



Inclusive Growth through Mahatma Gandhi National Rural Employment Guarantee Act in Karnataka State

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Abstract

Rural Development in India is one of the most important factors for the growth of Indian economy. In order to overcome all these problems especially rural unemployment, Government of India enacted The National Rural Employment Guarantee Act (NREGA) on 25th August 2005. A country's development has always been measured through its overall efficiency in their important sectors. This can be identified through the standard of livings of that country's people. The status of a 'developed' country is absolutely use-less, when the people in that country have do not get the opportunity to include their 'livings' in various economic operations. The Government of India has been introducing many schemes and policies to make 'people of rural India' as active partners in the process of economic activities. Among many the 'MGNREGS' is one of a scheme, introduced in the year of 2006 with the ultimate objective to provide employment opportunities to the people who are especially residing in the small towns, villages and hamlets. Proper implementation of schemes like this will definitely improve their 'earnings' and there by purchasing power which leads improvements in standards of livings. This seminar paper tries to analyze the scheme of 'MGNREGA' in terms of its achievements and its impact on the 'un-employed' in the villages and small towns.) present study mainly focus on the important achievements of MGNREGA though the inclusive growth since inception of the act.

Key Words: Growth, Standard of Living, Economy, Rural India, Employment.

INTRODUCTION

Mahatma Gandhi National Rural Employment Guarantee Act is the biggest poverty alleviation programme in the world providing work to 5 crore rural households or 10 crore workers. One in

every 3 rural household is a worker under this programme. It addressed 41% of the problem of under employment in rural areas. Its main objective is to enhance livelihood and food security to the rural poor by giving 100 days of guaranteed employment to adult



members of the family who are interested to participate in the unskilled manual work in a financial year. MGNREGA started in three phases, first in 2006 covering 200 districts, second phase in 2007-08 covering another 130 districts and in the third and final phase the remaining all the districts have been notified under NREGA with effect from 1st April 2008. Thus the whole nation was brought under the purview of MGNREGA with the exception of the districts which are having hundred per cent urban population. In 2nd October 2009 NREGA has been renamed as MGNREGA. with effect from 1st April 2008. Thus the whole nation was brought under the purview of MGNREGA with the exception of the districts which are having hundred per cent urban population. In 2nd October 2009 NREGA has been renamed as MGNREGA. Table No. 1. Explains the various stages of MGNREGA where by the scheme got its modifications from 2005 to 2009.

Generation of employment opportunities is the primary concern of any nation either it is a developing or developed one. In course of undertaking different developmental activities the developing countries will have ample scope to generate employment facilities to their eligible people. The most important difficulty in offering sufficient 'opportunities' to their country people are the 'skills' which are demanded by the various 'positions' and which are often found as 'shortage' in the people who are seeking permanent contract with their 'governments'. The primary feature in the under-developed and developing countries labour is the shortage of 'skills'. Most of the people are under or semi educated but hard working in nature and most of them are engaged

in agriculture or semi-agriculture works in 'rural and villages'. For the peculiar feature of this kind of labour force the 'Indian Government' has been formulating and implementing many kinds of schemes among many the 'MGNREGA' is the most popular one and it has been giving expected results to the policy makers. Approximately 70 percent of rural population of the country depended on the agriculture & allied activities. Employment in the agriculture is available in one or two seasons. Remaining seasons some of people used to migrate to the cities and other countries' for their employment. Most of the people in the rural areas are in the below poverty line and in unemployment, this is the situation before the enactment of MGNREGA in india in 2005.

History of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)

MGNREGA, since its inception in year 2005, is one of the biggest poverty alleviation programme in the world. The act provides a legal guarantee for 100 days of wage employment in every financial year to every rural household whose adult members are willing to do unskilled manual labour at the statutory minimum wage rate. The programme also aims at providing of livelihood security for the poor through creation of durable assets. However, the main objective of MGNREGA is to augment wage employment with a secondary objective of strengthening, "natural resource management through works that address causes of chronic poverty like drought, deforestation and soil erosion" & thereby encourages sustainable development (Ministry of Rural Development, 2010). In special case such of the works which are not



included in the permissible work list, state government by making use of Section 1(ix) of schedule 1 of MGNREGA

act may add new categories of works on the basis of consultation between state and central government.

Journey of MGNREGA

Table 1.1: Table showing Time-Line of MGNREGA Programme

Table-1 shows that the Programme was introduced in 200 most backward districts of the country in the first stage on 2nd February 2006 and further it was extended to another 130 districts in April 2007 and MGNREGA has been universalized throughout the country on 1st April 2008. On 2nd October 2009 it was renamed as MGNREGA.

