

# MGNREGA Implementation in Telangana

2020-21



**LibTech India**

**April 22, 2021**

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## Introduction

The Mahatma Gandhi National Rural Employment Guarantee Act (2005) is a legal entitlement for every rural household in the country to receive guaranteed work on demand. Some of the key worker-centric provisions of the Act are listed below:

1. **100 days of Work:** A legal provision for a 100 days work per rural household in a year.
2. **Unemployment Allowance:** If an applicant is not provided employment within 15 days of demanding work, the applicant shall be entitled to a daily unemployment allowance.
3. **Delay Compensation:** If the payment of wages is not made within 15 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 in the public domain. The period of study for all analysis was from April to March in each year. This report includes analysis of number of workers & families registered, active job cards<sup>1</sup>, employment provided, wage payment issues along with immediate recommendations. We hope that the report contributes to improve the implementation of MGNREGA in Telangana.

## Key Statistics

S. No.	Metric	Country	Telangana	Proportion of Telangana
1.	Job Cards <sup>2</sup> Issued	1504 Lakhs	53.5 Lakhs	3.6 %
2.	Total Number of Active Job Cards	903 Lakhs	34.3 Lakhs	3.8 %
3.	Total Number of Active Workers	1392 Lakhs	62.1 Lakhs	4.5 %
4.	Total Number of Districts	714	32	-
5.	Total Number of Mandals (Blocks)	7,142	540	-
6.	Total Number of Panchayats	2,68,735	12776	-
7.	Total Number of Villages/Habitations	-	2149	-
8.	Persondays <sup>3</sup> Generated in FY <sup>4</sup> 20-21	389.01 crores	15.8 crores	4.1 %

<sup>1</sup> Active Job Cards: In the last three years the job card holders demanded work at least once.

<sup>2</sup> Job Card: Each household registering under MGNREGA is issued a job card with details of each family member.

<sup>3</sup> Persondays (PDs): Days of employment. under MGNREGA, every household is entitled to 100 Persondays of work per year

<sup>4</sup> FY: Financial Year

9.	Average Persondays per Household	51.5	51	-
10.	Average Wage Rate per Day per Person	200.8	170.3	-
11.	Percentage of SC Persondays	19.8	22.7	-
12.	Percentage of ST Persondays	17.9	19.9	-
13.	Percentage of Women Persondays	53.2	58	-
14.	Rejected Wages due to Workers	181.1 crores	3.4 crores	-
15.	Total Center Released Amount for 2020-21	1,12,443.9 crores	4163.6 crores	-
16	No. of HH's completed 100 days	72 Lakhs	3.4 Lakhs	4.7%

Table 1: Key MGNREGA Statistics for the Country Vs. Telangana

## 1. Employment and Work

### 1.1. Job Cards

About **3.4 Lakhs (3,41,446)** new job cards were issued this financial year, FY 20-21. This accounts for **6.4%** of all job cards issued in Telangana since inception of the scheme. This year, **7.3 lakh** workers were added to the workforce. Of the 3.4 Lakh job cards 51,575 (the highest) were issued in Kamareddy district alone. The districts of Sangareddy and Rangareddy issued about 20,810 and 20,736 job cards respectively. The districts of J. Bhopalapally, Komaram Bheem Asifabad, and Mancherial, have issued less than 3000 job cards. job cards issued and the number of workers added in the year 2020-21 is provided in figure 1.

Since inception, Telangana has issued 53.5 lakhs job cards. Out of these, 33.1 lakh job cards are currently active i.e. 61.8 % of all the Issued job cards ever issued. While Kumaram Bheem Asifabad has the highest percentage (73.4%) of active job cards, which means more families in the district of Kumaram Bheem Asifabad are regular to work, Medchal has the lowest percentage (42.6%) of active job cards.

Number of job cards issued in earlier years and in the current year and percentage of active job cards against the total job cards issued in each district can be seen in Figure 1.

