MGNREGA Employment in Andhra Pradesh(A.P) 2021-22

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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 Andhra Pradesh, 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 Andhra Pradesh in comparison to the rest of the country for the Financial Year 2021-22.

S.No.	Metric	Country	Andhra Pradesh	Proportion in Andhra Pradesh
1	Total Number of Districts	716	13	-
2	Total Number of Mandals(Blocks)	7,148	661	-
3	Total Number of Panchayats	2,69,406	13,083	-
4	Job Cards[2] Issued (lakhs)	1,562	97.8	6.3%
5	Total Number of Active Job Cards[3] (lakhs)	946	55	5.8%
6	Total Number of Active Workers (lakhs)	1,489	99.8	6.7%

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[1] https://www.nrega.nic.in/ Data as on 5th April 2022
[2] Each household registering under MGNREGA is issued a Job Card with details of each family member.
[3] Active Job Cards: In the last three financial years the job card holders have demanded work at least once.

7	Persondays[4] Generated in FY 21-22 (crores)	363.3	24.2	6.7%
8	Average Persondays per Household	50.05	51.6	-
9	Total No of HHs completed 100 Days of Wage Employment (lakhs)	59.2	4.7	-
10	Average Wage Rate per Day per Person	208.9	216.2	-

Table 1: Key MGNREGA statistics for the country vs. Andhra Pradesh

1. Expenditure

Significant 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 ₹ 10,900* crores (this is highest in the history of the scheme's implementation in the state), but has declined to less than 8,000 crores in 2021-22.

The drop is significant if we take into account the increase in NREGA wage rate to Rs. 245/- in 2021-22 as compared to Rs. 237/- in 2019-20.

The ratio of material & skilled wages component to the wages, and material & skilled expenditure put together has been kept well under 40% in the current year (32%) as mandated by the NREGA 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)	4,215.2	5,951.4	5,160.1
2	Material & Skilled Wages (in Rs. crores)	900.4	4,557.0	2,504.7
3	Administrative expenditure (in Rs. crores)	417	392.2	214.9
4	Total Expenditure (in Rs. crores)	5,532.6	10,900.6	7,879.7

Table 2: MGNREGA expenditure in Andhra Pradesh in the last three years

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[4] Persondays is the number of days a person works under MGNREGA. Each Household is entitled to 100 Persondays.
* As per our report as on 23/04/2021, the expenditure for 2020-21 FY is 10,020 crores from AP website.

2. Employment Provided

Loss in Employment of around 6.9%

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 24.2 crores from the previous year's figure of 26 crores. This amounts to a decline of around 6.9%. However this was 21% 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.
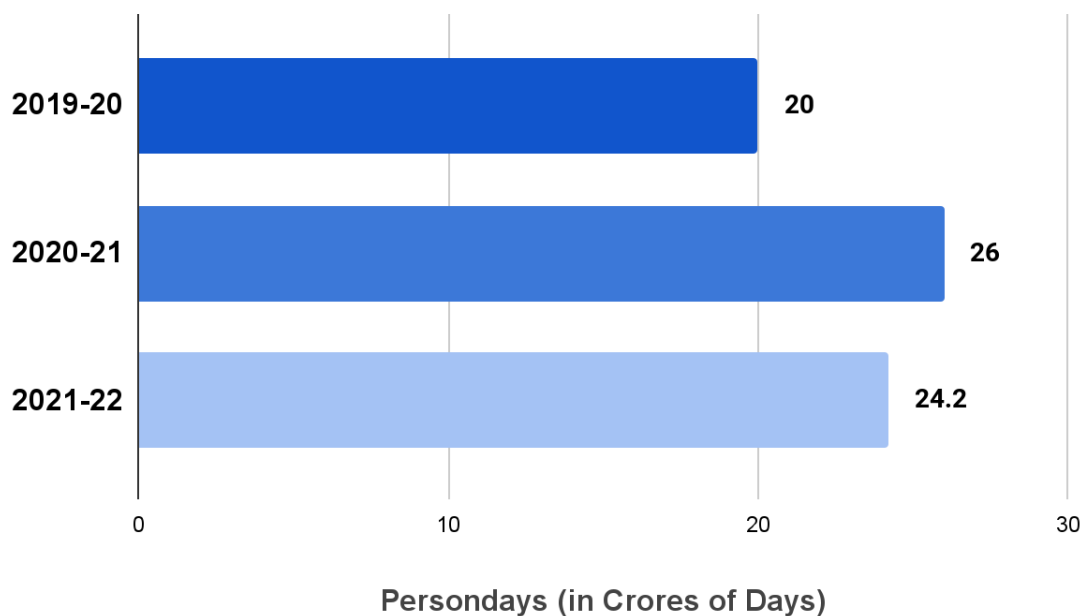

