



Progress of Mahatma Gandhi national rural employment guarantee act in Karnataka: Emerging issues and challenges

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Abstract

The Mahatma Gandhi National Rural Employment Guarantee Act, 2005, (MGNREGA) was enacted on 7th September 2005 as “An Act to provide for the enhancement of livelihood security of the households in rural areas of the country by providing at least one hundred days of Guaranteed wage employment in every financial year to every household”. The Act has come into force with effect from February, 2006 in 200 districts initially and later on extended to all the rural districts of India from the financial year 2008-09. The study is based on secondary data collected from various source like, www.mgnrega.nic.in Annual Reports of the Ministry of Rural Development, Government of India, New Delhi. The data such as region district wise financial allocation and utilization under MGNREGA, Social group wise job cards and the wage rate in Karnataka and India. The districts classified based on the GP performance rank. The study observed developed districts have better performance to use the percentage of fund utilisation in all periods in Karnataka. In the year 2011-12 developed dissects have more fund utilisation compared with other different district. The average wage rates is high in the year 2009-10 to 2011-12 in India as compared to Karnataka state, after India’s average wage rates continuously declined compared with Karnataka state during 2012-13 to 2017-18. But Karnataka state has been continuously increased up to 2017-18. The proportion of conversation and water harvesting such as good performance in the year 2017-18 with rest of compared 2014-15 in Karnataka. The rural connectivity having highest undertaken works in MGNREGA in present year 2017-18. This follows that a greatly importance was accorded to improve the natural resources base and livelihood strategies of the rural areas. MGNREGA is world’s largest rural employment programme in terms of financial commitment and coverage. MGNREGA is a right based demand driven programme. It requires adequate flow of funds all through the year in response to the job demand. MGNREGA was initiated as a short-term intervention strategy for creation of employment in the rural society wherever there is no such scope.

Keywords: MGNREGA, wage rates, employment and poverty

1. Introduction

The Mahatma Gandhi National Rural Employment Guarantee Act, 2005, (MGNREGA) was enacted on 7th September 2005 as “An Act to provide for the enhancement of livelihood security of the households in rural areas of the country by providing at least one hundred days of Guaranteed wage employment in every financial year to every household”. The Act has come into force with effect from February, 2006 in 200 districts initially and later on extended to all the rural districts of India from the financial year 2008-09. Salient feature of the Act is to improve the quality of life of rural households who are vulnerable to out-migration in search of daily wage employment by channelizing the wage workforce towards developmental activities at the village level itself. The objectives of MGNREGA are: a) providing wage employment opportunities, b) Creating sustainable rural livelihoods through regeneration of the natural resource base i.e. augmenting productivity and supporting creation of durable assets, c) Strengthening rural governance through decentralization and processes of transparency and accountability (GoI, 2010). Total population enhancement in the quality of the life of the economically weaker sections of the society has been one of the basic objectives of development planning of the state.

Rural development aims at improving rural people’s livelihoods in an equitable and sustainable manner, both socially and environmentally, through better access to assets (natural, physical, human, technological and social capital), and services, and control over productive capital that enable them to improve their livelihoods on a sustainable and equitable basis. Mahatma Gandhi NREGA belongs to a long history of wage employment programmes. The most significant features of Mahatma Gandhi NREGA are that it creates a rights-based framework and that it is a law. Backed by political will and adequate budget resources from the Government of India (GoI), the implementation of the Act has yielded encouraging results, despite an uneven performance across the country. Initial studies vindicate its effect in augmenting employment, increasing wage earnings, stemming distress migration, enhancing productivity and promoting equity, especially gender equity. This Act for unskilled manual labour is ushering in a new era of technology and financial inclusion for rural communities (Amaresh and Rajiv 2016) [2]. The choice of works suggested addresses causes of chronic poverty like drought, deforestation, soil erosion etc. Effectively implemented, the employment generated under the Act will also build up the long-term livelihood asset base of rural India. MNREGA guarantees wage employment on

public works to any adult who is willing to do unskilled manual work, subject to a guaranteed employment for 100 days per household per financial year. If employment cannot be provided, the applicant is entitled to daily unemployment allowance. Panchayats will play a very important role as MNREGA has designated them as the principal authorities for planning and implementation of schemes under the Act. With afore stated governance business scope, initially in 200 districts which got subsequently extended to 330 and finally to all rural districts across the country. This will require strong systems for the effective management and implementation of the schemes. Obtaining regular wage employment is the dream and the first demand of the poor in India. A majority of the poor in India continue to depend on wage labour for their survival. Guaranteeing the right to work calls for an "Employment Guarantee Act, whereby the Government is legally bound to provide work to all those who are able bodied. This would enable people not only to feed themselves and their families, but also to achieve a minimum standard of living. It is important to examine the performance of NREGP and offer policy hints to ensure effective impletion of it (Biradar).

