

## Role of MGNREGA in Sustainable Agriculture Growth



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### **Abstract**

*With the historic withdrawal of three farm Acts along with a promise from the government for ensuring MSP for all crops, it must be admitted that the agriculture sector has been neglected economically since the 1990s, though it has been manipulated for political purposes. Now it is time to seek a “maximum support policy” in place of “minimum support price”. Since only pricing, marketing, and distribution of agricultural products cannot be a remedy for the ailments inflicted on the rural economy by the larger political economy of the country. What agriculture needs is a holistic set of policies which along with pricing and marketing includes policies, for improving water levels, irrigation facilities, land development, drought proofing, promoting methods to make and use organic manure, flood control measures, which can enhance the productivity and fertility of the land in a sustainable manner. In this context, this study provides evidence that MGNREGA works can effectively create all such rural infrastructure if the scheme is implemented properly. Hence government should see MGNREGA as a sharp policy tool to create indispensable rural infrastructure. Effective implementation of this scheme can be very helpful in achieving the target of sustainable agricultural growth.*

**Keywords:** MGNREGA, Agriculture, Sustainable growth

### **Introduction**

Finally, farmer protest comes to an end after the repeal of controversial farm laws and an assurance from the government to set up a committee to ensure minimum support price to all crops. Though there is a lot of controversy and debate regarding guaranteeing MSP to all crops. It must be admitted that reforms of the 1990s bypassed agriculture and since then governments have not taken any well thought set of policies (other than some populist ad-hoc measures) which actually address the problems of this sector.

If India wants to have sustainable and inclusive growth it is a must that government should focus on pursuing the policies and programs which address the real problems of agriculture. And it should work from the perspective of the long run. Populist measures that help rural people in the short run are not going to help much. Because the agriculture sector gives employment to approximately 42% of the labour force. Vulnerable people who lost their livelihood in the urban informal sector have found refuge in this sector during the pandemic. The growing and large Indian population are dependent on this sector for food and this provides raw material and inputs to other sectors. Further, increasing income in the

agriculture sector will trigger a multiplier effect for the rest of the economy by generating higher demand for other sectors. Therefore, our policymakers should understand that the growth of the agriculture sector is a precondition for the growth of the rest of the economy.

The government should realize that even an efficient and functional MSP is not a panacea to the deep-rooted problems of agriculture. The real reason for the crisis of agriculture is the low investment and absence of state support. It has been highlighted by many researchers that public capital formation in agriculture has declined from 3.9% of GDP of agriculture in 1980-81 to 2.2 % in the year 2014-15. After that, it rose marginally to 2.6% in 2016-17. On the other hand, subsidies on agricultural inputs have risen from 2.8% to 8% of the GDP of agriculture during the same period. But various researches have shown that investment in developing rural infrastructure gives much higher returns as compared to returns on subsidies.

To revive agriculture government needs to make investments in rural infrastructure especially in irrigation facilities, rural connectivity, drought proofing, water conservation, improving the fertility of the soil, etc. In the present context, the most important program of which the rural asset/ infrastructure creation aspect has been

neglected is MGNREGA. The world development report 2014 described this scheme as a “stellar example of rural development. The act envisages creating durable assets (roads, canals, ponds, wells), providing employment within 5 km of the applicant’s residence, and paying them minimum wages. Therefore, other than providing social security another objective of MNREGA is to “create durable assets geared towards water conservation, drought proofing, irrigation, land development, water harvesting, flood control, and rural connectivity” (Naraynan Sudha, 2016). Act assumes that works, undertaken under MNREGA will strengthen the natural resources base and may provide a solution to problems such as drought, deforestation, soil erosion which cause chronic poverty, hence these works will promote sustainable development. However, till now only one aspect of this program has been emphasized that is employment generation. Implementing agencies have mostly ignored the fact the program has immense potential for creating rural infrastructure that can provide a major boost not only to the agriculture sector but to the entire rural economy. If the scheme is implemented properly then along with providing employment to rural unskilled poor, many types of public assets can be created that can address problems related to the productivity of land, related to the availability of water as well as providing alternative employment opportunities to small and marginal farmers. MGNREGA is not only the largest employment guarantee program in the world but it could also be called the largest rural water security programme as over more than fifty percent of funds are being spent on works related to water conservation and harvesting (Verma Shilp and Shah Tushar, 2018). Still, some people criticize MGNREGA as just a subsidy to the rural poor. Many say MGNREGA is just a “dole to dig a hole”. In this context, the purpose of the study is to find out whether, in the district where MGNREGA is being implemented, assets are being created which are useful to rural people or MGNREGA is just a kind of subsidy to rural people.

