



## IMPACT OF ASSETS CREATED UNDER MGNREGS – A STUDY IN SINGHANA GRAM PANCHAYAT

**Harivanam Shashi Rekha\***

**Dr. D. S. Ramanjula Reddy\*\***

*\*Research Associate, National Institute of Rural Development & PanchayatRaj, Hyderabad.*

*\*\*Training Manager, National Institute of Rural Development & PanchayatRaj, Hyderaabd.*

### Introduction

A majority of the poor in rural areas in India depends mainly on the wages they earn through unskilled, casual, manual labour. They are often at doorstep levels of survival and are vulnerable to the possibility of sinking from short-term to chronic poverty. Inadequate labour demand or unpredictable crises that may be general in nature, like natural disasters or personal like ill-health, all adversely impact their employment opportunities. In a context of poverty & unemployment, initiation of wage employment programmes had become important. Wage employment programmes provide income transfers to poor households during critical times and also enable consumption smoothing, especially during slack agricultural seasons. The need to evolve a mechanism to supplement existing livelihood sources in rural areas was recognized early in development planning in India. The Government has implemented many wage employment programmes that offered wage employment on public works on minimum wages.

These wage employment programmes implemented by State Governments with Central assistance were self-targeting, and the objective was to provide and enhance livelihood security, especially for those dependent on casual manual labour. At the State level, the Govt. of Maharashtra formulated the Maharashtra Employment Guarantee Scheme and Maharashtra Employment Guarantee Act, 1977 to provide wage employment to those who demanded it. Based on the experience of these programmes, the National Rural Employment Guarantee Act 2005 (NREGA) was enacted to reinforce the commitment towards livelihood security in rural areas.

Unlike previous wage employment programmes, ‘The National Rural employment Guarantee Act 2005’ is a milestone initiative in the history of poverty reduction strategies in India. The act providing unskilled wage work to the rural poor at the bottom addresses the worst form of poverty. The Act provides a legal Guarantee of 100 days of wage employment in a financial year to every rural household whose adult members volunteer to do unskilled manual work at the minimum wage rate notified for unskilled labour prescribed in the State or else an unemployment allowance. The objective of the Act is to add-on wage employment opportunities in rural areas and in the process to build up durable Assets. The act was notified on 7 September“ 2005 and implemented in 200 Districts from 2nd February“2006 and extended to 130 more Districts in second phase from financial year 2007-08). The Act has been extended further to all the remaining 285 rural Districts with effect from 1st April 2008.

### Key Features

- **Legal right to work:** Unlike earlier employment guarantee schemes, the Act provides a legal right to employment for adult members of rural households. At least one third beneficiaries have to be women and equal wages must be paid to men and women. Wages must be paid according to the wages specified by Ministry of Rural Development as per the Consumer Price Index (CPI) Of agriculture labour notified. At present, wage rates are ranging from Rs 135 per day to Rs 214 per day across States.
- **Time bound guarantee of work and unemployment allowance:** Employment must be provided with 15 days of after demanded failing which an ‘unemployment allowance’ must be given.
- **Decentralized planning:** Gram sabhas must recommend the works that are to be undertaken and at least 50% of the works must be executed by GP. PRIs are primarily responsible for planning, implementation and monitoring of the works that are undertaken.
- **Work site facilities:** Shade, drinking water and first-aid should be available at every worksite and child care facilities should also be provided if more than five children under the age of six years are present.
- **Transparency and accountability:** To be ensured through Social Audit, Vigilance and Grievance Redressal mechanisms.
- **Funding:** Funding is shared between the centre and the states. There are three major items of expenditure – wages (for unskilled, semi-skilled and skilled labour), material and administrative costs. The central government bears 100% of the cost of unskilled labour, 75% of the cost of semi-skilled and skilled labour, 75% of the cost of materials and 6% of the administrative costs.



### **Permissible Works under MGNREGS**

When Act was implemented only 8 types of works were permissible in NREGS. From 2013 the same was expanded to 20 works and now they are under 4 categories.