Aug. 2005	Feb. 2006	April 2007	April 2008	Oct. 2008	16 Feb. 2009
NREGA legalised	Came into force in 200 districts	130 more districts included	Universalization of the scheme	Wage transaction through bank/post offices	MOU with the postal department
Oct. 2009	Till the date				
Name changed to MGNREGA	No change in nomenclature				

Source: www.nrega.nic.in

Since the legalisation of MGNREGA in the year 2005, the programme was implemented in 200 most backward districts of the country in February 2006. In the year 2007, 130 more districts were brought under MGNREGA and within a year the act got universalized by bringing the entire country under its horizon. The programme was renamed as MGNREGA in October 2009

Objectives

1. To study MGNREGA in Karnataka State
2. To Study MGNREGA Through Inclusive Growth

Methodology

The study is based on secondary source of data such as books, records, Government documents, journals, magazines and official records of

Ministry of Rural Development and Panchayat Raj, Government of Karnataka and Government of India, websites.

Literature Review

Md. Rahmatullah, Asstt. Professor in Economics, Dept. of Law, A.M.U., Aligarh, asserted in his seminar research work on the topic of "MGNREGA: The Role in Inclusive Growth" concluded as among many schemes which were introduced in several five year plans the 'MGNREGA' is the programme which is intended for the poverty eradication and met success almost all to its intended results. The MGNREGA has been generating infrastructure facilities which have been smoothen the process of development.



Reetika Khara in her work on “Group measurement” of NREGA work: The Jalore Experiment” identified that this scheme created infrastructure facilities, and improved the standards of livings of the people by providing employment at least for 100 days. The ‘mate training’ experiment in ‘Rajsthan’ improved the labour productivity as well. ‘Gropu formation’ under this scheme helped the people to accept good obligation which has guaranteed regular incomes.

According to **Chandrasekhar and Jayati Ghosh (2004)**, “The NREGA is necessarily ‘inclusive’ at the most basic level in economic terms; because it targets those who are willing to engage in physical work for a daily wage, in other words, the poorest sections of society. But it is also emerging that the NREGA tends to be more socially inclusive as well, that is, it disproportionately involves women, SCs and STs as workers in the scheme. Thus, the impressive participation of women in NREGA is a harbinger of social change and it will lead to decline the distress migration and improvement in food consumption among certain families”

Jha (2008) stated that the flow of funds and benefits of NREGS have largely gone to and availed by the disadvantaged section of the society and they had significantly high probabilities of participating in NREGS. A high share of female employment and building of infrastructure are also encouraging features of NREGS.

Raju Narayana Swamy (2013) reviewed the high percentage of women participation in the scheme clearly projects that the programme to a great extends has been beneficial for the women. This social protection which the Act ensures the promotion of gender

equality empowers women and reduces social exclusion.

Mathur, Lalit (2008), “Employment guarantee progress so far” depicted in the finding that MGNREGA could act as a great agent of socio-economic upliftment and providing livelihood security of poorest of the poor in India if implemented earnestly. The employment and the earning under MGNREGA should be treated as additional avenue for such households.

MGNREGA in Karnataka:

To tackle the problem of unemployment, under employment and poverty among the rural population in Karnataka, MGNREGA has been introduced on 2nd February 2006. The programme was implemented first in Bidar, Gulbarga, Raichur, Davanagere and Chitradurga districts of the state in 2006 and extended to Belgaum, Bellary, Chikmagalur, Hasan, Shimoga and Kodagu districts in 2007. In 2008 MGNREGA universalized by covering all the remaining districts of the State. The main aim of this programme is to ensure livelihood and food security to the rural poor through creating sustainable assets. India in general and Karnataka in particular, the number of workers in unorganised sector is overwhelmingly high and so also their preponderance across all occupations and activities. Most of the unorganised sector workers are deprived of basic social security measures, like, health, income, employment etc. In this context, the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) as a fall back employment source is designed to make significant difference to livelihood security in rural areas especially rural poor. The Mahatma Gandhi National Rural Employment Guarantee Scheme



(MGNREGS), a self-targeting labour intensive public works programme, in the first phase was implemented in most backward 200 districts of the country from February 2006. In April 2007, additional 130 districts were included under phase II, bringing the total districts under it to 330 districts. From April 2008, under phase III, MGNREGA has been extended to all 644 rural districts in the country to guarantee at least 100 days of wage employment to every rural household every year and to reinforce the commitment towards livelihood security in rural areas.

Performance of Mgnrega:

MGNREGA has generated 67.83 crore man days up to January 2015. In the financial year 2014- 15, 1094870 households were provided employment by generating 43369681 person days. Most of the expenditure is on wages. At present the average wage earned is Rs.190/- where as it was only Rs.65/. during the year 2006. Women work force participation under this scheme has increased to 46.59%. During the financial year 2014-15, 70330 works have been completed and 118155 works are in progress under MGNREGA.

