



Role of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) in Rural Asset Creation in India – An Analysis

Dhananjaya K¹ and Prathibha M.S²

Introduction

The Rural Economy in India is wholly agriculture based and it is of tremendous importance because it has vital supply and demand links with the other Indian industries. Agriculture is the main stay of the Indian economy, as it constitutes the backbone of rural India. But the contribution of agriculture to national income has fallen dramatically in recent years but more than 600 million of our people still depend on farming (Mihir Shah, 2008). This is not a small number that can be just wished away. In fact, the growing divergence between the share of agriculture in GDP and in the workforce, alerts us to the urgent imperative of raising farm productivity in India, which languishes way below potential. On a sound agrarian base, we can build a whole range of other location-specific, nature-based rural livelihoods.

Basic investment in land and water is an essential precondition for enhancing productivity of agriculture besides generation and dissemination of technology across

¹ Assistant Professor, St Aloysius Institute of Management and Information Technology, St. Aloysius College (Autonomous), Mangalore 575022.

² Assistant Professor, St Aloysius Institute of Management and Information Technology, St. Aloysius College (Autonomous), Mangalore 575022.

different agro-climatic conditions in the country. The proportion of investment in agriculture, with a single exception of irrigation infrastructure, however, has undergone significant decline owing to a number of reasons emanating mainly from the neo-liberal economic policies adopted since the 1990s (Amit Shah & Sunni Jose, 2009). Public investment in land and water resources and other economic infrastructure, ideally, could provide significant boost to the farm economies, particularly, in regions with low-endowment and limited agronomic potential. In fact the growing importance of policy initiatives like Watershed Development Projects (WDPs), Bharat Nirman (BN), Backward Area Grant (BAG) etc. in the recent plans signifies recognition of the critical need for enhancing basic investment in natural resource management for promoting the farm economy. If adequately funded and appropriately implemented, these schemes may create and unleash the requisite productive capacities for advancing agricultural growth, which is also broad based and poverty reducing. Hence it is imperative that creating rural assets is crucial for sustainable agriculture and rural development. This paper intends to analyse the performance of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) in terms of rural asset creation.

Mahatma Gandhi National Rural Employment Guarantee Act and Rural Asset Creation

Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) was launched in 200 selected districts on 2nd February 2006 in Phase I and was extended to 130 more districts in 2007-08 in Phase II. It was extended to the remaining 285 districts from 1st April, 2008 onwards in Phase III.

The Act has codified the types of works to be undertaken using the guaranteed employment. Out of nine preferred areas of works under the MGNREGA, seven focus on water and soil conservation. The attention of the scheme is on the following works:

- Water conservation and water harvesting
- Drought proofing (including afforestation and tree plantation)
- Irrigation canals (including micro and minor irrigation works)
- Provision of irrigation facility to land owned by households belonging to Scheduled Castes and Scheduled Tribes or to land of beneficiaries of land reforms or that of the beneficiaries under the Indira Awas Yojana of the government of India.

- Renovation of traditional water bodies (including desilting of tanks)
- Land development
- Flood control and protection works (including drainage in water-logged areas).
- Rural connectivity to provide all-weather access
- Any other activity approved by the Ministry of Rural Development(MoRD)

It is clear that there is a great scope for building social capital on a massive scale under MGNREGA. Indeed, MGNREGA gives the government an opportunity to reverse the prolonged neglect of productive rural infrastructure. Watershed development, restoration of water bodies such as tanks and canals, activities aimed at forestry, land development, and soil erosion and flood control, construction of roads, drought proofing measures like afforestation can realize the potential of the programme in diverse conditions. The Act, by permitting activities on private land up to a point, significantly increases the scope of the programme. This will lead to the creation of rural assets which would lead to sustainable agriculture development in the rural villages by enhancing agricultural productivity which in turn improves the rural economy's ability to absorb labour. MGNREGA does not just give employment to rural poor, but also creates community assets which are useful for the villagers in the long run. It has both direct and indirect benefits (Sridhar V., 2005).

In 2006-07, in the first year of implementation of MGNREGA, 20 institutions conducted studies on MGNREGA. These studies covered 80 Phase I districts of 21 States. 37600 respondents were interviewed. Most of the respondents accepted that there has been overall enhancement of economic activities due to MGNREGA. They expressed that durable assets have been created in the villages. Drinking water has become available due to construction of water harvesting structures. There has been positive impact on soil and water conservation. 95.91% of respondents accepted that there is an increase in water table in the area. 93.03% of respondents felt that there has been favorable impact on agricultural productivity (MoRD, 2008).

In 2007-08, a more intensive study was conducted by Centre for Science and Environment, New Delhi in Nuapada District of Orissa and Sidhi District of Madhya Pradesh (Centre for Science and Environment, 2008). The study focused on usefulness of assets created under MGNREGA. The study report pointed out that MGNREGA had made a positive impact on water availability and crop diversity. In Sidhi District of Madhya Pradesh, 78.6% respondents accepted that MGNREGA had led to increase

of water availability. Around 55% respondents reported an increase of 371.6 acre area under crops. 55.5% of the respondents reported diversification of crops over previous years. Crops like Jowar, Bajra, Kodi, Makka and Arhar have been replaced by wheat, gram and vegetables due to increased irrigation water availability. In Nuapada District of Orissa, almost similar observations had been made by the respondents. 15.38% of respondents in the district accepted the fact that MGNREGA had led to increase of water availability. 15% of respondents changed to mixed crop. While paddy and Biri were mostly grown in the area, the respondents were able to diversify and produce crops such as groundnut, millet and vegetables. 14.5% of the respondents reported an increase in the net shown area due to increased water availability as a result of works undertaken through MGNREGA. In sample area, MGNREGA works had led to an increase in areas sown by 18.25 acres.

