Do it like Andhra Pradesh

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The new government is planning to reform the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA).

By: Diego Maiorano

The new government is planning to reform the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA). Officials in the ministry of rural development say the emphasis will shift from employment generation to the construction of durable assets. The rationale behind this choice is that the demand for employment under the MGNREGA is apparently declining. Hence, it would be better to focus on the quality of the infrastructure rather than on maximising employment. While there is no doubt that rural India urgently needs high-quality infrastructure, assuming that the demand for employment is declining would be a mistake. A recently introduced policy in Andhra Pradesh shows that the demand side of the MGNREGA needs to be strengthened too.

Indeed, the MGNREGA is in bad shape. Official data shows that the average personday per household declined from 53.99 in 2008-09 to 45.86 in 2013-14. The decline has been even sharper in the five "star" states (Andhra, Chhattisgarh, Himachal Pradesh, Rajasthan and Tamil Nadu), from 59.60 in 2008-09 to 48.24 in 2013-14. Most bureaucrats across India attribute this decline in employment generation to the declining interest of people in demanding MGNREGA work. Some even argue that the decline in employment generation is a positive.

SUMMARY

The decline in employment generation is mostly due to bottlenecks and faults in the supply side.

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thing, as it shows that the scheme is working well: people are being lifted out of poverty and therefore they do not need the MGNREGA anymore. If wage seekers do not seek employment, this narrative goes, there is little that the administration can do.

This line of argument overlooks one simple fact: study after study shows that the demand for MGNREGA employment is not declining. My own survey conducted in Andhra and Rajasthan shows that an overwhelming majority of the 1,200 wage seekers interviewed would like to work more under MGNREGA. This applies to those who completed the full 100 days of work too. The decline in employment generation is mostly due to bottlenecks and faults in the supply side.

There is one state where this narrative is virtually absent. This is Andhra. The main reason why it is absent is that, so far, the state has implemented the MGNREGA in a rigid top-down manner. The demand side has been completely ignored, while the supply side has been improved significantly.

However, the state government has now understood that, in the words of the MGNREGA director, Karuna Akella, “It doesn’t matter how much we improve the supply side, we must strengthen the demand side too.” To do so, the rural development department has recently introduced a policy that might be worth replicating.

In short, the state government is unionising MGNREGA workers. Each wage seeker is part of a group of 20 co-workers (called SSS groups). The SSS members select two representatives among themselves, one male and one female. The representatives of all...
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