#### **Category A: Public Works**

- a. Water Conservation and water harvesting structures to augment and improve groundwater like underground dykes, earthen dams, stop dams, with special focus on recharging ground water near drinking water sources;
- b. Natural Resource Management works such as contour trenches, contour bunds, boulder checks, gabion structures and springshed development as a part of a comprehensive project for treatment of a watershed;
- c. Creation and maintenance of irrigation canals including micro and minor irrigation works;
- d. Renovation of traditional water bodies including desilting of irrigation tanks and other water bodies;
- e. Afforestation, tree plantation and horticulture in common and forest lands, road margins, canal bunds, tank foreshores and coastal belts duly providing usufruct (tree pattas) to the households.
- f. Land development works in common land.

#### **Category B: Individual Assets for Vulnerable Sections (Only for Households in Paragraph 5)**

- g. Improving productivity of lands of households specified in Paragraph 5 by providing suitable infrastructure for irrigation including dug wells, farm ponds, horticulture, sericulture, plantation, and land development;
- h. Development of fallow/waste land of households defined in Paragraph 5 to bring it under cultivation;
- i. Weaker Section housing for rural households in paragraph 5 living in a kutch house and not having any other pucca structure, in convergence with other schemes such as Indira Awaas Yojana schemes or such other State or Central Government.

#### **Category C: Livelihood Activities Formulated by Self Help Groups under National Rural Livelihood Mission**

- j. Works for promoting agricultural productivity by creating durable infrastructure required for bio-fertilizers and post-harvest facilities including pucca storage facilities for agricultural produce;
- k. Creating infrastructure for promotion of livestock such as, poultry shelter, goat shelter, cattle shelter and fodder troughs for cattle;
- l. Creating infrastructure for promotion of fisheries such as, fish drying yards, storage facilities, and promotion of fisheries in seasonal water bodies on public land;

#### **Category D: Rural Infrastructure**

- m. Rural sanitation related works, such as, individual household latrines, school toilet units, Anganwadi toilets, solid and liquid waste management to achieve open defecation free status and in convergence with schemes of other government departments;
- n. Providing all-weather rural road connectivity to unconnected villages and to connect identified rural production centres to the existing pucca road network; and construction of pucca internal roads including culverts within a village;
- o. Construction of play fields;
- p. Works for improving disaster preparedness or restoration of roads or restoration of other essential public infrastructure including flood control and protection works, providing drainage in water logged areas, deepening and repairing of flood channels, chaur renovation, construction of storm water drains for coastal protection;
- q. Construction of pucca buildings for Gram Panchayats, women self-help groups, cyclone shelters, Anganwadi centres at the village or block level using building material produced locally as far as possible and in convergence with Central/State Government schemes;
- r. Construction of Food Grain Storage Structure for implementing the provisions of The National Food Security Act 2013;
- s. Maintenance of public assets created under the Act or any asset specified by the Central Government in the manner prescribed;
- t. Any other work which may be notified by the Central Government in consultation with the State Government.

#### **Need of the Study**

Not only ensuring rural poor to earn a living wage without loss of their dignity, and demand work as their right, the MGNREGS is creating durable assets that will ultimately lead to a reduced dependence of people on MGNREGA. The program has the potential to lead the economy in labor intensive growth path through the creation of assets. Moreover, it helps the rural poor suffering from lack of infrastructure facilities like drinking water, connectivity and sanitation to

overcome them. In rural areas employment opportunities and incomes are related to agriculture. Because of low productivity or natural calamities like, floods, drought conditions the intensity of poverty is increasing day by day. To address these problems Act provided mandatory of durable asset creation in NREGS. The Assets under MGNREGS are broadly categorized as Community Assets and Individual Assets.

Productive assets increase employment and incomes, which leads improvement in quality of life as well as productivity of workers. The assets generated have to address the basic needs of the poor. For example, construction of roads, construction of drainage facilities for disposal of wastewater as well as rainwater etc can go a long way in improving quality of life in the village. The basic infrastructure like roads, water harvesting structures, community tanks, plantations etc would create an enabling environment for economic growth. Since the livelihood of people is closely related with natural resources, ecological regeneration has a highly positive impact on productivity of workers. By regenerating common lands, undertaking soil conservation measures, constructing water harvesting structures and undertaking afforestation on common lands and waste lands natural resources can be improved. Huge no. of assets has been created under the NREGS.