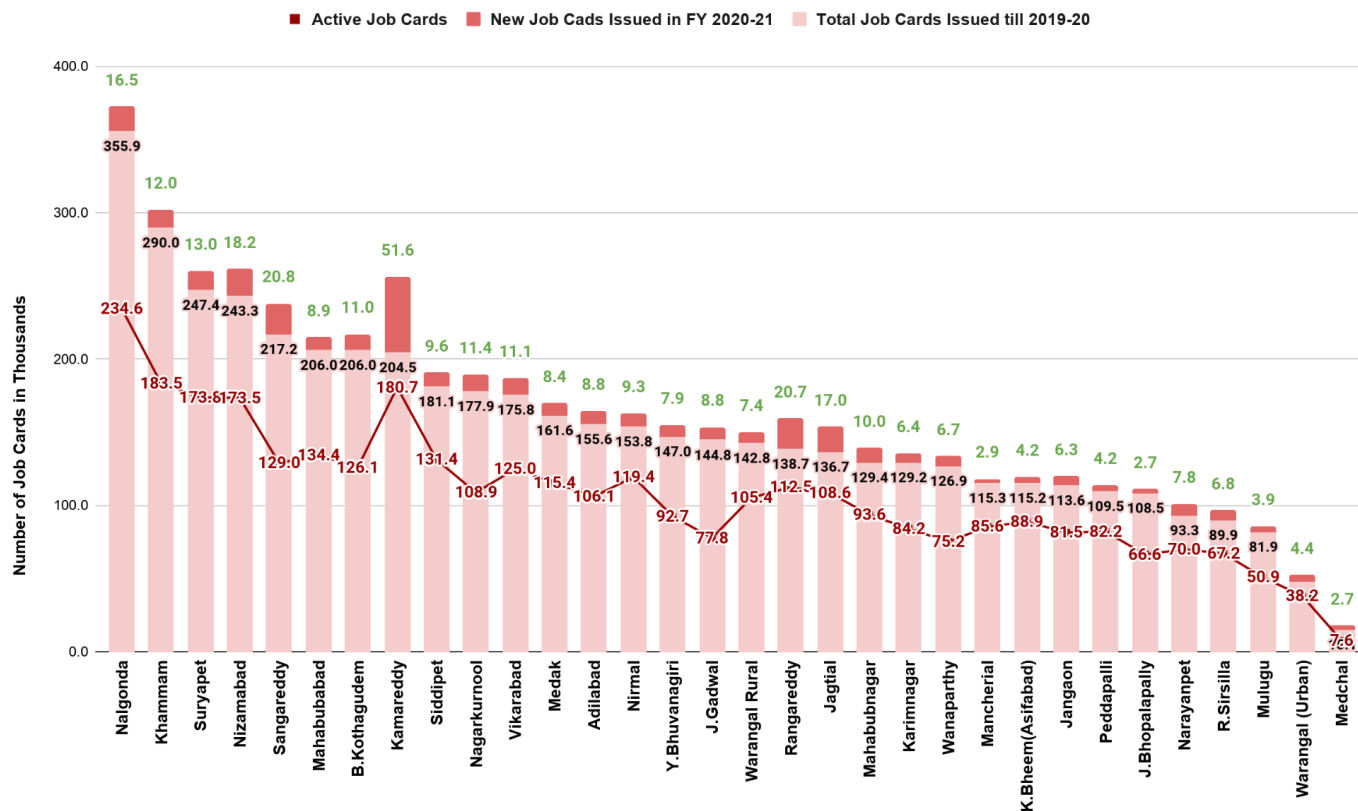


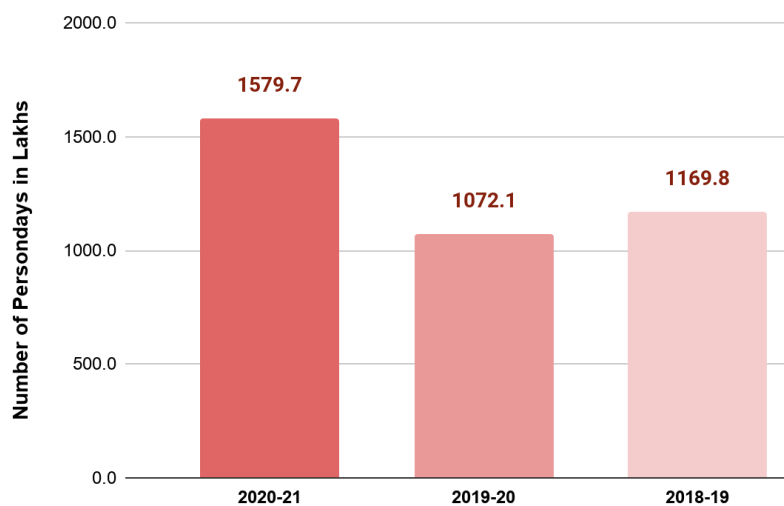
Figure 1: Number of Job Cards and Active Job Cards across Telangana

## 1.2. Employment

### 1.2.1. State Level

There has been an increase of 507.2 Lakh persondays in employment for FY 2020-21 compared to the last year (Figure 2). That means the total employment generated has increased by 47.4% in FY 20-21. One of the reasons could be the lockdown in March 2020, where many of the migrant laborers have come back home and NREGA had become a source of income to sustain themselves during the pandemic.