## Review of Literature

Many studies and reports published in various journals and newspapers have concluded that MGNREGA can realize its potential fully only if along with employment generation equal attention is paid to the generation of productive assets (K Dhanajay, M.S. Pratibha, 2011). Similarly, many studies have argued that the “dole-hole view regarding MAGNREGA is

largely unfounded” and MGNREGA’s record regarding asset creation is impressive not only because a large number of assets are being created but also, the assets are hugely diversified that have the potential to bring significant positive change in agriculture. Hence it is important that government changes its perception of MGNREGA and view it as a strong policy instrument to address some of the critical issues facing agrarian India (Naraynan Sudha 2016).

Various studies have shown that a large number of assets have been created during the implementation of MGNREGA and are having a significant positive impact on rural households (Mishra S.K., 2011). Likewise, a study about Rajasthan reveals that MGNREGA has a positive contribution toward asset creation enhancing the economic prospects of the Ajmer District (Bhargva Rashmi, 2013). A study of approximately 140 water assets created under MNGREGA in four states of Bihar, Gujrat, Kerala, Rajasthan, concludes that for most of the assets, the cost was recovered within one year after the work completion. These waterworks not only improved the irrigation capacity of the area but also increased the availability of drinking water (Verma and Shah 2018). Another study concludes that in the areas where the scheme has been implemented properly, employment has been provided properly, wages are paid regularly, assets built are useful and sustainable. MGNREGA has brought positive changes in the lives of rural people (Ehmke E., 2016). A study of Maharashtra concludes that widespread belief that MGNREGA does not create any productive asset is misplaced, yet there is a need for improving the choice of assets to be created, execution, and maintenance (Ranaware K.et al., 2015)

## Data and Methodology

The present study is an empirical and descriptive study and uses both primary and secondary data. Secondary data is collected primarily from the MGNREGA website maintained by the ministry of rural development, books, journals, newspapers. Primary data was collected from PRO of the 6 blocks and *Pradhans* of 60 villages (villages were randomly selected from the 6 blocks of district Aligarh) through a structured questionnaire that comprised both close-ended and open-ended questions. The setting of the study is limited to district Aligarh which is one of the 30 districts of western Uttar Pradesh. Western Uttar Pradesh is part of the Gangetic

plain, where the main occupation of people is agriculture. This part of Uttar Pradesh is more advanced in terms of agriculture as this part benefitted more from the green revolution in comparison to other regions. Because of the unplanned development of agriculture, this area is facing critical problems like decreasing underground water level, soil degradation, decrease in the size of average landholding (Singh R. P. and Islam Zubairul, 2010). Hence there is an urgent need for rural public asset creation in this area which can address the problems of decreasing water level, soil degradation, etc. This study looks at the asset creation in district Aligarh under MGNREGA during the period of 5 years from 2016-17 to 2020-21.

### Current Status of MGNREGA in Aligarh

The district has five *Tabseels* comprising 1210 villages. The total population of district Aligarh is 36,73,889 (Census 2011) With a literacy rate of 67.52. The primary occupation of people is agriculture. MGNREGA was introduced in the year 2009 on 1st April, in Aligarh. The total number of man-days created under MGNREGA is 29,58,491 in the year 2020-21. The wage rate going for MGNREGA is Rs 204 per day. Payment of wages is done on a piece-rate basis. The total number of assets completed during the year 2020-21 is 1774, 20553 are ongoing or suspended, 11503 are approved but not in progress.

### Asset creation

Most of the respondents both *Gram Pradhans* and APO's said that decision of the works to be undertaken Under MGNREGA is decided by *Gram Shabha* as prescribed in the MGNREGA guidelines. But sometimes work is decided by Pradhan and *Sachiv* if it needs to be done urgently. In some cases, any individual or a group of people feels the need for some assets to be created they can give an application to Pradhan, and then the application is discussed in meetings of Gram Sabha.

Gram Panchayat gives their demands to block-level administration which is then passed to district administration accordingly district administration allots funds. Of the total budget available 60% is spent on kaccha works (non-durable) like *chakroads*, digging of ponds, etc. The remaining 40% is used for *pakka* works (durable) like interlock roads, cement roads, *kharnaje* cattle sheds, vermicompost, etc.