**Year Wise Works Completed under MGNREGS All Over India**

Year	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Number of Works Completed	14,51,416	37,89,599	78,59,350	1,07,25,497	6,066,762	3,46,36,209	5,62,37,418	6,27,55,820

It is necessary to find out whether the assets created under NREGS are productive, durable and useful to the community. It is equally significant to find out the present status of created Assets to assess the sustainability. The assets created should be properly maintained so as to make them durable. Hence arrangements made for their maintenance need to be examined. Reasons for incompleteness and abandoning of works have to be elicited for future planning of works.

The present Study focused on assessment of assets completed in the financial year 2013-14 and looking at sustainability and usefulness of created assets for community as well as individual in Singhana Gram Panchayat of Manawar Block in Dhar District of MADHYA Pradesh, with the following objectives:

1. To verify and assess the durability and productivity of works in Singhana Gram Panchayat through
  - a. Technical assessment,
  - b. Economic assessment and
  - c. Beneficiary perception
2. To explore the possibility of creating an index for works completed under MGNREGS in financial year 2013-14 in Singhana GP.

To fulfill the above objectives three different types of instruments were used

1. User/Beneficiary survey for all works. The study covered 2 user perceptions per work identified and verified in the GP for community assets and 1 user perception for individual work who benefited in financial year 2013-14
2. Verification of all works carried out during the 2013-14 FY in the selected GPs.
3. Return on investments of individual works relating to agriculture, water and land development.

### GP Profile

Singhana GP is located in Manawar Block of Dhar District in Madhya Pradesh. GP is having two revenue Villages named Singhana and Budhiyakedi. Total households in the GP are 2999 out of that 650 are BPL households. 152 households are landless. Among 2999 households 2392 households were issued Job cards. Like all other rural areas main occupation of the GP is Agriculture. Irrigation sources are open Wells. Major crops are Maize, Bengalgram, Wheat, Musturd, Cotton and vegetables. GP is well developed with 100% CC Roads, Educational institutions, Market etc.

### MGNREGS Asset Verification

#### 1. Type of Assets Verified

Total 170 works which completed in the year 2013-14 were verified in this GP. Out of 170 works 32 (21%) are community works which includes CC Roads, Play grounds, Plantation and water harvesting works and remaining 134(78%) works are sanctioned to Individual beneficiaries. In Individual works more preference is given to Farm Bunds (soil erosion & water harvesting). 33 IHHLs are also verified under Individual works. Only 5 wells are completed in the year 2013-14.

## 2. Category of Assets

From the works completed in the year 2013-14 majority works are Irrigation facility works (40%) and followed by Rural Sanitation works (24.8%), Land development works (21.6%), Water Conservation works (7.6%), Drought proofing works (2.4%), Rural Connectivity works (2.4%) and Irrigation channel works (1.2%). The details given in Table: 1. It shows preference was given to Agriculture improvement and Sanitation (i.e., IHLS).

**Table 1: Assets Completed under MGNREGS in the Financial Year 2013-14 in Singhana GP**

S.No.	Category of Work	Number of Works
1	Land Development	37
2	Water Conservation	13
3	Irrigation facility	68
4	Irrigation Channel	2
5	Drought Proofing	4
6	Rural Connectivity	4
7	Rural sanitation	42
Total		170

## 3. Present Status of the Assets

All works except 2 are physically existed. Most of them are in good condition. Partially damaged assets are 26 in number followed by fully damaged assets (3). Surprisingly there were no damages fully or partially in community Assets. This happened Farm (Earthen) Bundings which are created as Individual assets damaged because of rains. All IHHLs are being used by beneficiaries.

**Table 2: Current Status of Assets Created in the Financial Year 2013-14**

Status	Community	Individual	Total
Good condition	36	103	139
Partially damaged	0	26	26
Fully damaged	0	3	3
Not Available	0	2	2
Total	36	134	170

## 4. User Perception

User perception was collected from beneficiaries of both Individual and Community works related to Soil & Water Conservation works. The Rural Connectivity and Rural sanitation works were excluded. Total 139 beneficiaries had expressed their perception on usefulness of assets which is given in Table 3. Except one beneficiary all articulated that assets created are very useful.

