

RELEVANCE OF MGNREGA ASSETS

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ABSTRACT

One of the essential features of MGNREGA is to boost the engine of rural development through creation of durable assets. The programme is presumed to transform rural economy with ultimate objective of sustainable development through enhancement in agriculture production. Different categories of works that are executed under the scheme are aimed to make favourable conditions for villagers through environmental and infrastructure upgradation. The present study is aimed to reveal the significance of assets and their worth to the rural people on the basis of micro level field investigation in the district Mandi of Himachal Pradesh.

Keywords: Households, Agriculture, Assets, Beneficiaries, Shelf of Projects, Gram Sabha.

Introduction

Mahatma Gandhi National Rural Employment Guarantee Programme is the largest ever rural development programme of its type. The programme embedded unique features of guaranteed wage employment through creation of durable assets, provision of social security under Rashtriya Sashay Baima Yojana, participative planning for works to carry out, creation of durable assets to sustain and enhance agricultural production, etc., making it different from all other development programmes in the past. In ten years of its implementation, the programme has emerged as a ray of hope for millions of villagers to earn livelihood in their locality and to enhance

their agricultural production with the help of assets constructed under the scheme. With ultimate objective of strengthening the livelihood of rural people, the contribution of assets created under MGNREGA has always been a matter of concern, since the implementation of scheme in February, 2006.

With a total of 4,50,92,923 works completed under the scheme (till March 31, 2016) these assets further assume significance. Further, with a mandate of 60 per cent of works meant for enhancement of agricultural and allied activities, the scheme envisions that the works undertaken will improve the natural resource

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management and address the causes of chronic poverty such as drought, deforestation, barren land, etc., through sustainable assets.

Literature Review

MGNREGA based upon the theme of employment guarantee scheme (1982) in Maharashtra, has attracted a considerable amount of academic interest, because of its size and implications for rural development. A study conducted by Ambush, Shankar and Shah (2007) provides a roadmap for effective implementation of the scheme by suggesting measures like deployment of full time professional staff, social mobilisation for participative planning in deciding the shelf of projects and intensive use of information technology practices, etc. Deepak and Sova (2010) observed that one of the reasons for poor performance of MGNREGA was that most of the works were concentrated only around water conservation and irrigation facilities. They recommended the inclusion of MGNREGA with other schemes of public works administered by the government through agriculture, horticulture and forest departments. Esteues et.al. (2013) revealed that works like water conservation, land development, forestation, etc., have led to the enhancement of agricultural productivity and regeneration of natural resource base. Basu et.al. (2013) quantified the environmental and socio-economic benefits generated by the works taken under the scheme. They observed a reduction in vulnerability to poor due to implementation of works and increased environmental benefits from the works undertaken in the scheme. Ranaware, Ashwini and Sudha (2015) evaluated the impact of MGNREGA works through their

empirical study in Maharashtra. They revealed that MGNREGA works support agriculture and benefit a large number of small and marginal farmers. They suggested an increase in local participation, careful selection of works and better design to ensure the effectiveness of MGNREGA.

MGNREGA is largely presumed as a poverty alleviation programme through employment generation, although it derives its legitimacy from being assets generating programme. Recently some researchers have focused upon impacts of scheme on environmental changes, Methew S. (2014), socio-economic benefits generated, Basu et.al. (2013), vulnerability of agricultural output, Tashina et.al. (2013), assets contribution towards agriculture production, Krishna et.al. (2014) and benefits of MGNREGA works for small and marginal farmers through enhanced agricultural output, Ranaware, et.al. (2015).

While there is a rich documentation of the implications of MGNREGA on its outcomes in terms of employment provided, wage and consumption, rural urban migration, women empowerment, etc., very little is known about the relevance of assets and their utilisation towards the enhancement of living standards of rural people. The present study is proposed to contribute to the emerging body of knowledge by focusing on MGNREGA works and their relevance for rural people in the district Mandi of Himachal Pradesh.

Methodology

The study focuses on making a qualitative assessment of assets contributions in terms of benefits associated. Likewise, an increase in

agricultural output and progression from traditional crops to cash crops with the help of MGNREGA assets. To fulfil the objective of the study, following research issues have been outlined.

- To examine the relevance of assets in terms of their utilisation and contribution towards betterment of rural lives.
- To identify the type of works required most by the villagers in their locality.
- To carry out a time series analysis of works performed in the last nine years under different categories.