Land of every public asset is decided on the basis of a map of the village in documents of the revenue department. Maps of the revenue

department are used for locating the site for digging ponds, *chakroads*, *Panchayat Ghar*, and other assets. If some farmers create problems in the construction of public assets, then after calling people from the revenue department their land is measured and work is done in the police presence. Most of the assets are non-durable and they need to be repeated after every 3 years. *Pakka* assets that are more durable need to be redone only after 14-15 years. Most of the Pradhans said that works are done on the basis of technical estimates of Junior Engineer (JE).

Most of the *Pradhans* said that supervision of MGNREGA work has become stricter and there is more focus on the asset generation aspect in the last 4-5 years. Interview of block-level APOs suggests that there is no scarcity of funds for MGNREGA. But most of the *Pradhans* said that they faced scarcity of funds during the period of demonetization. But since then, they did not face any scarcity of funds. Especially during the covid period, they were allotted sufficient funds. Many *Pradhans* said that during that period not only laborers but also many farmers also got engaged in MGNREGA works. Both *Pradhans* and APOs confirmed that the work completion rate is quite high in this district approximately 90%.

According to APOs Most of the laborers are provided 100 days of work. But 80% of the Pradhan said that on an average 60-70 days. The remaining 20% said that work is provided for 40-50 days. Most of the *Gram Pradhans* said that Gram Panchayats are not able to plan work continuously, so everybody whosoever demands 100 days work cannot be provided that much in a year.

After the work is completed and the block-level officer is satisfied after supervision. Then money is released on the basis of man-days estimates done by block and district level officials. Payment is sent directly to the account of workers. APO's claimed that most of the time wage payment is done in one week, sometimes it gets delayed also if work stopped because of conflict between rural people or due to some other reason.

APOs also said that the administration keeps on making *Gram Pradhans* aware of various provisions of MGNREGA and newly permitted assets by organizing workshops.

### Public Assets Created in District Aligarh under MGNREGA

Works on individual land include NADEP compost, Vermicompost, land levelling of SC/ST, creating water channels, ponds on

poor people's land (which they can use for grow *singhade* crops, pearl farming, fisheries, irrigation). For the last 2-3 months District administration has approved the MGNREGA work for private Nursery on the land of marginal farmers (farmers with less than five *bigha* land). MGNREGA will provide labor for land leveling, sowing of seeds, other works related to the proper growth of plants. Marginal farmers can get work done up to 2 lakhs on their lands. Other than that Goat shed, Piggery shelters, cattle shelters are also constructed on marginal farmers and poor people's land, etc.

Rural infrastructure includes *Anganwari*, *Panchayat Ghar*, *Shamshan Ghat*, boundry wall of government schools, etc.

Micro-irrigation works include water channels, *Bamba*, etc.

Works of land development – Since most of the land in Aligarh district is fertile, works of land development include mainly land leveling, the building of *Chakroads*.

Works related to water conservation include digging and cleaning ponds. Wells were renovated only in Jwan block. In the rest of Aligarh, these works include only ponds.

Rural sanitation works comprise community toilets and individual toilets under Swacch Bharat Abhiyan.

Rural connectivity works comprise *keharanje*, CC Road, Interlocking Road.

Works related to drought-proofing comprise mostly tree plantations in the district.

Flood control works consist of building *Pakki Nali* and drainage from village to ponds so that waterlogging problem can be solved.

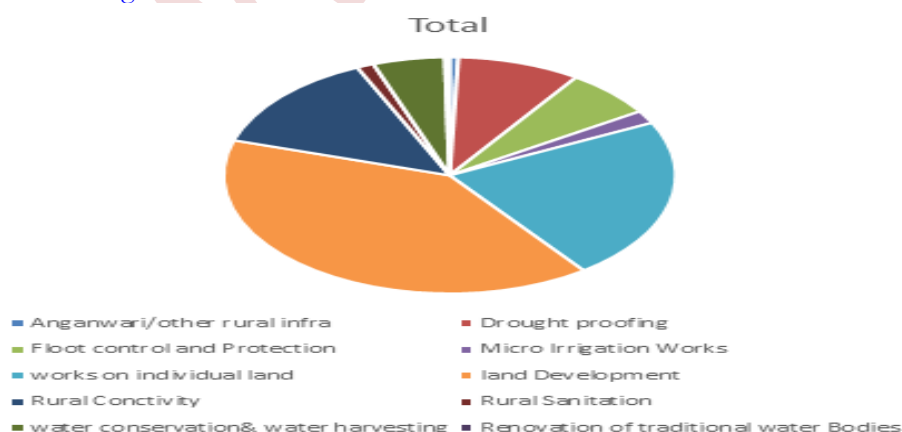
### Completed Assets

The below table shows the total number of works as well as their categories that have been undertaken under MGNREGA since 2016-17 to 2020-21. The total no of assets created during the last 5 years is 16,737.