Institute of Human Development conducted study in 6 districts of Bihar and 3 districts of Jharkhand (Institute of Human Development, 2006). The study points out that the assets created under MGNREGA have been proved very useful. MGNREGA was able to provide improved irrigation facilities through construction of water conservation and water harvesting structures.

In 2008-09, 260 National Level Monitors (NLMs) have visited 330 districts covered in Phase I & Phase II of MGNREGA (MoRD, 2008). As per the reports of the NLMs, 97% of the works were found useful for the community. The quality of works in 91% cases was good. NLM reports also point out that in 92.91% villages; Gram Sabha was convened to recommend the list of works for taking up under MGNREGA. A high level of awareness about MGNREGA was found in 75.49% cases. Social Audit has been completed in 65.41% of the villages visited by NLMs.

In addition, various studies points out that implementation of MGNREGA has had a positive impact on incomes of rural people in the country⁷. Wage negotiation capacity of the workers has increased. MGNREGA has augmented employment opportunities in rural areas. It has also been proved as an instrument of re-generation of natural resources

Table -1. Composition of State wise Assets created under MGNREGA during 2008 -2010

States	Rural Conne ctivity	Flood Control & Protection	Water Conservation & Water Harvesting	Drought Proofing	Micro Irrigatio n Works	Provision of irrigation facilities to the land owned by SCs/STs	Renovation of traditional water bodies	Land devel opment	Any other activity	Total Assets created
Andaman And Nicobar	83	133	119	2	51	0	2	59	2	451
Andhra Pradesh	24690	6441	252124	29759	99348	75553	48344	20959 2	0	745851
Arunachal Pradesh	567	263	65	58	136	0	29	39	66	1223
Assam	9685	2433	1183	1054	632	140	627	1493	44	17291
Bihar	56053	10518	17955	9109	12135	2630	13163	4437	353	126353
Chandigarh	0	0	0	0	0	0	0	0	0	0
Chhattisgarh	27207	721	12167	5994	3204	43010	15291	30516	7	138117
Dadra & Nagar Haveli	17	4	1	0	0	0	0	0	0	22
Daman & Diu	0	0	0	0	0	0	0	0	0	0
Goa	120	101	12	0	0	0	38	110	1	382
Gujarat	10598	5403	246313	10961	465	6118	5207	2720	17748	305533
Haryana	2961	305	2119	795	834	24	895	836	80	8850
Himachal Pradesh	28006	8440	10411	1316	6482	2078	5042	5329	1253	68357
Jammu And Kashmir	8976	6435	2570	352	2818	415	1388	2884	17	25855
Jharkhand	39447	625	53077	4755	2215	33943	9923	22409	1776	168175
Karnataka	15465	11342	32672	24054	12464	36759	10706	46101	8562	198125
Kerala	5132	61078	15349	5366	19623	5346	26493	24927	851	164165
Lakshadweep	0	0	155	1456	0	0	93	1006	0	2710
Madhya Pradesh	41435	3669	76893	35193	4991	218724	9690	10360 5	267	494467
Maharashtra	719	365	15138	1313	44	965	1289	2336	9	22178
Manipur	5677	6574	1728	2595	1174	8	704	1466	671	20597
Meghalaya	4390	413	2460	1349	420	29	556	672	123	10412
Mizoram	3564	113	185	335	5	3	19	900	44	5168
Nagaland	2121	732	3040	1257	1251	121	435	1660	15	10632
Orissa	28373	335	9043	1646	518	8102	14267	1431	1862	65591
Puducherry	0	0	0	14	0	0	1192	0	0	1206
Punjab	2947	366	362	1191	661	2	2175	912	479	9098
Rajasthan	35846	1615	25546	4346	6030	101040	15212	4539	265	194553
Sikkim	437	187	256	805	109	3	40	159	0	1996
Tamil Nadu	7539	244	4615	0	6345	8	15512	23	0	34286
Tripura	22382	3001	17087	4367	11914	4750	8154	25817	13950	111423
Uttar Pradesh	17174 1	23032	81202	34249	18299	95172	45480	67148	20112	556435
Uttarakhand	2395	8252	16541	4124	4377	666	1859	1618	119	39951
West Bengal	78940	16820	47963	21101	15262	8819	30959	21428	761	242057
Grand Total	63751 3	179960	948351	208916	231807	644428	284784	58617 2	69437	379151 0