The study may throw some light on the problems, issues, constraints and limitations of assets contributing towards rural development and may indicate solution to the problems of effective implementation of rural development programmes like MGNREGA. The study may also help in formulation of better policies and strategies for the effective contribution of MGNREGA assets towards rural development.

The study is based on both primary and secondary data. Secondary information had been collected from the annual reports: Report to People, Sameeksha, etc., of the Ministry of Rural Development, District Rural Development Agency and from MGNREGA website. For collecting the primary data, a multistage sampling design was adopted. In the first stage, district Mandi of Himachal Pradesh was taken purposively. In the second stage, all the blocks of district Mandi were selected to represent the district uniformly. From each of these ten blocks,

four panchayats had been chosen, based on their performance in terms of employment provided for the construction of assets. Finally, 400 randomly selected beneficiaries from each of 40 panchayats had been interviewed with the help of a schedule to collect responses. The schedule was constructed to elicit both the significance and perception towards MGNREGA works. An assessment of how the decision regarding the creation of assets being made, how many of villagers have shifted the agricultural pattern towards cash crops, which of the assets are most needed and useful for villagers, awareness about the repair and maintenance of assets and whether the assets are in use or not in use after construction with time span for beneficiaries has been made based on data collected from the field. Hence the study is aimed to contribute to the emerging documentation of contribution of assets towards enhancement of living standards in rural areas.

The scope of study is confined to exploring the usefulness of works rather than cost volume ratio of these works. The study throws some light upon usage and usefulness of assets created under the scheme in the last ten years as well as type of works that are required to be carried out in a specific area. The study also helps in the formulation of strategies towards assets generation in specific rural areas.

Table I indicates the economic status of surveyed beneficiaries. It is noted that surveyed beneficiaries possess 2-5 bigha of land, while only 16.5 per cent of families are in the below poverty line group. Mainly for widows and old persons,

MGNREGA has become the only source of income to sustain their livelihood. As agriculture is the main occupation for households in rural areas, assets directed towards promotion of agriculture and allied activities will boost the growth engine

of rural development. Significantly, with the help of assets created under the scheme, agriculture has become the main source of income for 45 per cent of surveyed households.

Table 1: Who Benefits?

Characteristics	Data	No. of Respondents
Size of the landholding possessed by beneficiaries		400
Mean (bigha)	2.505	
Median (bigha)	2	
Percentage of households in BPL income group	16.5	
Percentage of households possessing non-cemented house	64	
Percentage of households working in MGNREGA as only source of income for their livelihood	19.8	
Percentage of households with agriculture as main occupation of livelihood before MGNREGA	38	
Percentage of households with agriculture as main occupation of livelihood after MGNREGA	45	

Assessing Impacts of Assets Created under MGNREGA

MGNREGA provides an ample opportunity for productive and durable assets creation. The assets created under different categories of works are primarily meant to foster the agricultural production through works like: land development, water conservation, water harvesting and micro irrigation, etc. The ultimate objective of the scheme is to raise the agricultural productivity of millions of those farmers who will then be able to return back to farming and will no longer need to depend on schemes like MGNREGA for their livelihood. A year-wise analysis of total works carried out in the district Mandi from FY 2007-08 to 2015-16 has been made in Figure 1. Since the inception of scheme, a total of 1,03,147 works have been completed (up to March 31, 2016) in the district under different categories of permissible works. Year on year analysis depicts

continuous growth of MGNREGA works except for the FY 2010-11, in which works declined by 14.60 per cent as compared to the previous financial year. The decline was attributed to the fixation of 60:40 wage material ratio in the year. There was also a decline of about 42.99 per cent in FY 2014-15 and it was attributed to the change of Central government in Delhi. The new government wanted to make MGNREGA to be project oriented rather than need based employment generating programme. Hence, some modifications were proposed in the scheme hampering the progress of works under it. These assets have the potential to transform rural development by improving irrigation facilities, enhancing land productivity and connecting remote areas to the input and output market, having both direct and indirect benefit to villagers.