Figure 2: Total Number of Persondays (in lakhs) Generated in TS over last 3 FYs.



## 1.2.2. District - Wise Employment

Every district generated more persondays in FY 20-21, as compared to the last two years except for Peddapalli and Warangal Urban, this could be because the formation of new municipalities in these two districts. Kamareddy district has nearly doubled the number of persondays generated in FY 2020-21 compared, generating the highest employment in the state, with 116.7 lakh persondays. District wise trends in the employment generated can be seen in figure 3.

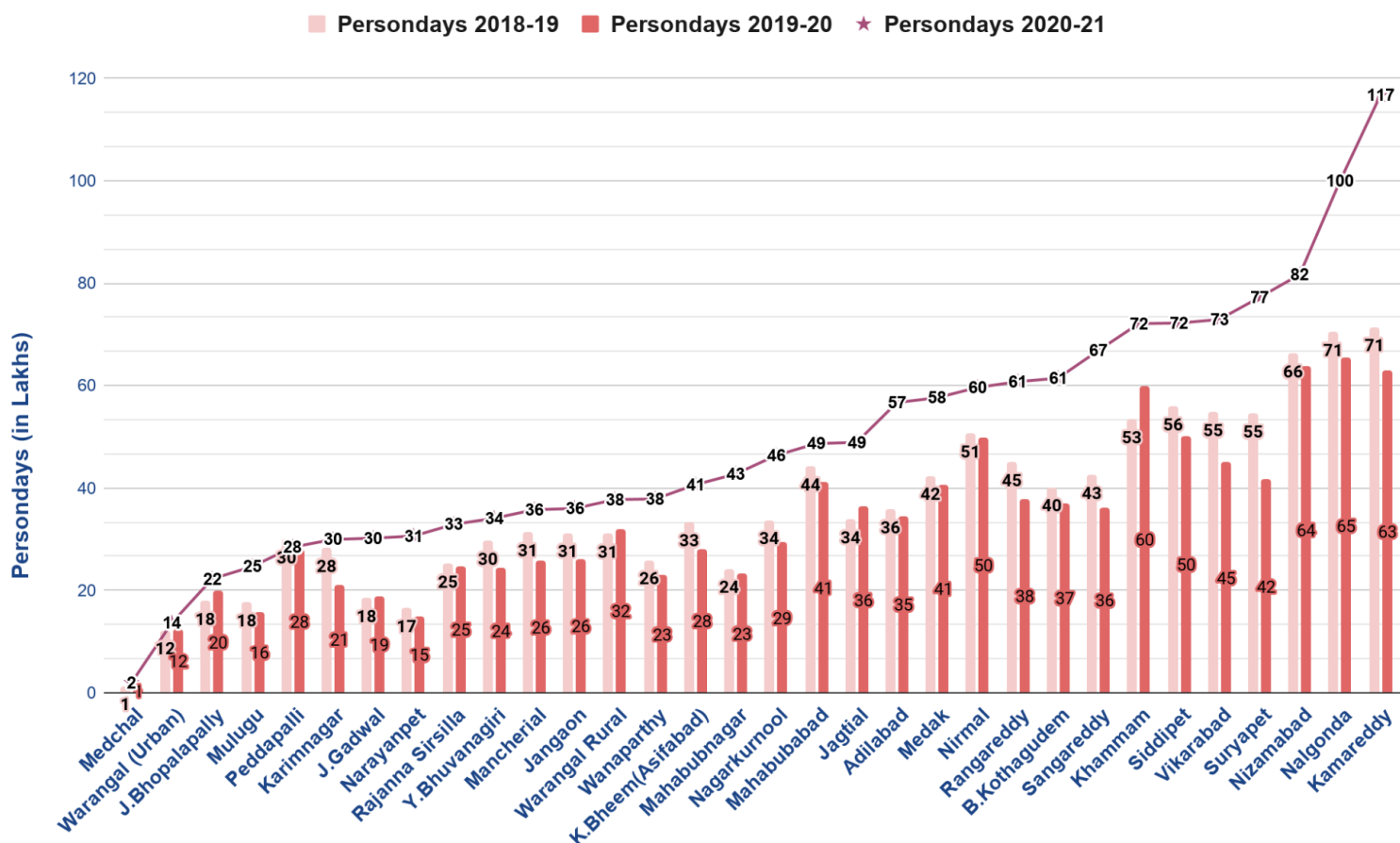


Figure 3: District-wise Persondays (in lakhs) for Last 3 FYs (In ascending order acc. to Persondays in FY 20-21)

However, if we look at the number of families that have finished 100 days of work: It is only about 10% of all households with active job cards. That is, of all the active 33.1 lakh job cards in the state, only about 3.3 lakh households have completed 100 days of work in the current year(2020-21).

## 1.3 Average Person Days - Leaders and Laggards

On average each household received about 51 days of work this year, which is way less than the 100 days of work that can be availed under the scheme. On the bright side, the average persondays this year is greater than that of the last two years, which was about 43 days in FY 2019-20 and 47 days in FY 2018-19.

When we look at the number of grama panchayats(GPs) in each district, that have average persondays less than the state average, Kamareddy emerged as a leader with only 7% of GPs having less than the state average. Similarly there are about 12 more districts on the leading side, while 13 on the laggard side and the remaining 6 on the average state of the spectrum as seen in the figure 4.