Figure 1: Total number of persondays over the last 3 financial years

2.1. Employment-Wages and Migration to NIC

If the employment-wage trends remained the same as in the previous year, the workers would have received an additional Rs 449 crores.

Following the diktat from the 'Ministry of rural development, Govt of India-MGNREGA implementation in Andhra Pradesh has been migrated to national portal 'NIC' from the state website in November 2021 resulting in the following key changes:

1. The Labour groups are reorganised from the existing 20-25 member groups to 40 member groups.
2. The newly appointed mates are taking time to get to terms with the new implementation rules as per NIC migration.

3. The earlier method of calculating persondays according to the wage earned has been dispensed with and the system of calculating wages according to the muster attendance has been reintroduced.
4. Historically in AP and Telangana, workers were paid summer allowance, but this practice has been discontinued post NIC migration.
5. 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 is not yet completed, resulting in denial of work to the workers whose bank accounts are not updated on MIS.

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

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

- The employment trends for 2021-22 are more or less in consonance with the previous years for the first 7 months and the employment started falling post NIC migration in comparison to previous years.
- There is an increase of 1.4% in employment provided in the first 7 months of 2021-22 compared to the previous year, whereas there is a dip of 45% in the employment generated post NIC migration.

Financial Year	Persondays generated during April to Oct (In Cr)	Persondays generated during Nov to March (In Cr)	Total Persondays generated(Cr)
2019-20	15.5	4.5	20
2020-21	21.4	4.6	26
2021-22	21.7	2.5	24.2

Table 3 Employment trends(Year Wise comparison) at state level 'April to Oct' vs 'Nov to March'

It can be seen in Table 4 that the gulf between the NREGA 'Notified wage vs 'actual wage received' reached its zenith during the current year due to change in the way wages are calculated(Refer point 3, section 2.1). Thus, even though there was a hike in the Notified NREGA wage in 2021-22 as compared to the previous year, the actual wages paid have suffered a decline.

Financial Year	Notified NREGA wage(Rs)	Actual paid wage(Rs)	Notified NREGA wage vs Actual paid wage(% Diff)
2019-20	211	203.15	3.7
2020-21	237	228.74	3.5
2021-22	245	216.16	11.8

Table 4: Difference between Notified and actual wages in the last three financial years

To sum up, if the employment trends for post NIC remained the same as the Pre-NIC Migration scenario, the workers would have received an additional 2.1 crore persondays at a wage rate of 236/-(adjusted to 2020-21 gap between the Notified wage and Actual paid wage). That amounts to a staggering Rs. 496 crores.

2.2. District Wise Trend

Fall in persondays generated in 8 out of 13 districts

While 8 out of 13 districts showed a decline in employment provided for the current year compared to the previous year, five districts recorded the opposite trend (Refer figure 2). Two districts, Srikakulam and Vizianagaram, have the infamous distinction of recording fewer persondays in 2021-22 compared to both 2020-21 and 2019-20. Though Vizianagaram recorded less persondays in 2021-22 compared to previous two years, it still scores relatively high on the average persondays generated in comparison with other districts, next only to Anantapur, Refer Table 5).