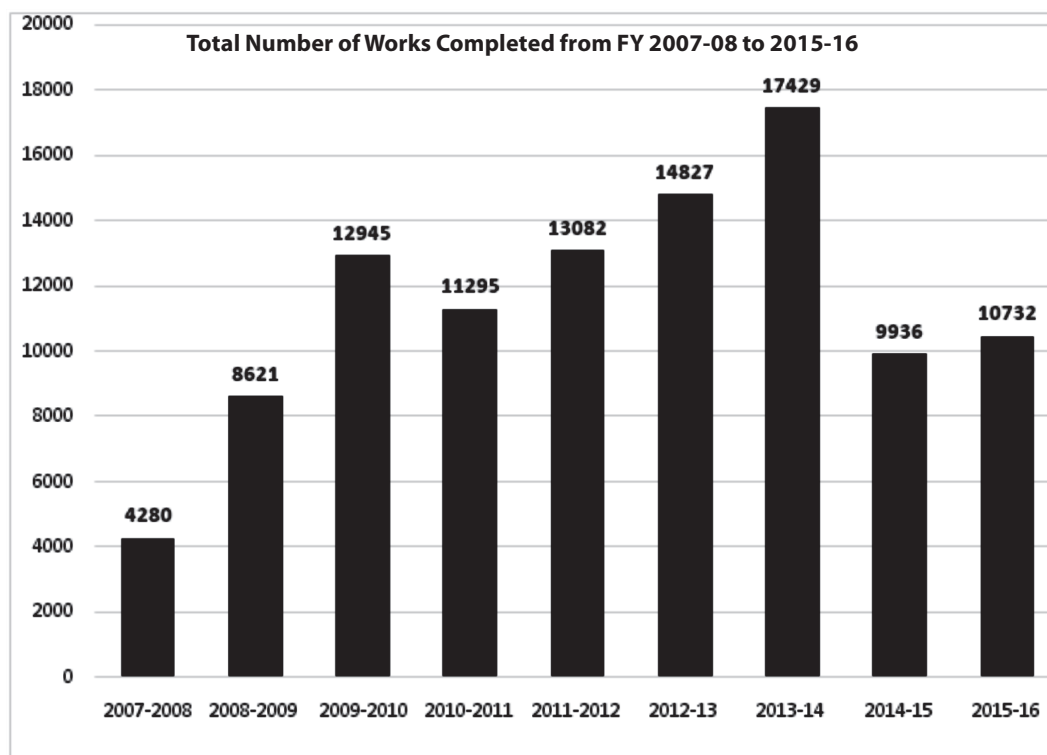


Figure 1: Total Works Completed in District Mandi from FY 2007-08 to FY 2015

Source: District Rural Development Agency, Mandi, Himachal Pradesh.

Rural Infrastructure

Construction of rural infrastructure under MGNREGA is an important tool to facilitate rural development. Works related to natural resources management for public usage and private usage, agriculture and horticulture development, disaster management, etc., are provisioned under the scheme. New works are also included under the scheme as per the geographical requirements.

Most Needed Works by Sample Households in Their Locality

Section 16 of the Act mandates the meetings of gram sabha to determine the priority

of works to be carried out under the scheme. However, the preference for works shows a spatial variation among blocks. Households producing cash crops and vegetables are inclined more towards water conservation and land development works while households in far flung remote areas prefer more of rural connectivity works. Figure 2 depicts the preferences for different categories of works to be undertaken in the locality of respondents. The survey conducted revealed that works related to land development (33 per cent) followed by rural connectivity (29.5 per cent), water conservation (18.8 per cent), flood protection (10.3 per cent) and drought proofing (4 per cent) are preferred

by the respondents to be carried out in their locality. Although a need was felt to incorporate new works like fencing of agricultural land to

safeguard against wild animals, collection of pine tree leaves to prevent forest fires in summer, plantation of fruit trees on personal land, etc.

