MGNREGA Employment in Telangana 2021-22

LibTech India

Email: libtech.asara@gmail.com   Phone: +91 92465 22344   **23/04/2022**

https://libtech.in   @LibTechIndia   @libtechindia

Photo Credits: Jayant

Introduction

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is a legal entitlement for every rural household in the country. Some of the key worker centric provisions are listed below:

➔ **100 days of Work**: A legal provision for upto a hundred days work on demand per registered rural household in a year.

➔ **Unemployment Allowance**: If an applicant is not provided employment within fifteen days of demanding work, applicant shall be entitled to a daily unemployment allowance.

➔ **Delay Compensation**: In case the payment of wages is not made within fifteen days from the date of completion of work, the worker is entitled to payment of compensation.

About this Report

This report was prepared using data available on public domain[1]. The analysis is based on data from three Financial Years: 2019-20, 2020-21 and 2021-22. In this report we are going to present the state and district level details of:

1. MGNREGA Expenditure
2. Employment generated

We hope that the insights from this report will add value towards improving the implementation of MGNREGA in the state of Telangana, through implementation agencies, members of civil society groups, the media, and concerned citizens.

Key Statistics

The following table (Table 1) displays some important statistics for Telangana in comparison to the rest of the country for the Financial Year 2021-22.

S.No.	Metric	Country	Telangana	Proportion in Telangana
1	Total Number of Districts	716	32	-
2	Total Number of Mandals(Blocks)	7,149	540	-
3	Total Number of Panchayats	2,69,412	12,771	-
4	Job Cards Issued (lakhs)	1,608	57.2	3.60%
5	Total Number of Active Job Cards (lakhs)	968	36.2	3.70%
6	Total Number of Active Workers (lakhs)	1,489	64.8	4.40%
7	Persondays Generated in FY 21-22 (crores)	363.6	14.6	4.00%

---

[1] https://www.nrega.nic.in/ Data as on 14th April 2022

8	Average Persondays per Household	50.1	50.3	-
9	Total No of HHs completed 100 Days of Wage Employment (lakhs)	59.2	3.3	-
10	Average Wage Rate per Day per Person	208.9	172.2	-

Table 1: Key MGNREGA statistics for the country vs. Telangana

1. Expenditure

12% Decline in NREGA Expenditure

MGNREGA is predominantly a centrally funded program, with only 10% of the expenditure met from state funding. Expenditure over the last 3 years show that it was highest in the year 2020-21 at more than ₹ 4642.9 crores, but has declined to 4086.9 crores in 2021-22.

The drop is significant if we take into account the increase in NREGA wage rate (by 3.3%) to Rs. 245/- in 2021-22 as compared to Rs. 237/- in 2019-20. With all factors remaining constant, one would expect an increase of wage expenditure by at least 3.4% for the year 2021-22 but instead it recorded a drop of 8.9%.

The ratio of material & skilled wages component to the wages, and material & skilled expenditure stands at 37% against the maximum of 40% as mandated by the Act. Amount spent in the last three years under MGNREGA in the state along with the split of wages, material and administrative components can be seen in Table 2.

S. No	Expenditure	2019-20	2020-21	2021-22
1	Wages (in Rs. crores)	1,684.60	2,666.80	2,430.20
2	Material & Skilled Wages (in Rs. crores)	421.6	1,800.50	1,514.20
3	Administrative expenditure (in Rs. crores)	87.2	175.6	142.5
4	Total Expenditure (in Rs. crores)	2,193.40	4,642.90	4,086.90

Table 2: MGNREGA expenditure in Telangana in the last three years

2. Employment Provided

Loss in Employment of around 7.6% in comparison with 2020-21

After the huge increase in persondays generated under MGNREGA in the year 2020-21, there was a dip in persondays generated in 2021-22 to 14.6 crores from the previous year's figure of 15.8 crores. This amounts to a decline of around 7.6%. However this was 36.4% higher than the persondays recorded in the pre-Covid year (2019-20). Persondays generated in the last three years can be seen in Figure 1.
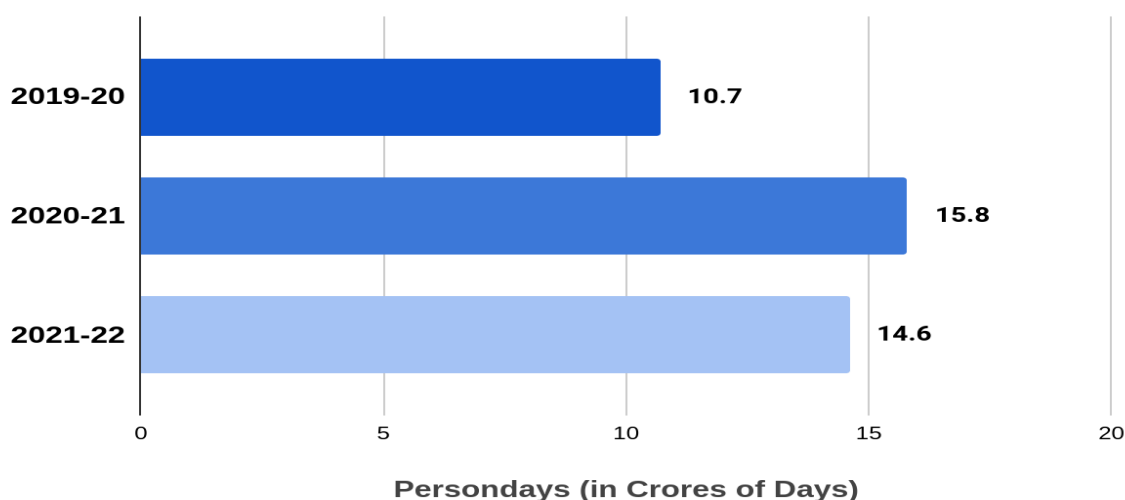