Table-2 shows that out of the total 3486289 works taken up, only 592971

Table-2 Works completed during the period from 2006-07 to 2014-15

Year	Works started	Works completed	Works in progress
2006-07	18642	11004	7638
2007-08	26180	18040	8140
2008-09	96598	8446	88152
2009-10	519471	27919	491552
2010-11	391657	195430	195657
2011-12	326002	144029	181973
2012-13	311898	78359	233539
2013-14	544356	39414	504942
2014-15	1251485	70330	1181155
Total	3486289	3486289	2892748

works have been completed and 2892748 works are still in progress from 2006-07 to 2014-15. The performance in terms of completed work is quite low

Table-3 shows the employment provided to different categories from 2006-07 to 2014-15. The overall employment provided is 8098.1 lakhs. In the year 2009-10 maximum number of people got employed and the total number stood at 2740.50 lakhs. The minimum number of members got employed in the year 2014-15 and the number stood at 144.96 lakhs. Among the total, 1070.38 lakh were SC category, 577.23 lakh were under ST category, 4769.45 were other category and remaining 2589.21 lakh were women got employed under MGNREGA.

Table-4 shows the details of person days generated from 2006- 07 to 2014-15. In total person days of 67.83 crores the share of SC/ST category is 17.30 crore person days and women has generated 29.44 crore person days. During the year 2006-07 total person days generated was 2.22 crores and it has gone up to 20.04 crore person days in 2009-10. This is due to the introduction of scheme in all the districts of the State.



Source: Karnataka State convergence plan, Department of RD and PR.

Table-3 Employment provided to different categories (in lakhs)

Year	SC	ST	Others	Women	Total
2006-07	73.37	45.18	319.25	112.2	550
2007-08	59.79	37.94	352.87	99.4	550
2008-09	79.89	39.88	167.84	145.03	432.64
2009-10	334.64	171.77	1497.02	737.07	2740.50
2010-11	177.4	102.72	817.75	505.08	1602.95
2011-12	109.84	58.02	531.68	321.32	1020.86
2012-13	104.89	55.63	461.40	287.59	909.51
2013-14	16.41	09.12	74.34	46.81	146.68
2014-15	114.15	56.97	547.3	334.71	144.96
Total	1070.38	577.23	4769.45	2589.21	8098.1

Source: www.mgnrega.nic.in

Table-4 Person days generated from 2006-07 to 2014-15

Year	Total person days generated (in crores)	Women (in crores)	SC/ST(in crores)	Average person days per family out of 100 days (No. Of days)
2006-07	2.22	1.12	1.08	41
2007-08	1.97	0.99	0.97	36
2008-09	2.88	1.45	1.19	32
2009-10	20.04	6.85	5.07	57
2010-11	10.98	4.91	2.80	48
2011-12	7.01	3.23	1.68	42
2012-13	6.21	2.87	1.60	46
2013-14	7.18	3.34	1.71	50
2014-15	9.34	4.68	1.20	41
Total	67.83	29.44	17.30	-

Source: www.mgnrega.nic.in

Table-5 Financial Performance of MGNREGA from 2006-07 to 2014-15

Year	Total funds available(in crores)	Total expenditure (in crores)	Percentage of utilization of funds
2006-07	341.31	248.30	73
2007-08	436.72	236.51	54
2008-09	727.33	373.61	51
2009-10	3407.30	2569.20	75
2010-11	2587.90	2116.29	82
2011-12	1957.01	1528.25	78
2012-13	1788.76	1456.86	81
2013-14	2192.94	2097.70	95
2014-15	1590.40	1222.78	77

Source: Rural Development and Panchayat Raj annual report.



The above table shows the total fund availability during the year 2006-07 was Rs.341.31 crore and exceptionally high during the year 2009-10 it is Rs.3407.30 crore and in the year 2014-15 it is 1590.40 crores. Similarly the utilization of fund has increased from 248.30 crore in 2006-07 to 2569 crores in 2009-10. This is mainly due to the implementation of the scheme in all district of the state since 2008-09. However the total utilization has come down to Rs.1222.78 in 2014-15.

Summary: Since the inception of MGNREGA it has generated 67.83 crore person days.

The present average wage earned is Rs.191/- per day as it was Rs.65/- per day in 2006. It shows that the average wage has been substantially increased in the state. The state has provided employment to 8098.1 crore rural households under MGNREGA. Out of which the share of the marginalized groups like SC 1070.38 crore and ST 577.27 crore persons and 112.20 crore women have been provided employment in 2006-07 and it is substantially increased to 737.07 crore in 2009-10, but it came down to 46.81 crore in 2013-14. In 2014-15 women's share in employment is 334.71 crore. In total person days of 67.83 crore SC/ST share has increased from 1.08 crore in 2006-07 to 1.71 crore in 2013-14 but it has come down to 1.20 crore in 2014-15..