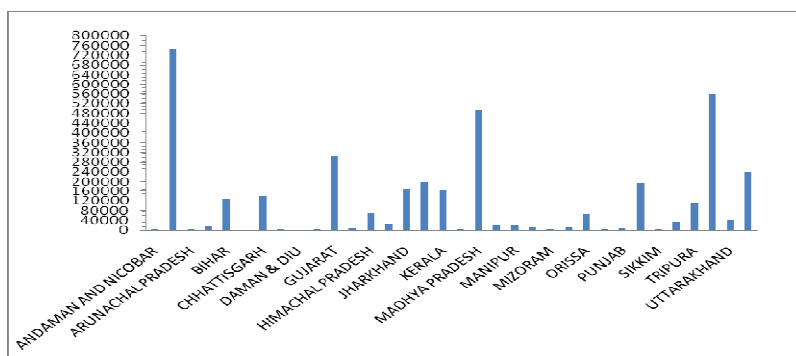


Chart 1 –Total state wise assets created

Analysis of the State wise Performance of MGNREGA in Asset Creation (2008-2010)

The state wise performance of MGNREGA in terms of rural asset creation has been analyzed using the data for three years (2008-2010) obtained from the Ministry of Rural Development (MoRD) website. Below table depicts the total assets created during 2008 -10.

Above table and chart depicts the state wise total assets created. It is clear from the above table that a total of 3791510 assets have created during the last three years (2001-2010).It is also evident from the table and chart that a few states like Andhra Pradesh(19.7%),Uttar Pradesh(14.7%),Madhya Pradesh(13%), , Gujarat(8%) and West Bengal(6.4%) have major share in the total assets created. Even the states like Maharastra, Haryana, Bihar and Tamilnadu lag behind in this respect though there is lot of potential for creating new assets in these states.

Among the total assets created, highest number of assets are created in the area of water conservation and water harvesting (25%) followed by rural connectivity(16%), provision of irrigation to the land owned by backward classes(16%), Land development(15.5%), renovation of traditional water bodies(7.5%), micro irrigation works(6%), drought proofing(5.5%), flood control and protection(4.5%) and any other activity approved by Ministry of Rural Development(1.8%).

Performance Analysis of Top Fifteen States

Based on the total number of assets created, top fifteen states have been selected and the composition of assets created in these states during the last three years has been analysed.

1. Rural Connectivity

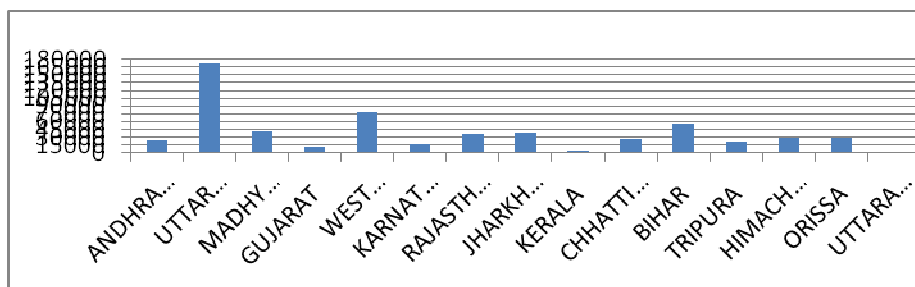


Chart -2. Rural Connectivity

Rural connectivity can have tremendous influence on the agricultural development. Hence rural connectivity is one of the important types of works to be undertaken under MGNREGA. A total of 637513(16.8%) assets have been created in the area of rural connectivity in the last three years (2008-10). It is clear from the chart that Uttar Pradesh has created highest number of assets in this category. The share of other states is relatively poor.

2. Flood Control and Protection

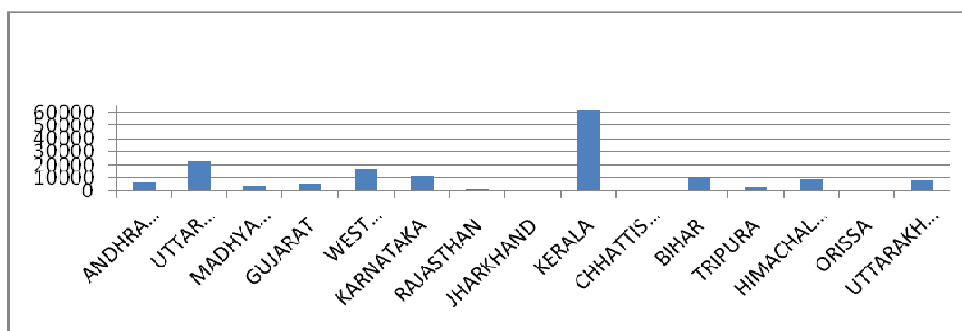


Chart – 3 Flood Control and Protection

Out of nine preferred areas of works under the NREGA, seven focus on water and soil conservation. In fact MGNREGA is a powerful tool to control flood by creating necessary assets. A total of 179960 (4.5%) have been created in this area during 2008 -2010. The share of this asset in the total assets is relatively low. More and more assets in this area need to be created as many of the states are prone to severe flood every year thereby damaging the rural economy. It is evident from the above chart that among the top 15 states Kerala has created highest amount of assets in flood control in the last three years followed by Uttar Pradesh. West Bengal, Karnataka, Bihar etc.