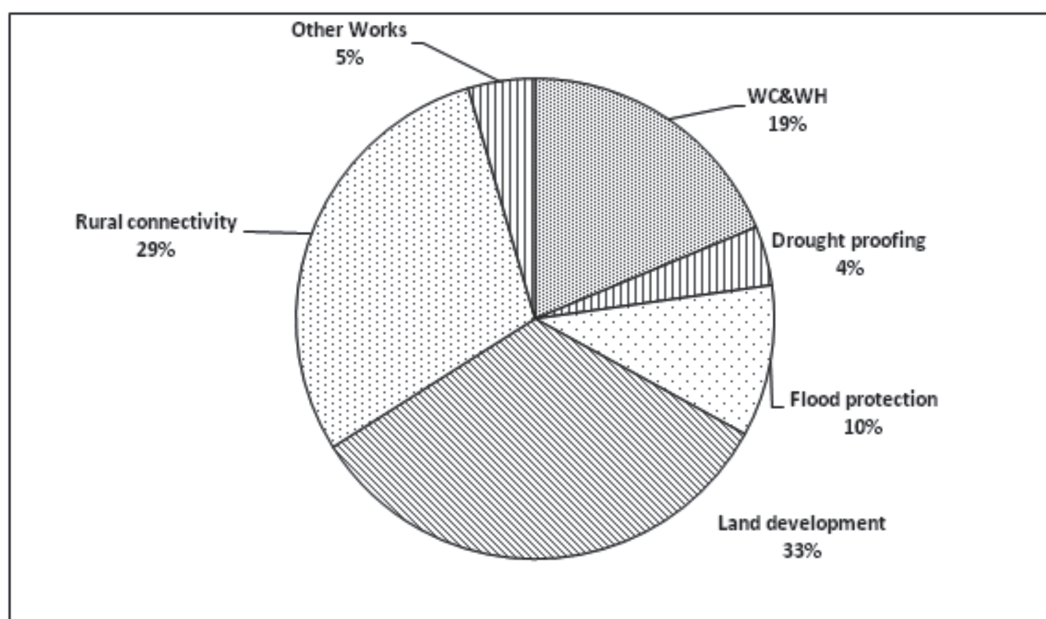


Figure 2: Most Needed Works by Sample Households in Their Locality

An Analysis of Works Done in Actual

Of the total works (10,732) executed under different categories in FY 2015-16 in the district Mandi, majority of works like land development, irrigation facilities, flood control, renovation of water bodies, drought proofing, works on individual lands, water conservation and water harvesting, support agricultural and allied activities directly or indirectly. It can be concluded from Figure 3 that these works constitute a total

of 87.55 per cent of the total works followed by works of rural connectivity (10.14 per cent). A few works of rural sanitation (1.83 per cent) and works like construction of fisheries (0.04 per cent) and Bharat Nirman Rajeev Gandhi Sewa Kendra (0.07 per cent) were also carried out under the ambit of MGNREGA. Hence it can be concluded that the works being carried out are directed towards the sustainable development of rural areas.