Figure 1: Total number of persondays over the last 3 financial years

2.1. Employment and Migration to NIC

Migration to NIC has an adverse impact on the employment provided

Following the diktat from the Ministry of rural development, Govt of India-MGNREGA implementation in Telangana has been migrated to national portal 'NIC' from the state website in January 2022 resulting in the following key changes:

1. The age old labour groups are dispensed with.
2. The 'Mate' system is completely revamped. The newly appointed mates are taking time to get to terms with the new implementation rules emanating from NIC migration.
3. The practice of payment of summer allowance, confined to workers from Telugu states, has been withdrawn.
4. The collection of bank account particulars from workers was mandated due to the change of payment system from Aadhaar to Bank Account. But the process has not yet completed, resulting in a drop in employment.

From our field investigation, we found that all the above reasons have had an adverse impact on employment generation.

In the context mentioned above we compared the employment data for the year 2021-22 with the previous year for the pre NIC migration time period(*'April21 to Dec21'*) and post NIC migration time period(*'Jan22 to Mar22'*).

From Table 3, following can be observed in NREGA employment.

- The dip in employment for the period April '21 to Dec '21 in comparison with previous year stands at 5.8%. Things slipped further in the last quarter post migration to NIC in January 2022, leading the dip in employment to 21.1%(Refer Table 3).

Financial Year	Persondays generated during April21 to Dec 21(In Cr)	Persondays generated during Jan22 to Mar22 (In Cr)	Total Persondays generated(Cr)
2020-21	13.9	1.9	15.8
2021-22	13.1	1.5	14.6
% Dip in persondays generated	5.8%	21.1%	7.6%

Table 3 Employment trends(Year Wise comparison) at state level 'April21 to Dec21' vs 'Jan22 to Mar22'

2.2. District Wise Trend

Fall in persondays generated in 23 out of 32 districts

While 23 out of 32 districts showed a decline in employment provided for the year 2021-22 compared to the previous year, nine districts recorded the opposite trend (Refer figure 2).

Rangareddy(28.2%) and Jagityal(26.4%) districts recorded the highest dip in persondays compared with the previous years. On the other hand, Jayashanker Bhopalapally recorded the highest increase at 25.3% followed by Yadadri Bhuvanagiri at 9%. Although Nirmal(0.3%) and Vikarabad(1.3%) districts recorded a drop, it's less than 1.5%
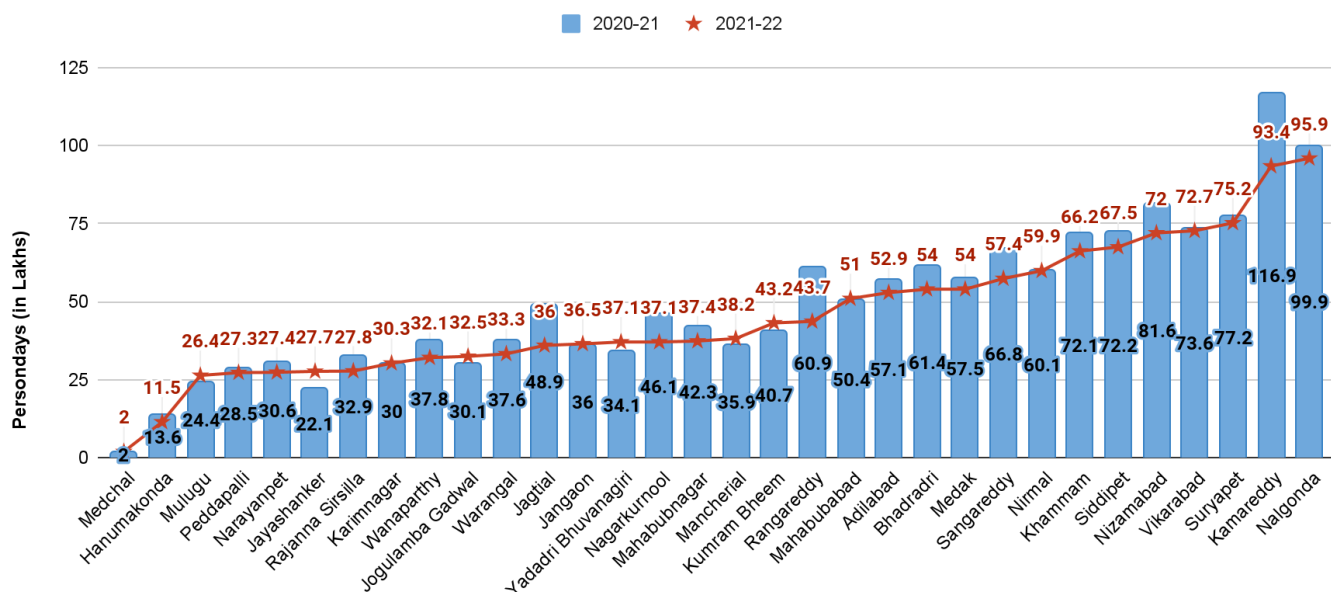
Figure 2: District-wise persondays for the last 2 financial years