3. Water Conservation and Water Harvesting

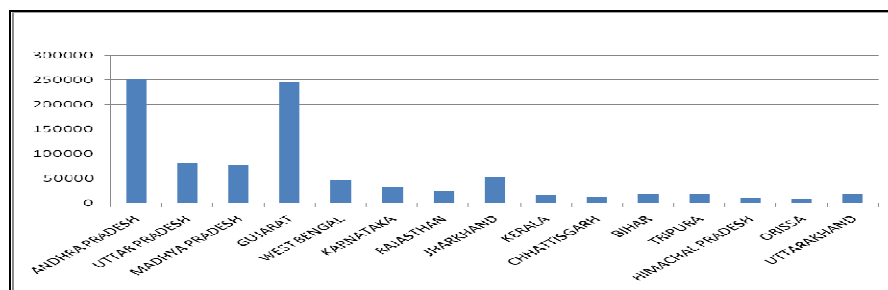


Chart-4 Water Conservation and Water Harvesting

Water Conservation and Water Harvesting has become an important focus of any public funded programme. There is considerable scope for water conservation and water harvesting in rural areas by creating required assets. MGNREGA is playing a crucial role in this regard. A total of 948351 have been created in the area of water conservation and water harvesting. This constitutes 25% of the total assets created. This will definitely have a long term impact on the water availability and agricultural productivity. Above chart shows that among the top fifteen countries Andhra Pradesh has created highest number of assets in this area followed by Gujarat, Uttar Pradesh, and Madhya Pradesh etc.

4. Drought Proofing

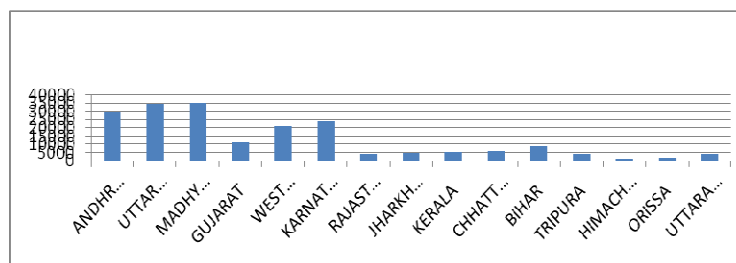


Chart -5 Drought Proofing

Drought Proofing is another type of works to be undertaken under MGNREGA. Since many of the states are prone to severe drought thereby hampering agricultural production, there is considerable scope for building assets to prevent drought under MGNREGA. A total of 208916 (5.5% of total assets) have been created in the area of drought proofing. It is clear from the above chart that among the top fifteen countries Madhya Pradesh has created highest number of assets in the last three years (2008-10). States like Andhra Pradesh, Uttar Pradesh, Karnataka and West Bengal have also done well in this regard. But it must be mentioned that the share of this type of assets created is relatively low. More projects should be undertaken and completed in this area as this will have immediate impact on agricultural production.

5. Micro Irrigation Works

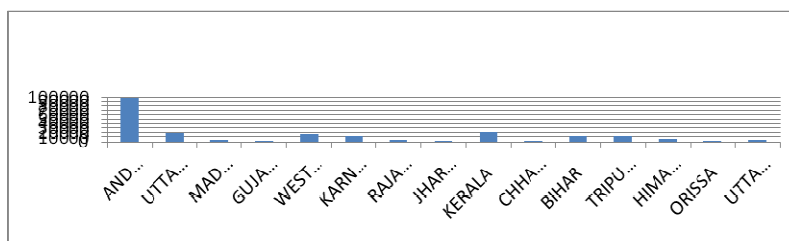


Chart -6 Micro Irrigation Works

Micro irrigation is another important type of works to be undertaken under MGNREGA. If properly created and maintained this irrigation assets will enhance agricultural production and productivity. A total of 231807 (6% of the total assets created) assets have been created under MGNREGA in the area of micro irrigation. The chart depicts that among the top fifteen countries only Andhra Pradesh has done well. All other states have relatively low share in the assets created in the area of micro irrigation.

6. Provision of Irrigation facilities to the land owned by SC/ST

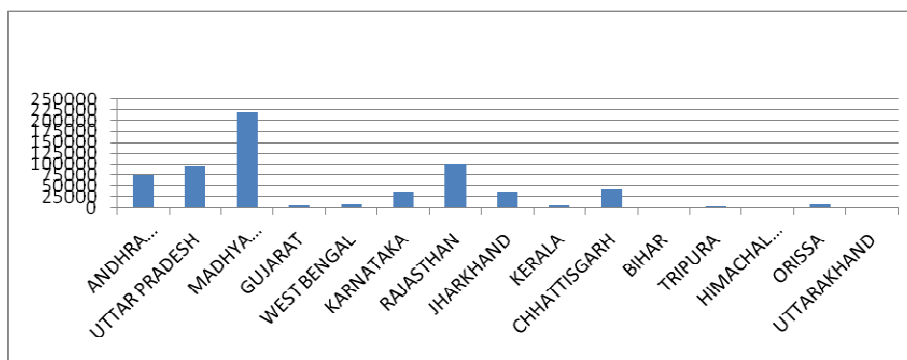


Chart -6.Provision of Irrigation facilities to the land owned by SC/ST

Social inclusion has been one of the unique features of MGNREGA right from its inception. This has been ensured not only in terms of the participation of backward classes like SC/STs in the employment programme but also in terms of assets created in the land owned by these people. MGNREGA permits the creation of assets in the land owned by the backward classes. A total of 644428 assets have

been created in the last three years (2008-2010) in the land belong to backward classes. This constitutes 16% of the total assets created. This will have a long term impact on the socio- economic conditions of the people belong to the backward classes. The above chart shows that among the top fifteen states Madhya Pradesh has created highest number of assets in the land owned by backward clases.States like Uttar Pradesh, Rajsthan and Andhra Pradesh have also done well in this regard.