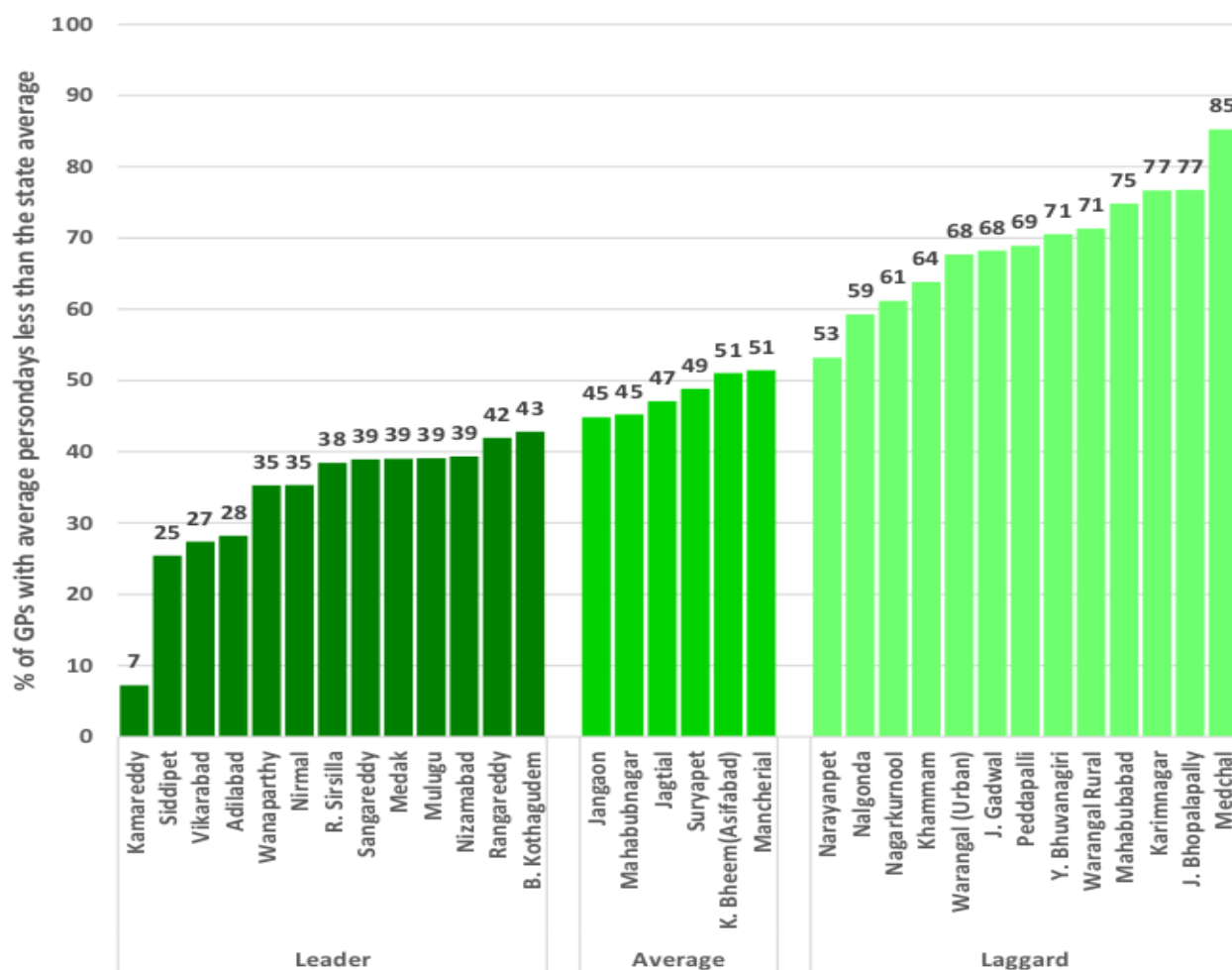


Figure 4: Districts Categorised by the Proportion of GPs where Average Persondays Generated in NREGA Less than State Average

## 1.4 How have Different Categories of Workers Fared?

At national level, while there was a rise in MGNREGA participation in this year compared to last year, there is a slight **decline in women's share of persondays**. Similarly in Telangana, even though there is a significant increase in worker participation under MGNREGA and employment generation, a look at the participation of vulnerable communities (ST, SC and Women) in this increased persondays reveals a different story.