District	Households worked	Avg person days	Percentage of households completed 100 days
Adilabad	93,451	56.6	14.9
Bhadradri Kothagudem	1,04,603	51.6	11
Hanumakonda	**26,781 (31)***	**42.6 (31)**	9.3
Jagtial	83,152	43.3	9.1
Jangaon	70,790	51.5	12.7
Jayashanker Bhopalapally	55,336	50.1	12
Jogulamba Gadwal	68,865	47.2	11.4
Kamareddy	**1,73,787 (2)**	53.8	11.4
Karimnagar	65,584	46.2	10.7
Khammam	1,46,683	45.1	8.7
Kumram Bheem(Asifabad)	77,165	56	11.8
Mahabubabad	1,13,093	45.1	**8.5 (30)**
Mahabubnagar	70,619	52.9	15.1
Mancherial	69,999	54.5	13.6

District	Households worked	Avg person days	Percentage of households completed 100 days
Medak	1,02,129	52.9	12.7
Medchal	4,509 (32)	43.1 (30)	11.3
Mulugu	45,320 (30)	58.1 (3)	15.8 (3)
Nagarkurnool	84,564	43.9	8.9
Nalgonda	2,01,162 (1)	47.7	10.3
Narayanpet	57,836	47.3	11.9
Nirmal	1,12,905	53.1	10.9
Nizamabad	1,47,465	48.8	10.5
Peddapalli	59,584	45.7	9.2
Rajanna Sirsilla	53,532	52	14.2
Rangareddy	86,296	50.6	9.8
Sangareddy	1,10,868	51.8	11.4
Siddipet	1,13,675	59.4 (2)	16.8 (2)
Suryapet	1,60,848 (3)	46.8	8.9
Vikarabad	1,13,705	63.9 (1)	18.1 (1)
Wanaparthy	62,789	51	12.6
Warangal	79,587	41.8 (32)	8.1 (31)
Yadadri Bhuvanagiri	81,555	45.5	7.6 (32)

*Number in bracket denotes the ranking

Table 4: District wise trends of persondays and households that have completed at least 100 days work

Vikarabad' and 'Siddipet' districts top both in terms of average persondays generated and the percentage of households completed 100 days in the state. On the other hand Warangal has the infamous distinction of coming last in average persondays generated and coming 2nd from bottom in percentage households completed 100 days.

3. Conclusion

During the 2nd wave of Covid pandemic, rural poor benefited largely from NREGA implementation in Telangana. However the story of MGNREGA in 2021-22 has been marred by unmanageable workload on panchayat secretaries and migration of MGNREGA implementation from the state website to the 'NIC portal'.

Based on our work in [multiple states along with Telangana](#) on MGNREGA- we conclude that the budget cuts and delay in wage payments by the union government have become a major impediment in workers realizing their rights as mandated by the NREGA in addition to the reasons mentioned above.

It's high time that the states should be given complete freedom within the boundaries of the legislation to design and implement the scheme based on the local conditions. The Union Government should work with the state governments and civil society to make sure the constitutional obligation of 'Right to life' which involves the 'Right to work' promise becomes a reality.

About LibTech

We are a team of engineers, social workers and social scientists who are interested in improving public service delivery in India. We have been working as a team in Telangana & Telangana for the last 9 years, though individually some of us have been involved for more than a decade.

Team Behind This Report:
Chakradhar Buddha | Diwakar Mantri | Naveen Gajjalagari
Parul Saboo | Radhika Chaterjee |