7. Renovation of traditional water bodies

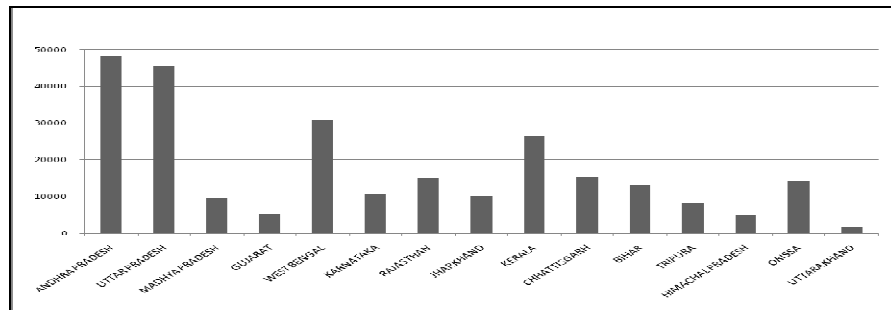


Chart -7.Renovation of traditional water bodies

Water has become the scarcest product of the 21st century. Agriculture productivity and production to a large extent depends on the availability of water sources. Given this, it is crucial to renovate the traditional water bodies like canals, wells and tanks in the villages. Hence it is one of the types of works to be undertaken under MGNREGA. In the last three years (2008 -2010) a total of 284784 (7.5 % of the total assets created) assets have been created in this area. The chart clearly shows that among the top fifteen countries Andhra Pradesh has created highest number of assets in the last three years (2008-10) followed by Uttar Pradesh, West Bengal and Kerala.

8. Land Development

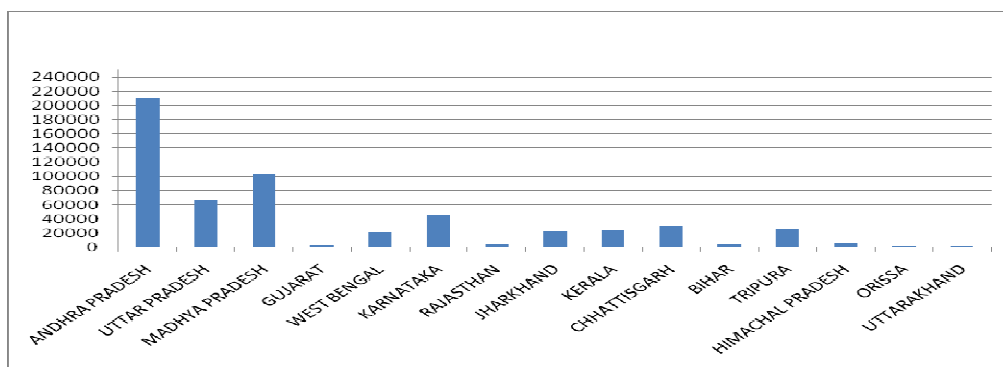


Chart – 9 Land Development

The above chart depicts the performance of states in creating assets in the area of land development. Under MGNREGA a total of 586172 assets have been created during the year 2008 – 2010. This constitutes 15.5% of the total assets created during this period.

The chart shows that among the top fifteen states Andhra Pradesh has created highest number of assets in the last three years (2008-10) followed by Uttar Pradesh and Madhya Pradesh. Other states have relatively low share in total asset created in this area.

9. Any other Activity Approved by Ministry of Rural Development (MoRD)

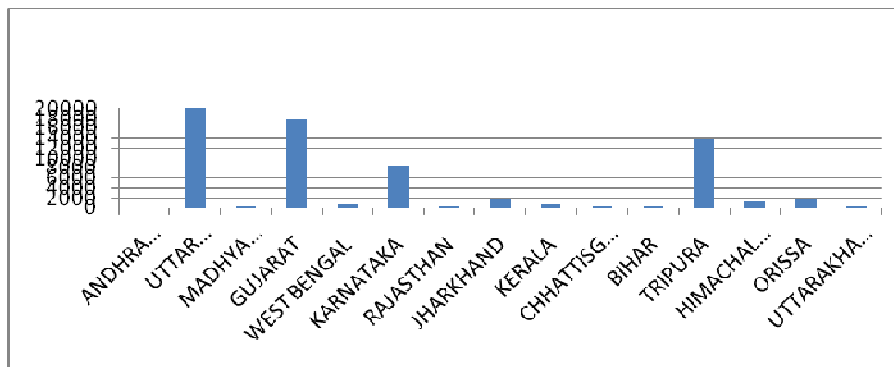


Chart -10 Any other Activity Approved by Ministry of Rural Development (MoRD)

Projects that do not belong to the above eight type of works have been included under “any other activity approved by MoRD”. A total of 69437 (1.8% of the total assets created) assets have been created under this category during the last three years (2008-10).

It is clear from the above chart that among the top fifteen countries Uttar Pradesh has created highest number of assets in this category during the last three years followed by Gujarat, Tripura and Karnataka.