## a. Women

Number of persondays generated in the state from 2018-19 to 2020-21 has increased from 7.3 crores to 9.2 crores with a decrease in 2019-20, with 6.6 crores of days. The share of women person days in the total person days has decreased to 58% in FY 2020-21 from almost 63% FY 2019-20, the same can be observed in the figure 5. If the proportion of women PDs remained the same as previous year women in Telangana would have received an additional amount of Rs. 78.5 crores in wages.

### Share of Women Persondays in Total Persondays in Telangana

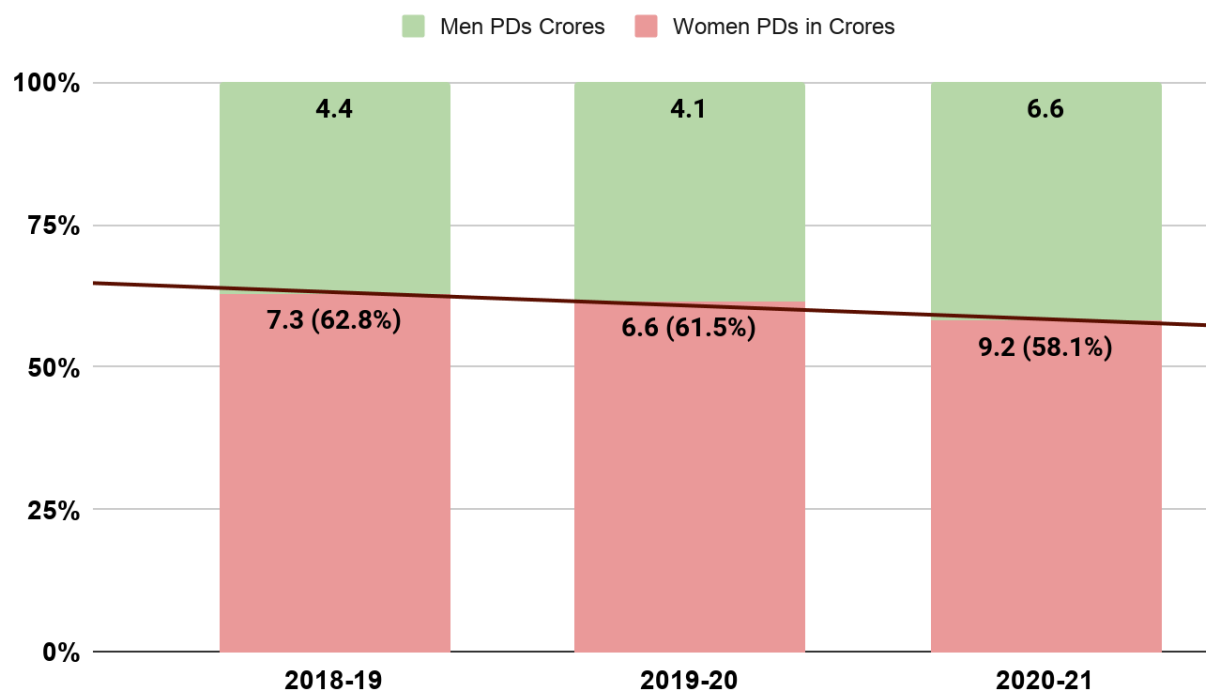


Figure 5: Share of Women Persondays in Total Persondays in Telangana in the Last Three Years