2. Review of Literature

A brief review of literature focusing on financial and physical progress in India and Karnataka is presented as follows. Kumar (2014) in his paper examined that Programme has a major impact on rural area. MGNREGA is playing pivotal role in rural employment generation and enhancing the rural livelihood. It is one of major wage employment initiative which provides at least hundred days of employment in the rural area. The panchayat raj institution played a leading role in planning and implementation of the programme. MGNREGA help generating wage employment in the rural area.

A study by Krishnan (2014) found the main and foremost objective of the scheme is to eradicate poverty by providing productive guaranteed wage employment and strengthening natural resource management. This objective addresses the first, third and seventh MDGs, this paper attempts to assess the achievements of the MGNREGA in addressing the MDGs. Even though there are some problems, MGNREGA is the most successful poverty eradication programme introduced in India. It provides the money in the hands of poor; particularly women directly without any middlemen, even their husbands were not have the rights to receive it. Sharma (2017) ^[4] found that many employment generation programmes are being introduced by the Government of India to fulfill the gap of employment generation in rural India. Mahatma Gandhi national rural employment guarantee act is the first ever act in the history of India to provide guaranteed work and wage. This paper studies the effect of MGNREGA on the generation of employment, type of work done under this statute and up to what extent this programme is successful in poverty alleviation in rural India. Many researchers have found that this programme has a huge impact on the employment structure of rural India. The present paper studied and outlines the role of MGNREGA in enhancing the livelihood of poor rural people through twin incorporation of work with skill. Also, there is the need of overcoming the procedure of payment.

3. Objectives

1. To examine the trends and patterns of Fund allocation and Utilisation under MGNREGA in Karnataka.
2. To study the generation of employment under MGNREGA in Karnataka.
3. To analyse the wage rate paid under MGNREGA in Karnataka and India.
4. To offer policy suggestion to effective implementation programme in Karnataka.

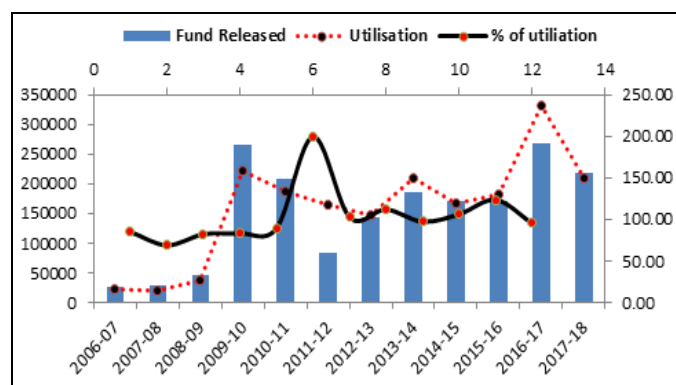
4. Research Methodology

The study is based on secondary data collected from various source like, www.mgnrega.nic.in Annual Reports of the Ministry of Rural Development, Government of India, New Delhi. The data such as region district wise financial allocation and utilization under MGNREGA, Social group wise job cards and the wage rate in Karnataka and India. A simple percentage and average are used to analyse the data collected (2006-07 to 2017-18). The districts classified based on the GP performance rank like More developed (90-100 Value), developed (86-90), backward (81-85) and more backward (70-80 values) 2015-16.

5. Result and Discussion

5.1 Financial and Physical Performance in MGNREGA

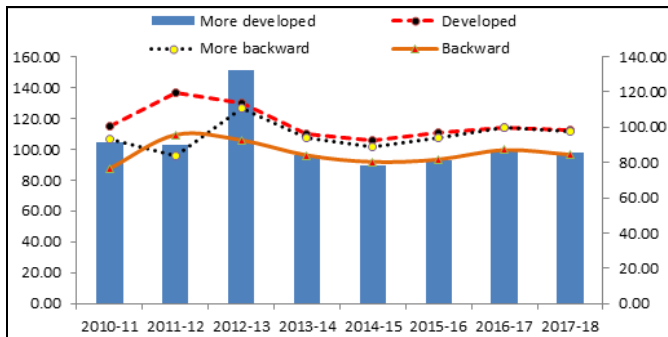
Figure 1 provides the fund released and Utilisation under MGNREGA in Karnataka during the period 2006-07 to 2017-18. The first phase MGNREGA introduced by only five districts are Bidar, Chitradurga, Davanagere, Kalaburgi and Raichur. The MGNREGA will be extent to 11 districts Second phase remaining six districts are Belagavi, Ballari, Chikkamagaluru, Hassan, Kodagu and Shivamogga. Similarly this programme is extending to all districts in Karnataka during the period 2009-10. In the year 2006-07 is fund allocated and utilisation for only five districts, it means the average per districts was Rs 6826.6 lakh. The programme was extended to all districts the allocation and utilisation also increased in all whole periods. The study is observed the fund allocation and utilisation is significantly increased. The utilisation of fund is starting 73.80 percent in 2006-07 year. Later it was increasing to 88.60 percent in 2009-10. In the year 2016-17 the fund released and utilization is very high compared with the whole periods in Karnataka.