10. Percentage of Works Completed

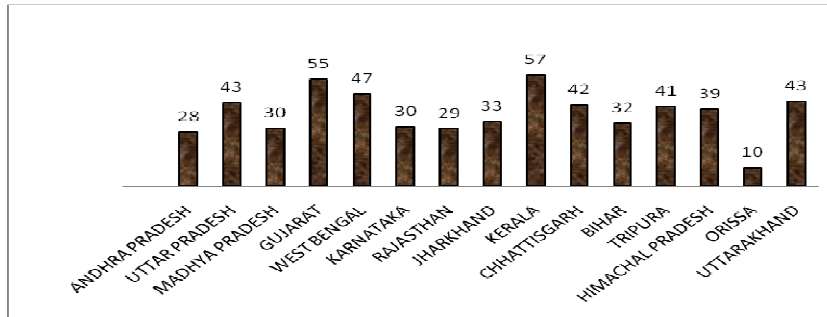


Chart-11 Percentage of Works Completed

One of the major problems of MGNREGA is the non-completion of projects. That is evident from the above chart. Almost all the states have lagged behind in this respect. States like Kerala, Gujarat, Tripura, Uttar Pradesh, Uttarkhand, West Bengal and Chattisgarh have relatively better rate of completion. Table No 1 shows that out of 1.42 Crore works that have been taken up during 2008 -2010, only 37.9 lakh (26.6%) works are reported to have been completed. It must be noted that the long term benefit of MGNREGA depends on the early completion of the projects.

Issues and Challenges

Though MGNREGA is already making quite an impact on the lives of the rural poor, there are several problems that need to be addressed to bring about overall development. Following are some of the issues, as far as the creation of

productive assets are concerned, that need immediate attention in order to realise the full potential of the Act.

1. Poor Quality of assets created.

Given the low level of support infrastructure provided for NREGA works, it is not surprising that quality of works undertaken is uniformly reported to be poor. Ambasth P, P S Vijay Shankar & M Shah (2008) have found out the prevalence of poor quality assets in many districts of Chhattisgarh and Madhya Pradesh. In Rajnandgaon district in Chhattisgarh the emphasis is more on spending a larger amount of money than on ensuring quality in works execution. In Sarguja, shortage of technical staff is reported as adversely impacting quality. Also poor and thoughtless implementation strategies result in low quality work. Planting is done but no provision is made for watering, nor is any protection (mechanical or human) planned against grazing. The plantations are thus destroyed fast. In Jashpur and Raigarh districts; the poor quality of works is widely reported, particularly given the paucity of technical manpower resources at the disposal of MGNREGA projects. In Madhya Pradesh, in Shivpuri, it is reported that quality of works is very poor. Farm bunding has been initiated without any proper technical planning because of which the quality of work is shoddy. In Tikamgarh, plants have already died because no arrangement was made for water. The condition of roads is variable and only a few may survive.

NREGS campaign in Bihar (PACS, 2008) also shows that the type of work is limited to filling earth, digging channels and constructing ponds. These activities are not planned or implemented in a structured manner thereby resulting in poor quality assets.

2. Lack of technical planning

Many of the projects under this scheme are not planned or implemented in a structured manner. This is due to the lack of technical competence of the executing agents at different levels. For example, most of the talabs built under this scheme do not have a natural catchment area and are designed to use the underground water by the means of boring or surface water by the canal nearby. This negates the technical purpose of the scheme to conserve rainwater and recharge ground water to be harvested by people when needed. If a tank is designed to get water through bored well it would lead to depletion of groundwater rather than its conservation.

The local people naturally were sceptical of the utility of such tanks. In one project of soil conservation, topographical survey and L-section of drainage lines had not been carried out. The work was not planned on watershed approach. For construction of contour bunds and earthen water harvesting structure, the soil had been excavated from downstream side also, which would weaken the structure. Cases were also found of taking up interlocking brick road works which are not permissible as cement concrete road itself has been banned by the Ministry. Construction of interlocking roads would incur huge expenditure with 90% material component. At places entirely new construction had been taken up where the old one already was in good condition (MoRD, 2010).

According to Appu P.S. (2009), the fatal weakness of NREGA is poor implementation. The main reasons for shoddy execution are the decline and degeneration of the administration at all levels, particularly at the block level, and the lukewarm, half-hearted approach to democratic decentralization

3. Poor maintenance of the Assets created

Another important concern is poor maintenance of the assets created under the Act. Lack of maintenance of the assets is already putting a large number of the assets created into disuse. This alone has the potential to undo whatever has been achieved. In Dungarpur district of Rajasthan, floods have washed away most of the new water conservation structures constructed under NREGA. A total of 2,377 water harvesting structures – anicuts, check-dams, gabian structures and water channels – had been built in Dungarpur since the launch of NREGA from April 2006. Around 80 per cent of them have been washed away. Sidhi district in Madhya Pradesh is an example of how without any provision for maintenance, assets created are put to disuse. The district has spent substantially on water conservation works under NREGA. The district now faces a problem of plenty: many villages don't want new water harvesting structures being built under NREGA (Richard Mahapatra, Neha Sakhuja, Sandip Das, & Supriya Singh 2008). Rather, they want NREGA money to be spent on maintaining the existing structures which is not happening under the Act. The act does not have any mechanism either to ensure maintenance of the works. As a result, even the works that have been completed are wasting away due to lack of maintenance.