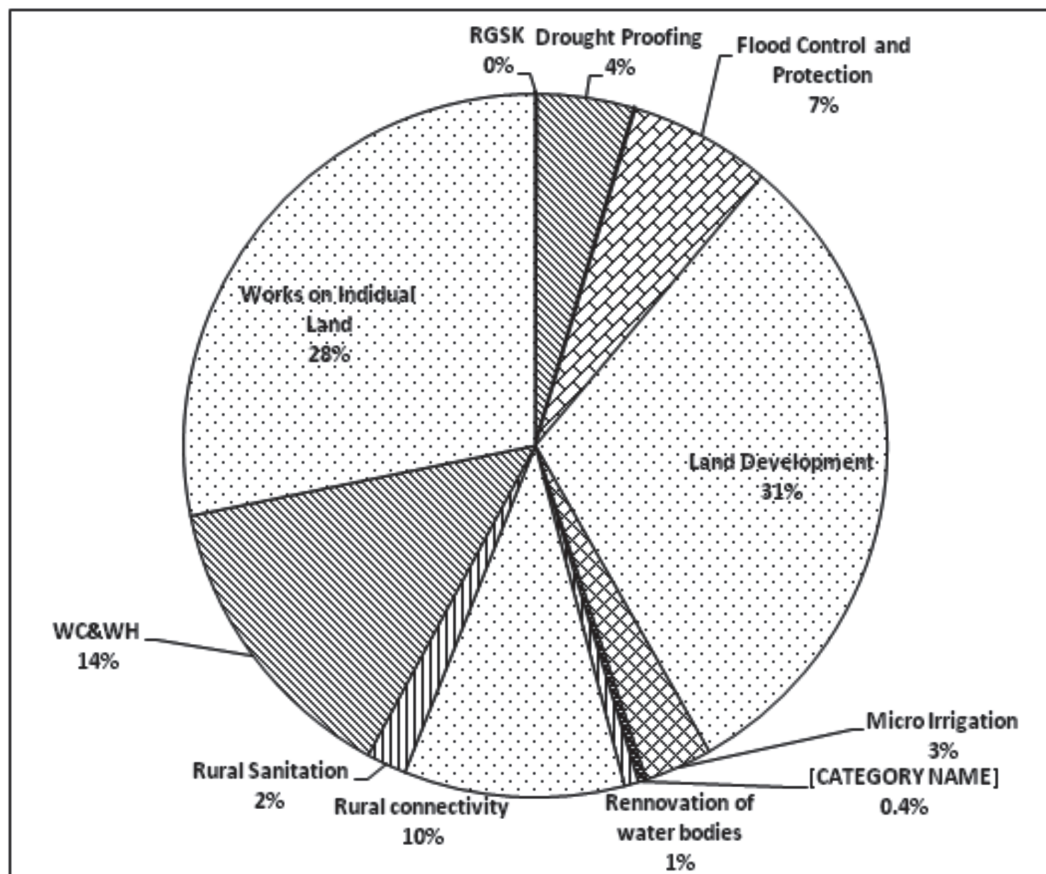


Figure 3: Percentage Distribution of Works Carried out in District Mandi in FY 2015-16

Source: District Rural Development Agency and MGNREGA Website.

Extent of Benefits

Availability of employment opportunity in native village is one of the direct benefits of the scheme. Altogether MGNREGA works of land development, rural connectivity and water conservation have benefited villagers to a large extent. These works are considered by respondents as great help for them to enhance their agricultural production and shift towards vegetable or cash crop production. Figure 4 depicts the relevance of MGNREGA assets for

respondents. As is evident from Figure, majority of respondents (36 per cent) are making use of these assets to enhance agriculture production. While others are getting benefited through various assets like: cemented pathways, tractor roads, etc., constructed with the purpose of connecting rural areas.

Usefulness of MGNREGA Assets

The assets created under the scheme are aimed to rejuvenate rural economy through land

development, enhancement of water level through water conservation and environmental conservation. Which will further enhance the ecosystem and will enable thousands of farmers to return back to agriculture? The assets constructed under MGNREGA are highly useful for villagers in many respects viz. -self-employment, water availability for production of

cash crops and vegetables, rural connectivity, etc. It has been observed that about 15.5 of respondents have become self-dependent with the help of MGNREGA assets as they have shifted towards cash crops and vegetable production. Hence, it can be concluded that assets generated under the scheme are playing a significant role by linking rural people with agriculture production.

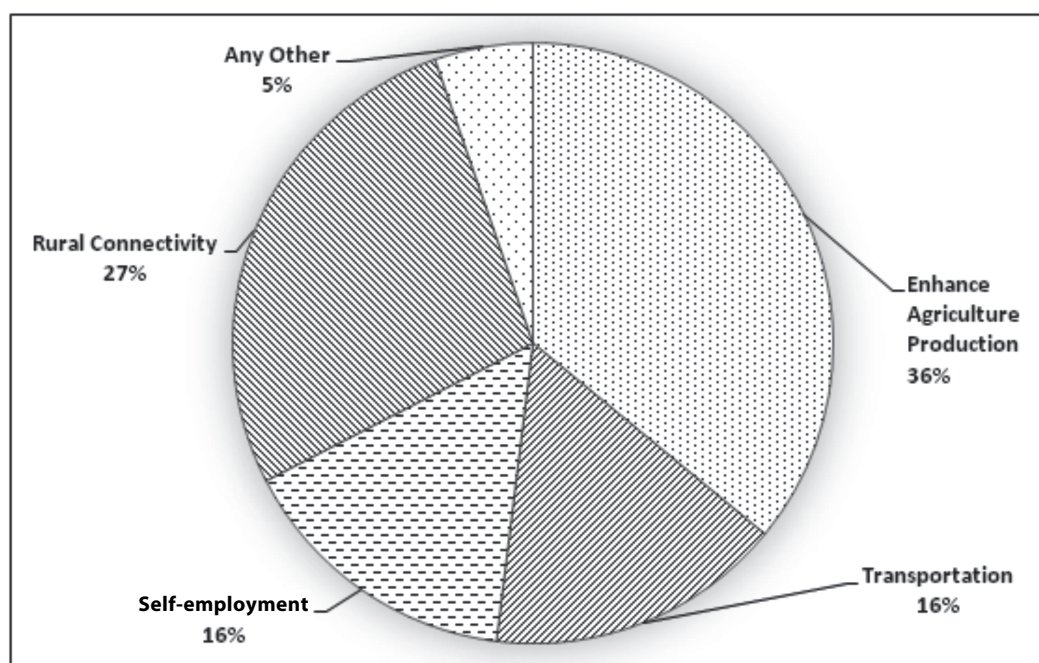


Figure 4: Usages of MGNREGA Assets by Respondents

Assessment of Usefulness of Assets

It was observed that more than half of the beneficiaries perceive assets to be very useful for development. Remarkably, only 9.5 per cent of respondents feel that assets were useless and have no usage for them. While 84 per cent of beneficiaries presume that assets are extremely useful for soil and water conservation and 70.6

