. This paper is based on primary and secondary data. The primary data was collected by using good questionnaire and the secondary data was taken from various published and unpublished books, journals and websites. In this district 3 revenue divisions and 57 mandals are located. From each mandal three MGNREGA labourers were selected. Thus 171 respondents were selected for the present study.



Table: 2
Personal details of the respondents

(A) Age of the respondents:			(E) Educational Qualifications		
Years	Respondents	Percentage	Particulars	Respondents	Percentage
00-30	45	26.32	Illiterate	74	43.27
30-40	58	33.91	Primary	32	18.72
40-50	61	35.67	Secondary	28	16.38
50+	07	04.00	Higher Secondary	20	11.69
			Under Graduate	17	09.94
Total	171	100.00	Total	171	100.00
(B) Marital Status of the respondents			(F) Religion of the respondents		
Particulars	Respondents	Percentage	Particulars	Respondents	Percentage
Married	96	56.14	Hindu	99	57.89
Unmarried	63	36.84	Muslim	30	24.56
Widow	12	07.02	Christian	42	24.56
Total	171	100.00	Total	171	100.00
(C) No. of earners in the family			(G) Monthly Expenditure		
One	79	46.19	Amount (Rs.)	Respondents	Percentage
Two	55	32.16	0-2000	76	44.44
Three	29	16.97	2000-3000	46	26.90
Four	08	04.68	3000-4000	35	20.46
			4000-5000	09	05.26
			5000-6000	03	01.75
			6000+	01	00.50
Total	171	100.00	Total	171	100.00
(D) Family Size			(H) Ownership of House		
Size	Respondents	Percentage	Status	Respondents	Percentage
0-3	60	35.08	Own	92	53.80
4-5	89	52.04	Rented	79	46.20
5+	22	12.88			
Total	171	100.00	Total	171	100.00

Source Computed:

The table-2 shows that the average age of the respondents of 40-50 years i.e 35.67 per cent. The marital status of the respondents married 56.14 percent. The number of earners in the family in this study area 46.19 per cent. 53.80 percent respondents have own houses. 57.89 percent respondent are belongs to Hindus. Christians 24.56 per cent followed by Muslims. Majority of the respondents are illiterates 43.27 per cent.



Table - 3
Occupation of the Respondents

S.No.	Occupation	Pre-MGNREGA's Stage	Post – MGNREGA Stage
1	No Occupation	39 (0.22)	02 (0.01)
2	Agriculture Labours	29 (0.16)	17 (0.09)
3	Small Farmers	18 (0.10)	13 (0.07)
4	Artisans	13 (0.07)	30 (0.17)
5	Rearing Cattle	21 (0.12)	14(0.08)
6	Making of bags	30 (0.17)	20 (0.11)
7	Other income generations activities	20 (0.11)	26 (0.15)
	Combined	171 (100.00)	171 (100.00)

Source: Computed

Table-3 it is evident that 0.22 per cent of the respondents have no occupation in the pre-MGNREGA's stage whereas in the Post-MGNREGA's stage only two respondents 0.01 per cent is without occupation. The other income generating 26 respondents (0.15 per cent), 20 respondents (0.11 per cent), Pre MGNREGA stage and Post – MGNREGA stage 26 respondents (0.15 per cent). The majority of respondents depend on Artisans.

Table -4
Income of the respondents

Sl.No	Monthly Income	Pre-MGNREGA's Stage	Post-MGNREGA's Stage
1	No Income	12 (0.07)	0 (0.00)
2	Below 1000	19 (11.1)	10 (05.84)
3	1000-2000	30 (17.5)	24 (14.0)
4	2000-3000	22 (12.8)	19 (11.1)
5	3000-4000	25 (14.6)	24 (14.0)
6	4000-5000	18 (10.5)	32 (18.7)
7	5000-6000	33 (19.2)	22 (12.8)
8	6000 and above	12 (0.07)	40 (23.3)
	Combined	171 (100.00)	171(100.00)

Source: Computed

The Table – 4 reveals that, before joining MGNREGA 0.07 per cent of the respondents had no income and 40 respondents had income of above Rs. 6000. After joining MGNREGA's, respondent is without any income and 23.3 per cent of them have income of above Rs. 6000. Before joining MGNREGA's majority of women were not able to contribute towards their family income as they do not have the skills. After joining a MGNREGA's,



through the terms from income generating activities taken up under it remain irregular and in many cases unstable, they would make a lot of difference to the levels of the poor.

Table-5 Benefits of the Respondents

SL. No	Benefits Received	Opinion of the respondents			
		Agree	Disagree	No Opinion	Combined
1	Development of Savings habits	135 (0.78)	35 (0.20)	01 (0.05)	171 (100.00)
2	Increased Income	128 (0.74)	32 (0.24)	11 (0.06)	171 (100.00)
3	Increased Source	109 (0.63)	46 (0.26)	16 (0.09)	171 (100.00)
4	Better Wages	98 (0.57)	58 (0.33)	15 (0.08)	171 (100.00)
5	Better life status and decision making power	140 (0.81)	27 (0.15)	04 (0.02)	171 (100.00)
6	Access of various promotional assistance	120 (0.70)	45 (0.26)	06 (0.03)	171 (100.00)

Source: Computed.

Table-5 shows that development of savings habit is the 135 respondents (0.78 per cent) major benefit received by this MGNREGA members followed by better life status and decision making power 140 respondents (0.81 per cent) followed by increased income 128 respondents (0.74 per cent) access to various promotional assistance and better wages.