4. Incomplete Projects or Delay in Completion of the projects

Several works that were taken up under NREGA remain incomplete even after two years of their start. Since there is no provision to factor in the completion of work in the overall planning, state governments have initiated a large number of new works and abandoned the old incomplete works mid-way. In many states, buildings and other structures built under the programme were washed away during monsoons. This led to enormous wastage of financial and human resources (Harsh Agarwal, 2010). Completion and maintenance of works under MGNREGA should be made compulsory.

It is the alarming fact from the table no.1 that out of 1.42 Crore works that have been taken up during 2008 -2010, only 37.9 lakh (26.6%) works are reported to have been completed. This needs immediate attention.

5. Overemphasis on providing employment than creating rural assets

The ultimate aim of the Act is to revive agriculture by creating durable rural productive assets. In actual operationalisation of the Act, however, the first objective of providing employment assumes by far the most dominant concern of the law, and no wonder, the second objective of securing sustainable productive assets stands in the shadow. Instead of implementing and evaluating the act purely in terms of employment creation, the focus should have been on the real impacts on local development through productive assets creation.

People are employed in unproductive work; it is a threat to MGNREGA. A worker can get wages walking up and down eight hours. This is not a productive employment (Ashim Roy, 2007). Even during the social audit, the prime attention goes to matter related to registration, issue of job card, allocation of work, timely wage payment and work site facilities, rather than the assets created, utilization of the assets completed, increase in production, multiplier aspects of income generation, diversification and processing activities, let alone the overriding issue of ownership, operationalisation and maintenance of the assets created on public lands (Prasad Y.B. 2009).

6. Lack of trained man power

Most of the people responsible for implementing the NREGA were found to be either disinterested or poorly trained (PACS, 2008). Programme officers at the block and district levels were not trained or oriented towards meeting the local needs of job-creation and asset-creation.

Even the report by the Comptroller and Auditor General (CAG) has highlighted the lack of administrative capacity of the village panchayat members to run this scheme in the desired decentralized manner. It also focused on the need to build this capacity quickly and effectively. The CAG report highlights the deficiency of adequate administrative and technical manpower at the Block and Gram Panchayat (GP) levels, especially at the Programme Officer, Technical Assistants, and Employment Guarantee Assistant level. “The lack of manpower adversely affected the preparation of plans, scrutiny, approval, monitoring and measurement of works, and maintenance of the stipulated records at the block and GP level” (CAG,2006) A survey in Jashpur block, Chhattisgarh, found that sub-engineers were being burdened with the task of maintaining job cards, implying that their primary tasks suffered. Such additional appointments are a rare opportunity to provide employment to the youth in our villages and should not be allowed to be squandered due to administrative hurdles (Tanushree Sood, 2006).

Under National Rural Employment Guarantee Act the state governments were required to constitute panels of accredited engineers at the district and block levels. Without timely and transparent costing valuation by such a panel, neither sanction of works nor payment to labour can happen on schedule. CAG found the panel missing in as many as 20 of the states it studied. The state governments were also to appoint Technical Resource Support Groups at the state and district levels to assist in planning, design, monitoring, evaluation, quality audit, training and handholding. The CAG report finds that 23 states had not set up such groups at the state or district levels (CAG, 2006).

7. Lack of people’s planning

Lack people participation another important shortfall of NREGA. There is little effort at social mobilization without which there is no chance of NREGA emerging as a people- centered programme. For instance in Tikamgarh district of Madhya Pradesh there are no annual work plans ratified by the grama sabha. The plans are prepared by the CEO block Panchayat and grama Panchayat secretary and forwarded for fund release to district panchayat. There has been very little efforts to mobilise the people to take active part in the plan (Ambasth P, P S Vijay Shankar and M Shah 2008).

While entering untested waters, there are various challenges. But it would be difficult to realize the potential of MGNREGA unless these challenges are properly

addressed. For works to be productivity enhancing and for effective social accountability, major reforms need to be introduced in MGNREGA implementation, some of these include:

1. Success of MGNREGA should be assessed not only in terms of employment provided but also in terms of assets created and their usefulness. Village development through productive asset creation should be made an important objective of this scheme. Premium wage must be provided for development programmes. This will ensure that work done is completed and is useful. With so much money involved in this scheme the government should take serious measures to see that the money is utilized to create assets villages, thus bringing about a real change in the rural economy. Record of the assets created under MGNREGA must be maintained at the district headquarters. A national/state level audit needs to be done to see what all productive work has been done under MGNREGA¹
2. Adequate resources and proper systems should be made available for continuous monitoring and evaluation at every stage of the programme to ensure quality of the projects undertaken.
3. Deployment of full time professionals dedicated to MGNREGA at all levels, but most crucially at Block levels, which is at the cutting-edge of implementation.
4. Early completion of projects is crucial to create the second round impact of enhancing agriculture productivity. Focus should be given to the early completion of projects rather than undertaking so many projects at once.
5. Maintenance of assets created should also be given attention. Since operational guidelines of MGNREGA provides that the maintenance of assets created under the scheme is considered as permissible work under MGNREGA, regular maintenance works of the assets created should be undertaken by the village panchayat. Proper record at various levels to monitor the maintenance of assets created under MGNREGA should be strictly maintained. According to the operational guideline of MGNREGA (NREGA, 2005), Work Register and Asset Register are required to be maintained by Programme Officer/ Gram Panchayat/ other implementing agencies. This should be strictly enforced. Work Register contains details of the work such as number and date of sanction orders, completion date, expenditure incurred, date of Social Audit, pre-mid-post-project-

condition of the work etc. The Asset Register contains details of assets, its cost, creation, current status, benefits derivable and details of works which have been taken up on the asset. Whenever works are taken up, entries should be required to be made not only in Work Register but also in the Asset Register.