Among all the districts, Anantapur generated the highest employment this year despite a drop in persondays generated in comparison to last year (See figure 2 and table 5). The district also recorded the highest figure in terms of percentage of households that have completed at least a 100 days of work.
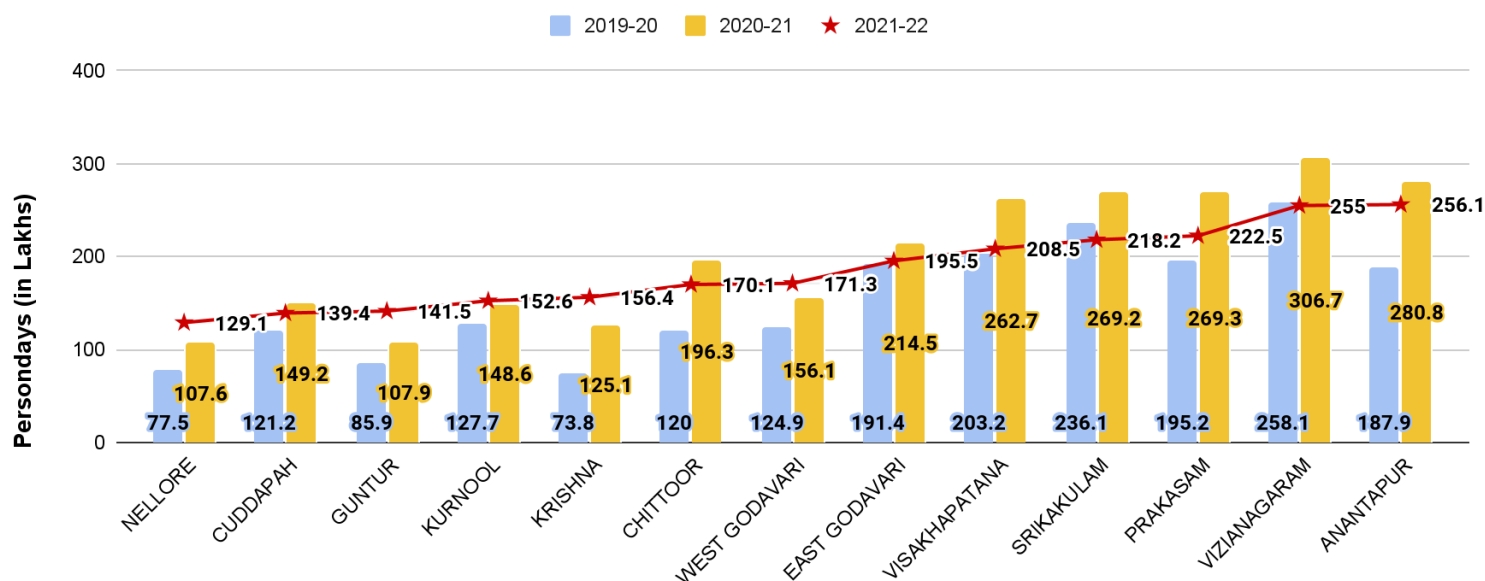

Figure 2: District-wise persondays for the last 3 financial years

District	Households worked	Avg person days	Percentage of households completed 100 days
Anantapur	4,08,240	**62.8**	**19.1**
Chittoor	3,14,039	54.2	14.6
Cuddapah	2,48,934	56	13.3
East Godavari	4,15,180	47.1	7.2
Guntur	3,44,577	41.1	6.1
Krishna	3,23,290	48.4	11.9
Kurnool	3,46,298	44.1	7.2
Nellore	2,64,366	48.9	8.6
Prakasam	**4,65,161**	47.9	6.9
Srikakulam	4,26,575	51.2	6.1
Visakhapatnam	3,66,730	56.9	11.9
Vizianagaram	4,13,587	61.7	9.6
West Godavari	3,42,868	50	10.2

Table 5: District wise trends of persondays and households that have completed at least 100 days work

3. Conclusion

With the pandemic and reverse migration caused by the lockdown, MGNREGA acted as a lifeline and helped thousands of workers to earn a livelihood. However, with the drop in wage employment and material expenditure, Andhra Pradesh's NREGA story for 2021-22 seems to have lost some of its sheen in comparison to the previous year. This loss can primarily be attributed to the migration of MGNREGA implementation from the state website to the 'NIC portal'.

Based on our work in multiple states along with AP on MGNREGA- we conclude that the budget cuts and delay in wage payments by the union government have become an impediment in workers realizing their rights as mandated by the NREGA.

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 to make sure the promise given by the parliament to the citizens of the country on Employment guarantee is fulfilled.

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 & Andhra Pradesh for the last 9 years, though individually some of us have been involved for more than a decade.

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