per cent reported that assets constructed under the scheme have changed the crop pattern, enabling them to produce more of cash crops and vegetables on their land. Overall 95.7 per cent beneficiaries believe that assets created are of good quality and in usage after 3-4 years of their construction. It was observed that for 62.5 per cent of total respondents the assets created

under the scheme have increased the engagement in agricultural activities, hence have solved the concern of employment in rural areas, a positive sign of transformational development.

Table 2: An Assessment of Usefulness of Assets

Response of households surveyed that said assets created under MGNREGA	Percentage
Have improved agricultural productivity	80
Are very useful for soil and water conservation	84
Have changed the crop pattern from traditional crops to cash crops	50.6
Have increased the engagement in agriculture related activities hence solved the unemployment problem in rural areas	42.5
Are of good quality and useful	90.2
Assets are long lasting and are in use even after 5-6 years of creation	64.3
Assets are repaired from time to time for their maintenance	0.8

It was also observed that only a nominal fraction of 3 per cent of surveyed beneficiaries were aware of maintenance provisions under MGNREGA. While majority of respondents wish to repair assets like water tanks, but were unaware of the provision resulting in non-usage of water tanks created in private lands. A strong need was felt to repair many assets to make them useful.

Conclusion

The ultimate objective of MGNREGA is the upliftment of rural people through creation of durable assets. These assets are aimed to rejuvenate rural economy by enhancing agricultural production. After ten years of its implementation it is time to reveal the significance of these assets. Hence, the study is primarily aimed to examine the relevance of assets in terms of their utilisation, to identify most required works to be carried out in the locality of beneficiaries and to evaluate the performance of the scheme in terms of total assets constructed

in different years. The study provides evidences that works carried out under MGNREGA support agriculture and have benefited many beneficiaries. It is revealed from MGNREGA website that there has been an increase in total number of works carried out, over the period of ten years. Major objective of the scheme is to provide employment to rural households through assets generating works meant to transform rural economy. Although these assets are contributing effectively towards enhancement of agricultural production and cash crops production in few areas where there are good irrigation facilities, in rainfed areas water tanks and rain harvesting structures are not in good condition and are not in use, most of water tanks need to be repaired for their utilisation.

Based on findings of study, it is recommended that usefulness of MGNREGA assets need to be monitored and evaluated at the grassroots level. The ward members should ensure that the assets constructed on personal

land are well maintained and are in use after construction. The record of 'expected outcome' at the time of construction or execution of assets should be made mandatory. Villagers should be made accountable for the maintenance of assets constructed on their personal lands, as it was observed that a lot of water tanks on private land were not in use after their construction. Further, a progress report should be submitted by each panchayat on how the assets generated have transformed rural life in terms of agricultural output and condition of these assets in terms of

utility and usage by rural people. An awareness campaign with focus on provisions and entitlement of the scheme needs to be undertaken. Ultimately, we need to change the perception of villagers towards MGNREGA, of rather being an employment programme to a programme which is meant for their own upliftment through creation of durable assets in their locality. Hence, enabling them to return to agriculture and to become self-dependent through effective utilisation of millions of assets that have been created under the scheme.

Notes

1. The district reflects the diversity of rural hill State in terms of agro-climatic and geographic characteristics of Himachal Pradesh. The district is performing exceptionally good since the implementation of scheme in the district. It is the only district with highest number of employment provider to beneficiaries on year on year basis among all 12 districts. The district also contains backward panchayats as well. Help us to know how the programme is implemented and functioning in these panchayats.
2. MGNREGA works are classified into four categories into public works relating to natural resource management, individual assets for vulnerable sections, common infrastructure for self-help groups and rural infrastructure. Largely public works include land development, construction of water conservation and water harvesting structures on private land, creation of pathways for rural connectivity. Other works that need to be incorporated under the scheme may include: collection of pine leaves to prevent forest fire in summer, fencing of agricultural land to prevent encroachment of wild animals, etc.

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