THE HIKE IN WAGES UNDER MAHATMA GANDHI NREGA:

The wage rates under MGNREGA have been increased by the Ministry of Rural Development with effect from 1st January 2011. This will result in 17-30% enhancement of wages under the premier flagship program of the UPA Government across the country. This was announced by the Union Minister for Rural Development and Panchayati Raj Dr. C.P.Joshi at a Press Conference in Krishi Bhawan December 6.. The decision to hike wages under MGNREGA comes in the wake of recommendations of National Advisory Council and consultations with the different Ministries. The move is likely to benefit more than 5 crore beneficiaries under MGNREGA across the country. The wage rates have been enhanced on the basis of Consumer Price Index for the agricultural labour calculated on the basis of Rs. 100 or the actual wage rate, whichever is higher as on April 1st, 2009.



The Minister said that linking the wages to CPI-Agricultural labour will result in annual revision of the wage rates. He reiterated that the Government will not lag behind in providing adequate livelihood security to the poor, down trodden, and members of SC and ST communities. Dr. Joshi also informed that the Government is waiting for the report of the Pranob Sen Committee constituted to deliberate upon a separate index for MGNREGA. The recommendations once submitted by this Committee will also be considered by the Government.

Table: 6

The new wages under Mahatma Gandhi NREGA which are higher than the prevailing wage rates under MGNREGA at present in many states are as follows:

HIKE IN WAGES UNDER MGNREGA			
Si.No	Name of the State	Present wage rate in Rs. Per day	Revised wage rate in Rs. Per day
1	Assam	100.00	Rs. 130.00
2	Andhra Pradesh	100.00	Rs. 121.00
3	Pradesh	80.00	Area-1 (Rs. 118.00)
4	Bihar	100.00	Rs. 120.00
5	Gujarat	100.00	Rs. 124.00
6	Haryana	141.02	Rs. 179.00
7	Himachal Pradesh	Non-scheduled Areas-100.00	Non-scheduled Areas-Rs. 120.00
		Scheduled Areas-125.00	Scheduled Areas – Rs. 150.00
8	Jammu & Kashmir	100.00	Rs. 121.00
9	Karnataka	100.00	Rs. 125.00
10	Kerala	125.00	Rs. 150.00
11	Madhya Pradesh	100.00	Rs. 122.00
12	Maharashtra	100.00	Rs. 127.00
13	Manipur	81.40	Rs. 126.00
14	Meghalaya	100.00	Rs. 117.00
15	Mizoram	110.00	Rs. 129.00
16	Nagaland	100.00	Rs. 118.00
17	Orissa	90.00	Rs. 125.00
18	Punjab		
	(a)	100.00	Rs. 124.00
	(b)	100.00	Rs. 124.00
	(c)	100.00	Rs. 124.00
	(d)	105.00	Rs. 130.00
19	Rajasthan	100.00	Rs. 119.00



20	Sikkim	100.00	Rs. 118.00
21	Tamilnadu	100.00	Rs. 119.00
22	Tripura	100.00	Rs. 118.00
23	Uttar Pradesh	100.00	Rs. 120.00
24	West Bengal	100.00	Rs. 130.00
25	Chhatisgarh	100.00	Rs. 122.00
26	Jharkhand	99.00	Rs. 120.00
27	Uttarkhand	100.00	Rs. 120.00
28	Goa	110.00	Rs. 138.00
29	Andaman & Nicobar		
	Andaman District	130.00	Rs. 170.00
	Nicobar District	139.00	Rs. 181.00
30	Dadra & Nagar Haveli	108.20	Rs. 138.00
31	Daman & Diu	102.00	Rs. 126.00
32	Lakshadweep	115.00	Rs. 138.00
33	Puducherry	100.00	Rs. 119.00
34	Chandigarh	140.00	Rs. 174.00

Source: Revised wage rates of MGNREGA

Table-6 shows that live in wages under MGNREGA scheme at all states in India. The highest revised wage rate in Nicobar District i.e. Rs. 181.00. Rs. 179.00 in Hariyana and followed by Chattisgarh Rs. 174.00. The remaining states as follows the wages rates in the above table.

Suggestive Measures:

1. Dedicated and fully trained full-time professionals should be appointed for the effective implementation of the scheme.
2. Concerted efforts should be made to reduce the time-gap between work done and payment received by rural labourers in NREGA.
3. Full-time trained employment guarantee assistants should be appointed at the panchayat level. Their presence would be helpful in making rural people aware of the benefits of the programme and initiate them to take advantage of the scheme.
4. A shief of projects undertaken should be prepared at the district level with the help of programme officers, technical staff and representatives of panchayati raj institutions so that projects cleared at the district level may be implemented effectively at the grassroots levels.



5. Management information system should be used in order to improve the system of monitoring of the programme as also to check leakages and misappropriation of funds.
6. Schedule of wage rates should be revised periodically, so that changes in statutory minimum rates of wages may be made consistent with their revision.
7. Role of panchayats in proper planning, implementation and monitoring of NREGA through preparation of perspective plans, approval of shelf of projects and execution should be encouraged. There must be enough transparency in the process of implementation of the scheme and social audit should be strictly followed.
8. Proper maintenance of job cards, muster rolls and other records relating to the scheme at the block and panchayat level should be ensured.
9. Accountability of the implementing authorities engaged in the process of implementation of this scheme from village level of district level should be strictly established. Similarly, those who violate the norms of the scheme, should be severely punished for their acts.
10. A massive programme of generating public awareness about the programme with the help of information technology should be initiated at a large scale.
11. Public accountability for ensuring proper choice of beneficiaries and proper use of funds should be imposed.
12. Some institutional mechanisms for making complaints or seeking redressal of grievances must be evolved.
13. People's development council's at the village level should be created to break the present nexus among the various implementing authorities of the scheme for its effective implementation.

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