However, it is interesting to note that the share of women (58%) in the total person days generated in the state is greater than the national average, which is 53% among the total person days generated in the country for FY 2020-21.

## b. SC and ST Households

### Share of SC Persondays in Telangana for the Last Three Years

Proportion SC persondays has seen a slight growth from 22.4% of the total persondays in FY 2018-19 to 22.6% in FY 2020-21 with a slight dip in the year FY 2019-20. Figure 6, shows the trend of the SC persondays share in the total persondays over the last three years.

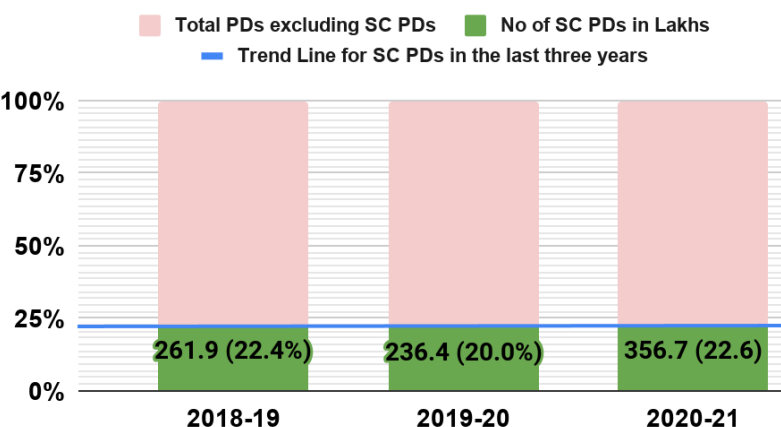
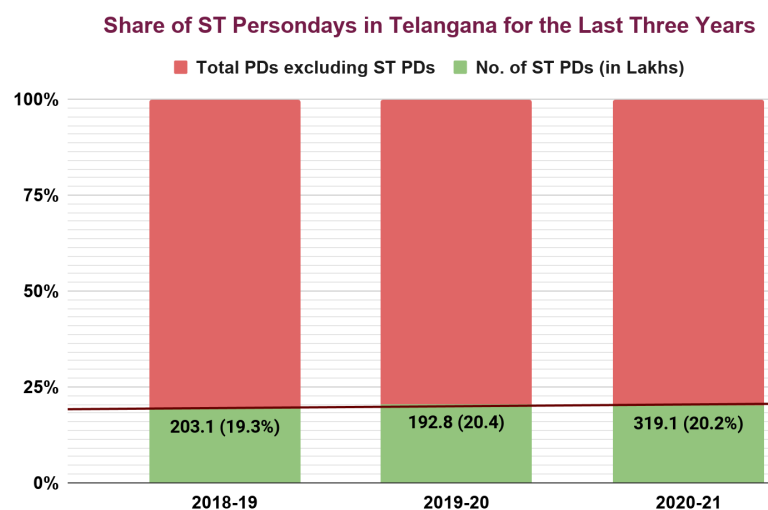


Figure 6: Share of SC Persondays in Telangana for the Last Three Years

SCs have added more than 1.2 crores of persondays than the previous year that is about 51% growth. Even in the total persondays their share had increased about 2.4% in FY 2020-21 when compared to FY 2019-20.



The share of ST persondays has increased from 17.4% in FY 2018-19 to 20% in FY 2020-21. Which is an increase of 12.3%, that is an increase of 126 lakh persondays.

Percentage of SC persondays and ST persondays in Telangana in the year 2020-21 is greater than that of the country, while in the state 26% and 20% are the SC & ST share of persondays generated and in the country the same is about 20.3 and 18.3% respectively.

Figure 7: Share of ST Persondays in Telangana for the Last Three Years

## 2. Wage Payments

Workers from Telangana received Rs. 2668.2 crores from the centre as wages under MGNREGA in the year which is almost 62% growth from the previous year's payments as wages. It is because of the fact that the number of persondays generated this year along with the average wage received per day is higher this year than last year. Amount received in wages by the workers from Telangana in the last three years can be seen in table 2.