**Table 1: Assets Completed During 2016-17 to 2020-21**

Year	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Anganwari/other rural infra	0	23	58	8	17	106
Drought proofing	573	648	57	160	53	1491
Flood control and Protection	441	335	97	128	93	1094
Micro Irrigation Works	56	16	91	112	24	299
works on individual land	927	887	162	1377	417	3770
land Development	1712	1632	1059	891	1462	6756
Rural Connectivity	799	946	122	125	297	2289
Rural Sanitation	44	101	29	4	29	207
water conservation& water harvesting	358	234	35	82	160	869
Renovation of traditional water Bodies	1	0	0	55	0	56
Total no of assets created	4911	4822	1710	2942	2552	16937

Source: [www.neraga.nic.in](http://www.neraga.nic.in)



Out of which 40% are the assets related to land development. Interview of *Pradhbans* also showed that most of the works in almost all villages are related to land development specially *chakroads* since most of the land in this area is a fertile land. 22% of the total assets created are works on individual land. 14% are the assets related to rural connectivity. So, we can observe that share of works related to drought-proofing, micro-irrigation, *Anganwari*, and other rural infrastructures are relatively less.

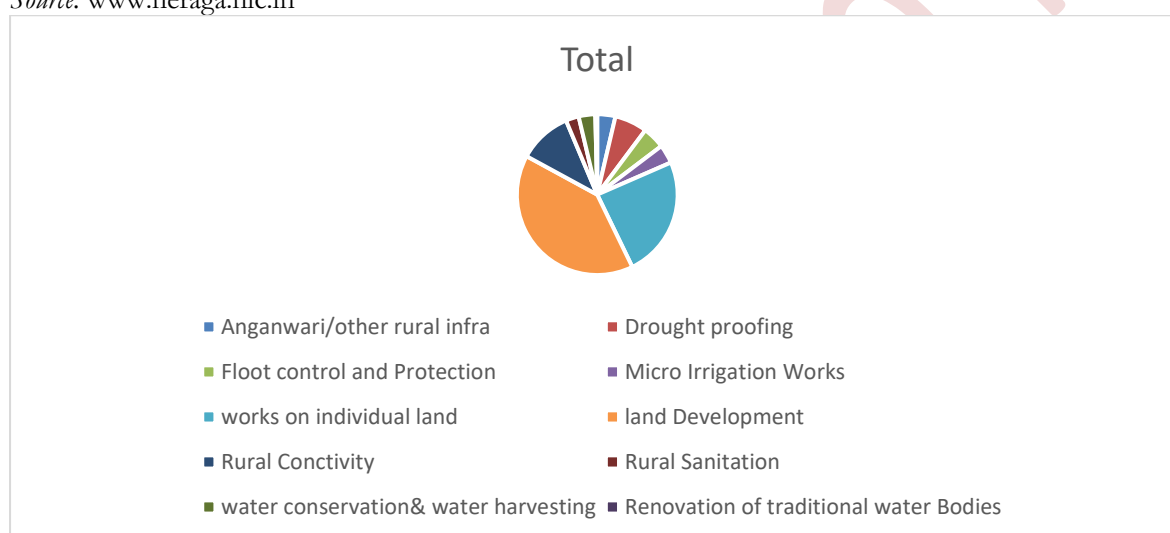
Ongoing/Suspended Assets

Most of the assets in the category of ongoing or suspended belong to land development (40%), works on individual land (24%), and work-related rural connectivity.