Source: www.mgnrega.nic.in

Fig 1: Fund allocation and Utilization under MGNREGA in Karnataka.

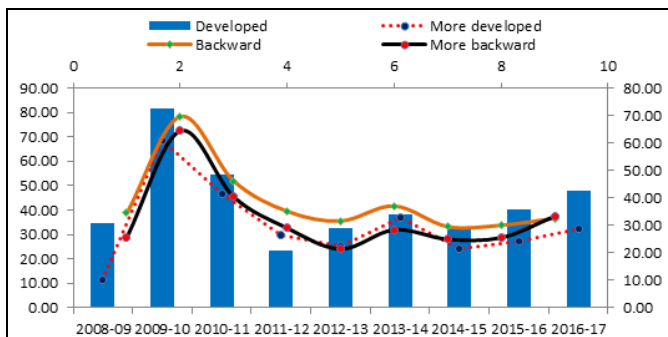
Figure 2 shows that percentage of fund utilisation under MGNREGA in Karnataka by different districts during 2010-11 to 2017-18. The more developed districts have more fund utilisation having 151.19 percent in the year 2012-13. It can be observed in figure 2 is a fluctuation of percentage of fund utilization except the year 2011-12, and 2012-13. The study observed developed districts have better performance to use the percentage of fund utilisation in all periods in Karnataka. In the year 2011-12 developed districts have more fund utilisation compared with other different district. Similarly backward districts have less fund utilisation in the year 2011-12.



Source: www.mgnrega.nic.in

Fig 2: Fund utilization under MGNREGA in Karnataka by Regions.

Figure 3 shows that percentage of demanded employment to total job cards under MGNREGA by different districts in Karnataka during 2008-09 to 2016-17. The percentage of demanded employment is very high in all different districts in the year 2009-10 compared with rest of all periods. The study is observed that during the whole period more developed districts and more backward districts having less demanded employment in Karnataka. The developed districts and backward districts having more demanded of employment in Karnataka by during 2008-09 to 2016-17. In the year 2011-12 the less demanded employment in developed districts. The study observed fluctuation in employment demanded is more among districts falling as well as developed.

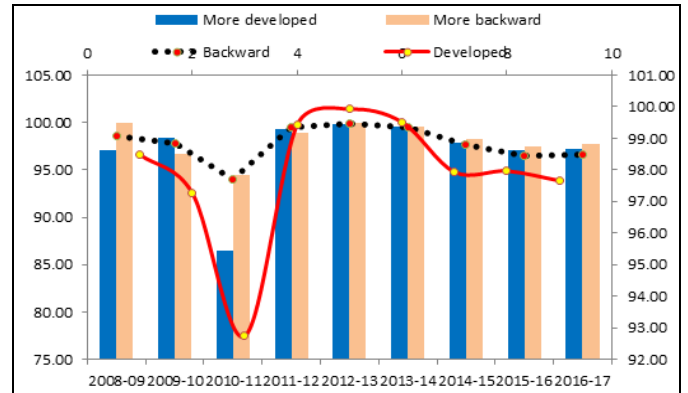


Source: www.mgnrega.nic.in

Fig 3: Household demanded employment under MGNREGA in Karnataka by Regions (in %)

Figure 4 shows that employment provided to total household demanded employment in different districts under MGNREGA in Karnataka during the period 2008-09 to 2016-17. The study is observed in figure 4 there is less provided

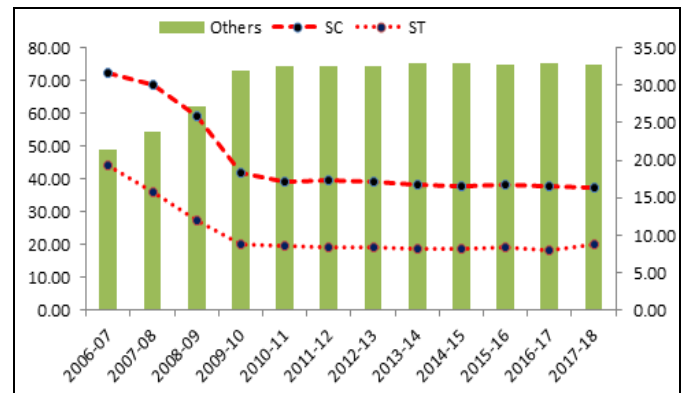
employment in more developed districts in the year 2008-09 compared with rest of the whole periods. The provided employment is very high in different districts during the period 2009-10 in Karnataka. The developed districts are less provided employment in the year 2011-12 compared with other regions districts in Karnataka. It can be observed in figure the percentage of provided employment is a fluctuation in Karnataka. Similarly in the year 2016-17 developed districts are provided employment is very high is compared with other different districts in Karnataka.