S.No	Description	FY 2020-21	FY 2019-20	FY 2018-19
1	Persondays generated in Lakhs	1568.2	1071.1	1177.3
2	Stipulated NREGA Wage in Rupees	237	226	211
2	Average wage received in Rupees	170.1	153.9	148.5
3	Total amount received in wages in Crores	2668.2	1648.2	1747.9

Table 2: Amount of Wages Received & the Persondays Generated in the State for the Last Three Years



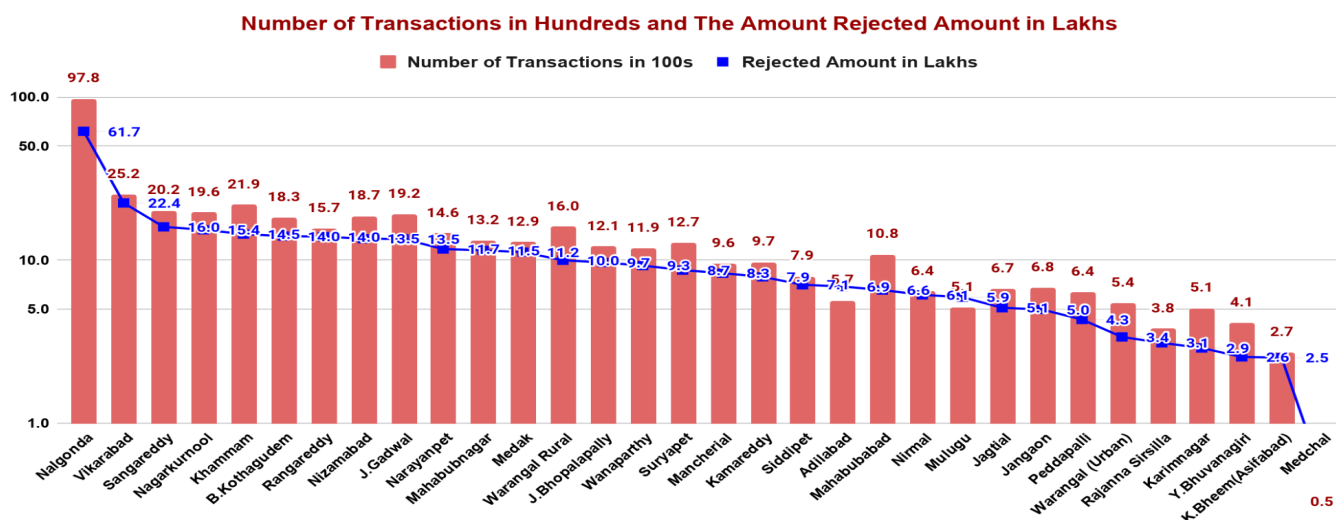
## 2.1. Rejected Wages

The MGNREG Act mandates workers be paid within 15 days of completion of work. However, wage payments often don't reach the worker's account due to technical reasons. In Telangana, these technical reasons are categorised as 'Rejected' or 'Suspended'. Rejected payments are those that are initiated from the centre, but are rejected due to technical errors like data entry - like a bounced check. A worker's subsequent wage payments will also continue to get rejected/suspended if the error is not identified and resolved, and they will not receive any wages under MGNREGA.

### 2.1.1. State Level Data

- TS ranks as the 10th worst state at the all India level in terms of rejections.
- 3.7% of nation-wide transactions, & around 2% of nation-wide wages, is rejected in Telangana.
- Rs. 3.4 crores (44 thousand transactions) is rejected.
- Rs. 3 crores (20 thousand workers) is suspended as on 3 January, 2021.

### 2.1.2. District Level Data



As on March 31, 2021 there are about 44,636 transactions, that amount to Rs. 335 lakhs that are held up as the rejected payments in the state. More than 18% of this amount has to go the workers from Nalgonda district alone, interestingly Nalgonda has the highest number of active job cards & job cards in general and also generated second highest persondays in the state for the year 2020-21.

Kamareddy, which issued the highest number of job cards and also provided the highest number of persondays in the year 2020-21 has the least amount held up as the rejected payments. Amount of rejected payments in each district along with the number of transactions can be seen in figure 8.