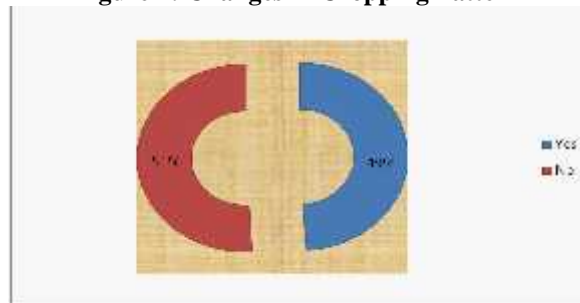
**Table 3: Usefulness of Assets Created**

Perception	No. of Beneficiaries
Very Useful	138(99.3%)
Somewhat useful	1(0.7%)
Total	139(100.0%)

## 5. Changes in Cropping Pattern because of Assets Created

According to Table 1, it is confirmed that most of the works are related to Soil & Water moisturizing. When it was asked to the beneficiaries, whether there is any change in cropping pattern after creation of assets, 49.0% replied yes. This is because of availability of water through irrigation facilities and irrigation channels sanctioned to Individual farmers and community works like plantation & water conservation works.

**Figure 1: Changes in Cropping Pattern**



When a question was raised to beneficiaries about what type of changes happened in cropping pattern, 64.7% replied that there was a change from dry land crops to irrigated crops because of availability of water. Regarding impact on productivity of agriculture land because of asset creation, 54.7% expressed that there is significant increase in productivity followed by 12.2% respondents replying moderate increase and 32.4% beneficiaries informed that there is no increase in productivity. Only one person reported decreased productivity (Verify Table 4), which may be attributed to other factors like whether, use of fertilizers etc.

**Table 4: Impact on Productivity**

Impact	Percentage
Significant increase	76(54.7%)
Moderate increase	17(12.2%)
Less increase	1(0.7%)
Not significant	45(32.4%)
Total	139(100.0%)

### Infrastructure Development Through Assets Created

Like most of rural GPs in India, before 10 years Singhana GP faced lot of problems. According to villagers, before 2005 drinking water was available only once in 20-25 days. The wells were a long way from village and most of the time the entire family would be busy in searching for water. At times even in midnight this would be going on. Though some open wells were there for agriculture purpose it was very difficult to cultivate second crop because of water scarcity. In other hand at the time of rainy season, small streams, used to flow from agriculture fields which caused for crop damage and soil erosion. Only 15 per cent of the roads were CC roads [cement concrete]. During monsoons, within the village and outside the village, walking or transporting of goods was extremely difficult exercises. Boys in Singhana found it difficult to get brides to come and live in their village. According to villagers the development happened with MGNREGS only. Because of NREGS works the water table came up to 10 Meters. Before the water table was a 25 meters depth. Not only that, irrigated land also increased from 602 he to 710 he within these 10 years. The PRI body not only concentrated on natural resources development but also on infrastructure development. As result, now 100% CC roads are there in GP which is an indicator for improvement of rural lives. By utilizing NREGS funds according to Act and with contribution of public, Panchayat had developed the historical temple in the village. They also made provision for peaceful Burial Grounds (Hindu and Muslim separately) with plantation and other amenities. Planning was done taking GP as unit, balancing with Land development, water conservation works which includes only labour component and CC Roads, culverts etc., which includes more material component to balance 60:40 ratio.

### Observations

- Most of the individual beneficiaries belong to APL. This happened because all SC/ST and BPL households were covered before 2013-14 and many of them are landless.
- When interacted with landless Job card holders they demanded to provide employment as since 8 months there was no work under NREGA.
- Coordination between GP elected representatives and official is very good.
- Participation of people in planning of works is excellent.
- Now Panchayat is concentrating on livelihoods creation for land less through MGNREGS, by sanctioning Vermi Compost units, Nursery raising etc.

### Conclusions

The study on Asset verification in Dhar District of Madhya Pradesh indicates that there is significant impact on Agriculture and infrastructure development in the sample GP through assets created under MGNREGS, which leading to transformation of rural lives.

### References

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