The total funds availability in the year 2006-07 was 341.31 crore and exceptionally high in the year 2009-10 it is 3407.30 crore and in the year 2012-13 it is 1788.76 crore. The demand for MGNREGA was high in the year 2009-10 due to drought in the state. Similarly the utilization of funds has increased from 248.30 crores in 2006-07 to 2569.20 crore in 2009-10. This is mainly due to the

implementation of the scheme in all the districts of the state since 2008-09. However total utilization of funds has come down to 1222.78 crore in 2014-15.

MGNREGS and Inclusive Growth

India is looking forward to achieve the inclusive growth in order to successful implementation of MGNREGS. The former Prime Minister of India, Dr.Manmohan Singh, spoke of the Plan in his Foreword as 'a comprehensive strategy' for inclusive development, and it was said that, "the central vision of the Eleventh Plan is to build on our strengths to trigger a development process which ensures broad-based improvement in the quality of life of the people, especially the poor, SCs/STs, other backward castes (OBCs), minorities and women". The scheme is quietly promoting positive desired growth through the inclusive nature of execution. The majority workforce mainly comprises of Women, SCs, and STs in the scheme so that it tends to be more socially inclusive. Aiding in the empowerment of the marginalized communities through the processes of rights based legislation.

Current status: During the current financial year 2015-16, 1449649 lakh employments have been provided to households and 718.10 lakh person days of employment generated. The programme has attracted down trodden groups like Scheduled Caste (15.89%), Scheduled Tribes (7.93%) and women (46.59%). Out of 894249 works undertaken 104040 works are completed and 790209 works are in progress. Women have actively participated in this programme. The figures show that the women have surpassed the statutory requirement of the Act i.e. 33%.



Mgnregas funding pattern: The Grants will be released directly to the districts from the National Employment Guarantee Fund. The Government of India has instructed to open separate bank accounts at the district, block and panchayat levels in order to credit MGNREGA grants directly.

Salient features of the Act

The salient features of the MGNREGA

i) Registration: People who are willing to do unskilled work under MGNREGA have to apply for the registration either in written form or orally to the Gram Panchayat (GP).

ii) Job Card: After proper verification of the registered household, job card has to be issued.

iii) Application for work: A written application for work is to be given to the Gram Panchayat or Block office which states the time & duration of work.

iv) Unemployment allowance: If the work is not provided according to the scheduled time i, e. within 15 days, unemployment allowance needs to be paid to the beneficiary.

v) Provision of work: Act envisages that (i) work is to be provided within 5 kms radius of the village, (ii) extra wages of 10% has to be paid for meeting additional cost on transport etc, (iii) worksite facilities such as crèche, drinking water and shade need to be provided, particularly to women.

vi) Wages: Wages to be paid on weekly basis (not beyond a fortnight) mandatorily through the individual/joint bank/post office account. Besides there is a special provision for payment of equal wages to men and women. It is mandatory according to the guidelines of MGNREGA that at least 1/3rd of the beneficiary should be women.

Conclusion

Mahatma Gandhi Rural Employment Guarantee Act (MGNREGA) though notified on 7 September, 2005, was implemented in all the rural districts of India in April 2008. It is the biggest employment providing programme ever started in a country for the development of its rural areas. It aims at providing 100 days of guaranteed wage employment in a financial year to every rural household whose adult members volunteer to undertake unskilled manual work. From all the above said observations it is reasonably conclude that the commitment of the Government is appropriate, but might have failed at the stage of proper implementation. In the state of Andhra Pradesh the main feature of MGNREGA has been showing a diminishing trend. The other side of the coin may be the beneficiaries might have been decreasing due to their improved economic conditions. In a democratic country like in India, the process of announcement and implementation of such popular schemes never come to an end. If one particular scheme has not been showing the intended results, the shortcomings of such scheme will give birth to another scheme. MGNREGA is the largest employment providing programme in the world. It has provided work to 5 crore rural households or 10 crore workers in India. It addressed 41% of the problem of under employment in rural areas. Since its inception in Karnataka 67.83 crore person days of employment has been generated. MGNREGA has helped in enhancing the livelihood in rural areas by providing 100 days of guaranteed wage employment in each financial year to every household who volunteers to do unskilled manual work. It also helped in the creation of durable assets that can



provide environmental services and sustainable livelihood; reduction in distress rural migration and work participation by women, SC, ST and disabled persons. MGNREGA helps in strengthening of grass root process of democracy.

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