Figure 8: District-wise Rejected Amount in Telangana (in lakhs) for FY 20-21.

### 3. Our Field Observations and recommended Immediate Next Steps

#### 3.1. Dual Muster Roll

Even though there is a stipulated wage in NREGA, almost every worker earns an amount less than it as the wage is calculated based on the amount of work done by their group on the given day. For instance, stipulated wage for a worker per day is Rs. 237<sup>5</sup>, and the worker finishes only half of the work assigned for that day! Then the worker earns half of that wage i.e. Rs. 118.5 for that. Likewise if the worker finishes all of their 100 days with half of the work being assigned to him then the worker earns 11,850/- only, whereas the worker is supposed to earn Rs. 23,700 (stipulated wage\*100).

In our field visits we noticed that the full work assigned usually doesn't happen primarily because of two reasons, one is that the workers and mates do not have a clear understanding of measurements. Due to which, they end up doing less work as a result they end up doing less work. Secondly most workers see MGNREGA as a supplementary income as sustenance on these wages alone is difficult.

In the current financial year workers have earned only Rs. 170.28 crores, as each worker received an average wage of Rs. 229. In Andhra Pradesh, the state has managed to resolve this issue by adjusting persondays according to the wages earned, instead of calculating the number of persondays by recording persondays on one Muster Roll and wages earned on another. This Dual Muster Roll system was introduced in AP in 2017-18 under the aegis of Chandra Babu Naidu, the then Chief Minister of AP. Workers from Telangana would have earned an additional amount between Rs. 900 - 1000 crore, if the state had implemented this system.

#### 3.2. Fake Musters - A Concern

In the initial years of MGNREGA in the state fake musters were a big problem, that is worker attendance is marked as present even when they don't turn up to the work. State government was able to eliminate these by introducing multiple checks and balances in the implementation process. Field Assistants used to monitor the scheme at the village level and were the face of the scheme to the workers. But they were removed in 2019 as they went on a strike with several demands including regularising of their jobs.

As a result monitoring of the scheme was considerably weakened and these fake musters seem to be making their way back into the system lately. With their removal, it will be difficult to mobilise

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<sup>5</sup> Notified MGNREGA wage for Telangana workers in FY 2020-21.

the workers under MGNREGA works in the long run and to create sustainable assets for the state.

### **3.3. Strengthen the Grama Sabha**

According to the Employment Guarantee Act, at least 50 percent of the work has to be done under the supervision of Panchayats and the selection of works has to happen in the Grama sabhas. Neither of these two are happening in the state to their fullest potential. With the works being chosen at the state level, the role of Grama sabhas is reduced to minimal.

In light of the increasing demand for guaranteed employment under MGNREGA, if panchayats are also made partners in selecting works, more works will be available for the workers and sustainable assets will also be created in their grama panchayats.

### **3.4. Rural Areas Converted to Municipalities**

With a stroke of a pen, a lot of villages in rural areas are converted into municipalities overnight. Those who depend on the guaranteed work by MGNREGA in these villages can no longer demand work, as it's no longer a rural area. To support them, the government should introduce an Urban Employment guarantee act. Otherwise, the workers belonging to oppressed classes, mainly single women and handicapped people will be subjected to severe difficulties.

Though the implementation of the Employment Guarantee act is the state government's responsibility, it is funded by the central government. Hence, the state government should pressurize the central government to increase the funds.

### **3.5. Increase the Number of Days above 100**

Providing not less than a 100 days of unskilled manual work as a guaranteed employment in a financial year to every household in rural areas is the objective of the act. And given the fact that in the year of the pandemic the employment generated has seen a growth 47.4%, there is huge demand for the work under MGNREGA. FY 2020-21 has seen a reverse migration of workers from cities to rural villages, that has resulted in an increase in the number of job cards as well.

With the second wave hitting really hard this time of the year, and the reverse migration has already started. If the government increases the number of days above 100, it will help hundreds of thousands workers to get unskilled work in their villages and to create sustainable assets for the state. Government shouldn't miss a chance of relieving the workers by strengthening the implementation of MGNREGA in these difficult times of CoVid -19.

## About LibTech India

We are a team of engineers, social workers, and social scientists who work towards improving public service delivery in India. We have been working as a team in Telangana & Andhra Pradesh for the last 8 years, although individually some of us have been working in the region for more than a decade.

### The team behind the report:

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