6. Schematic convergence with Swarna Jayanti Gram Swarojgar Yojana (SGSY), Sampoorna Grameen Rojgar Yojna (SGRY) Integrated Wasteland Development, Programme (IWDP), Draught Prone Area Programmes (DPAP), Total Sanitation Campaign (TSC), Pradhan Mantri Gram Sadak Yojana (PMGSY) and other Housing, Irrigation, Forestry and ICT related programmes. Strategic convergence with other line departments will help in maximizing the impact on the intended beneficiaries and also avoid the duplication of efforts.
7. Ensuring people's participation in planning the assets to be created is crucial. Local knowledge should be used in planning the types of assets to be created so that assets created will be suitable to the local requirements. This is crucial for creating the second round impact of MGNREGA.

Conclusion

The MGNREGA ranks among the most powerful initiatives ever undertaken for transformation of rural livelihoods in India. The unprecedented commitment of financial resources is matched only by its imaginative architecture that promises a radically fresh programme of rural development. However, for MGNREGA to realise its potential, it must focus on raising the productivity of agriculture in India's most backward regions. This can then lead further to the creation of allied livelihoods on the foundation of water security. This is also the only way we can envision a decline in the size of the work guarantee over time, as public investment under MGNREGA leads to higher rural incomes, that in turn spurs private investment and greater incomes and employment.

References

- “Evaluation and Impact Assessment of National Rural Employment Guarantee Scheme, Institute of Human Development”, New Delhi, 2006-07
- “The National Rural Employment Guarantee Act 2005 (NREGA) – Operational Guidelines (2008)”, New Delhi, P:6.1.3

- Ambasth P, P S Vijay Shankar and M Shah 2008, 'Two Years of NREGA: The Road Ahead', Economic & Political Weekly, Vol 43, No 8, pp 41-50.
- Amit Shah & Sunni Jose 2009, Asset Creation and Local Economy under NREGS: Scope and Challenges, GIDR Working Paper Series, No.193, Gujarat Institute of Development Research,
- Appu P.S.2009, Expand and Re-orient NREGA, The Hindu, 14 October.
- Ashim Roy, 2007, 'NREGA and its Implementation-Major Challenges', paper presented to the South Indian Workshop on National Rural Employment Guarantee Act (NREGA) of Pipal Tree (In-Dia –Forum) at Fireflies Inter-Cultural Centre, Bangalore, 29 July 2007
- Centre for Science and Environment, 2008, 'An Assessment of the Performance of The National Rural Employment Guarantee Programme in Terms of its Potential for Creation of Natural Wealth in India's Village', Report Prepared for the Ministry of Rural Development Government of India.
- Comptroller and Auditor General of India Report –February 2006 to March 2007
- Dhawan BD, Yadav SS 1997, 'Public Investment in Indian Agriculture, Trends and Determinants', Economic and Political Weekly Vol. XXXII No. 14.
- Farzana Afridi 2008, 'Can Community Monitoring Improve the Accountability of Public Official', Economic & Political Weekly, Vol 43, No.42, pp 35-40.
- Government of India 2010 'Central Teams Report on the implementation of NREGA in the four districts of U.P'. , Ministry of Rural Development, 4 - 10 May.
- Harsh Agarwal 2010, National Rural Employment Guarantee Act - A Review, Policy Proposals For India
- Mihir Shah 2008, 'Governance Reform Key to NREGA Success', The Hindu, 14 April.
- Mihir Shah 2009, 'Multiplier accelerator synergy in NREGA', The Hindu, 30 April
- NREGA Survey 2008, conducted by Frontline in six states of North India
- Poorest Area Civil Society Programme (PACS Programme)), 2008, Awareness-raising and fact-finding campaign in 21 districts of Bihar.
- Prasad Y.B.2009, 'NREGA: weeping over wages, forgetting dying works', The Hindu, 4 October.
- Press Release ,Ministry of Rural Development, Press Information Bureau, Friday Dec 19, 2008
- Press Release, Ministry of Rural Development, Press Information Bureau, Government of India, May 30, 2008

- Richard Mahapatra, Neha Sakhuja, Sandip Das, Supriya Singh 2008, 'NREGA- Opportunities and Challenges', Centre for Science and Environment.
- Santhosh Mehrotra 2008, 'NREGA Two Years On: Where Do We Go From Here?' , Economic & Political Weekly, Vol XLIII, No 31, pp 27-35
- Sridhar V.2005, 'Empowering the Rural Poor',Frontline,Vol.22,Issue 19,Sep 10-23,2005
- Tanushree Sood (2006), 'NREGA –Challenges in Implementation', Info Change News & Features, September 2006.
- http://www.policyproposalsforindia.com/article.php?article_id=169&languageid=1, Viewed On 2 February, 2010