Table 2: Ongoing/ Suspended Assets During 2016-17 to 2020-21

Type of Assets	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Anganwari/other rural infra	13	798	50	33	669	1563
Drought proofing	281	1272	665	134	448	2800
Flood control and Protection	191	716	306	147	554	1914
Micro Irrigation Works	44	1037	36	38	459	1614
works on individual land	604	5346	899	443	3117	10409
land Development	980	7936	2176	1989	4070	17151
Rural Connectivity	583	1499	578	390	1536	4586
Rural Sanitation	130	485	8	30	467	1120
water conservation& water harvesting	134	513	270	175	334	1426
Renovation of traditional water Bodies	0	97	2	4	61	164
<b>Total</b>	<b>2960</b>	<b>19699</b>	<b>4990</b>	<b>3383</b>	<b>11715</b>	<b>42747</b>

Source: www.neraga.nic.in



Reasons behind asset suspension could be fighting between villagers, court stay, scarcity of funds, water logging due to heavy rainfall. Sometimes assets are shown in the suspension category because of other reasons like non-payment of material money or delay in geotagging etc. Interview of both APO as well as *Pradhans* showed that the majority of the works are completed within the stipulated time, the remaining may take more time due to sudden rainfall, some technical problem, or waterlogging. Later work is resumed. However few *Pradhans* told that one other reason for the delay in work completion is that if work gets

started during peak agricultural season, then it is completed in more time due to non-availability of labor.

### Approved but not started

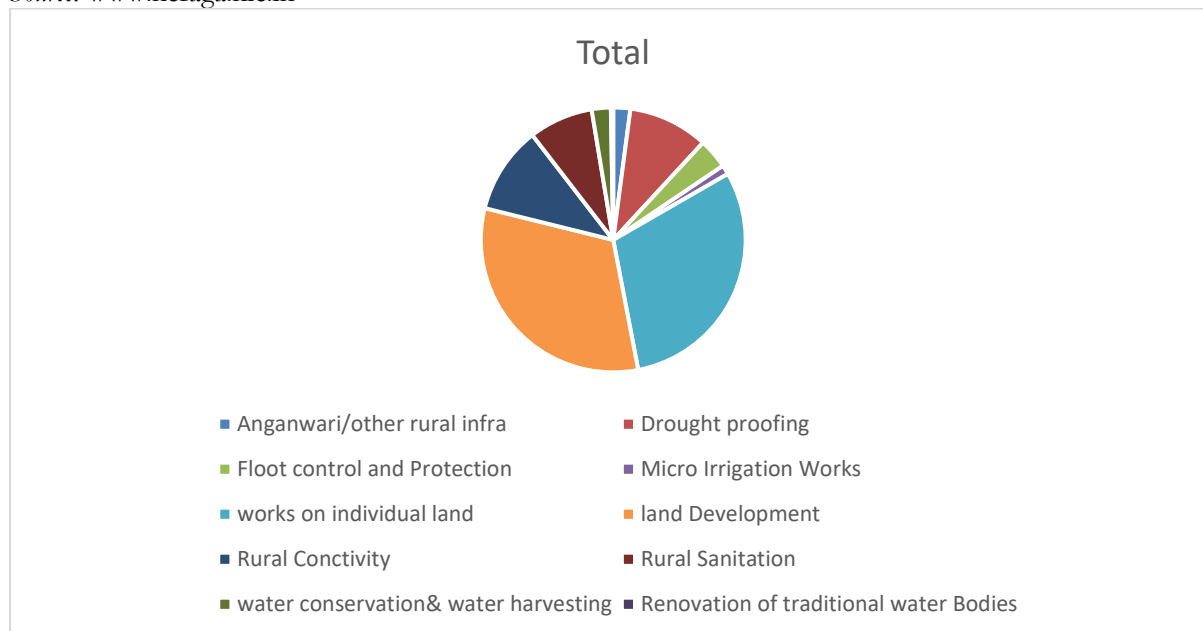
Reasons behind approved but not started, according to APOs is that Mostly Gram Pradhan get the technical and financial approval of five to six works together later on they get works done one by one. So, the number of high assets in this category does not mean that works are not completed. Work completion rate is quite high this was confirmed by both APOs as well as Gram Pradhan.

Table 3: Assets Approved but not started during 2016-17 to 2020-21

Year	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Anganwari/other rural infra	0	1	2	46	205	254
Drought proofing	3	15	263	415	496	1192
Flood control and Protection	2	18	54	104	270	448
Micro Irrigation Works	0	0	9	13	117	139
works on individual land	0	113	158	1300	2122	3693

land Development	41	128	562	1125	2030	3886
Rural Connectivity	9	63	151	286	793	1302
Rural Sanitation	0	120	136	189	511	956
water conservation& water harvesting	0	4	59	104	117	284
Renovation of traditional water Bodies	0	0	0	8	27	35
<b>Total</b>	<b>55</b>	<b>462</b>	<b>1394</b>	<b>3590</b>	<b>6688</b>	<b>12189</b>

Source: www.neraga.nic.in



### Quality checking

There is a provision of visits by technical experts from the block level to check the quality of assets being created in the villages. Discussion with gram Pradhan's and APOs indicated that in district Aligarh mostly block level technical assistants visit the asset being created thrice. Once before the start of work, during the construction of work, and finally after work is completed. 30% Pradhans confirmed 3 times visit, remaining said block-level visit is once or twice during the asset creation.

### Social Audit

Section 17 of the MGNREGA act has made provisions of social audit of all works undertaken under MGNREGA. The purpose of social audit is different from financial audit since the former focuses on verifying ground realities with information obtained from documents. It intends to find out whether the program has achieved its social objectives through a consultation with beneficiaries of MGNREGA, community people, and government officials.

Though social audit of MGNREGA works should happen twice a year. Only 30% of the Pradhan's said that happens once a year. The Remaining said a social audit does not happen.

### Maintenance of Assets

Most of the studies have shown that there is a problem with the maintenance of assets. In Aligarh, the situation seems to be apposite. APOs and gram Pradhans said *Kacche* works like *chakeroads*, ponds, etc are repaired after 3 years. Since under MGNREGA provisions *kacche* works can be redone after 3 years. Such works can be done earlier also if damaged due to heavy rain or some other reasons. 50% Pradhans claimed that they got a cleaning of Ponds done even before the three Years if it was needed. There is a provision for arranging labor under MGNREGA for watering and of plants. There is a provision of 52 labor man-days for 100 plants under MGNREGA for at least 2-3 years till it becomes a tree so it does not require maintenance. Under MGNREGA only those plants are purchased for plantation which are kept in the nursery for two years since the survival rate of such pants is 80%. In this context 70% Pradhans claimed that they keep labor under MGNREGA for watering and maintenance of Pradhans. But remaining 30% said they do not get any labor under MGNREGA for watering of plants and hence survival rate of plants is low. One Pradhan said

that they also keep MGNREGA labor for the cleanliness of village lanes etc.

## Benefits of Assets Created Under MGNREGA

All Pradhans and APO were of the view that MGNREGA has not only provided rural unskilled poor employment and helped them in fulfilling their basic needs, but also the public assets created under it has benefitted the entire rural area in multiple ways. Firstly, it has increased water levels through ponds and other water bodies. Secondly, the irrigation capacity of the area has also increased through micro-irrigation works like *bamba*, water channels, etc. Thirdly, the productivity of land has also increased through works like land leveling, and building of *Chakroads* since land levelling brings more land under Cultivation and *chakroads* enables farmers to take agricultural inputs easily to their farms and take farm produce easily to market. Fourthly, NADEP compost and vermicompost will make land more fertile. Lastly, the productivity of marginal farmers' land has also increased because of leveling of their land, creation of water channels and ponds on their land. It has also helped marginal farmers by providing them alternative employment opportunities by helping them to build cattle sheds, goat sheds, piggery sheds, etc. All this has also reduced disguised employment in agriculture. It has also increased rural connectivity by the construction of *Karanja*, cc roads, interlocking roads. Many Pradhans also claimed that because of MGNREGA forced migration has from the reduced.

## Conclusion

Hence it is clear that the perception that MGNREGA is just a subsidy to rural poor and no productive assets are created under it appears to be exaggerated. The study suggests that works were done under MGNREGA benefits the agriculture sector immensely. Therefore, we can see MGNREGA has the potential to build social and economic infrastructure on a large scale in rural areas. MGNREGA actually gives an opportunity to the government to reverse the trend of prolonged neglect of rural infrastructure which is a precondition to enhance the productivity of agriculture. Works related to water conservation, flood control. Drought proofing, land development, preventing soil erosion, increasing forest cover, increasing rural connectivity is likely to benefit both rich and poor farmers equally. Further works done on private land of marginal and poor farmers enhances the potential of the rural

economy to absorb more labor thereby reducing disguised employment in agriculture. Hence government should view the proper implementation of MGNREGA as a sharp and effective policy tool to address some very important pressing issues of India's agrarian sector.

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