Source: www.mgnrega.nic.in

Fig 4: provided employment to total demanded employment under MGNREGA in Karnataka by Regions (in %)

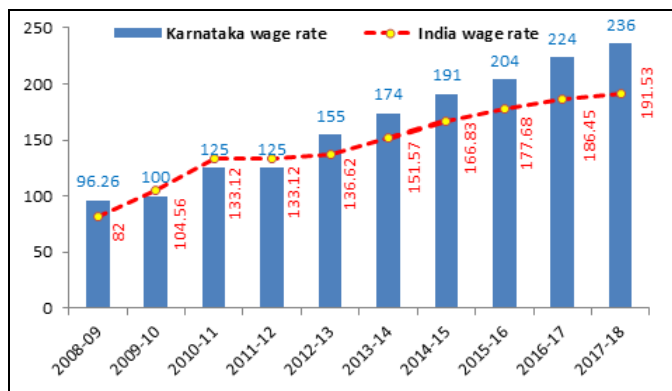
Figure 5 shows that job cards issued by social groups under MGNREGA in Karnataka. Scheduled caste have more job cards holders in the starting stage under MGNREGA in the year 2006-07. After Scheduled caste job cards holder has been continuously declined with whole periods in Karnataka. Similarly STs Job cards holder's also first stage having more job cards holder during the year 2006-07. After STs Job cards holder continuously declined having job cards with compared to whole period. Similarly starting stage others having low level job cards holder during the period 2006-07. After continuously increased Others having job cards holders up to 2017-18. As well as job cards issued by social groups is concerned, it has found that job cards will be help to rural people for getting the employment and it help to reduced the poverty in rural area.



Source: www.mgnrega.nic.in

Fig 5: Job cards issued by Social groups under MGNREGA in Karnataka. (In %)

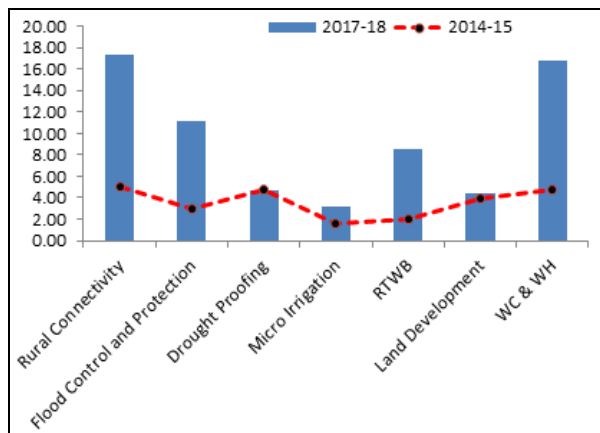
The average wage rates under MGNREGA in Karnataka and India level provides in figure 6, during the period 2008-09 to 2017-18. The figure observed there is average wage rate is very less in India during 2008-09 compared with Karnataka state have 96.26 average wage rate in 2008-09. The average wage rates is high in the year 2009-10 to 2011-12 in India as compared to Karnataka state, after India's average wage rates continuously declined compared with Karnataka state during 2012-13 to 2017-18. But Karnataka state has been continuously increased up to 2017-18. Similarly current statuses of average wage rates in Karnataka have 236 as well as compared with India.



Source: www.mgnrega.nic.in

Fig 6: Average Wage rates under MGNREGA in Karnataka and India.

The data provided in figure 7 shows that distribution of works undertaken MGNREGA in Karnataka as compared to 2014-15 and 2017-18. The proportion of conversation and water harvesting such as good performance in the year 2017-18 with rest of compared 2014-15 in Karnataka. The rural connectivity having highest undertaken works in MGNREGA in present year 2017-18. Flood control and protection, land development, drought proofing, renovation of traditional water bodies and micro irrigation such as good performance compared with 2014-15 to 2017-18. This follows that a greatly importance was accorded to improve the natural resources base and livelihood strategies of the rural areas.



Source: www.mgnrega.nic.in

Fig 7: Distributions of Works under MGNREGA in Karnataka 2014-15 & 2017-18 (In %)

6. Conclusion and Policy Suggestions

MGNREGA is world's largest rural employment programme in terms of financial commitment and coverage. MGNREGA is a right based demand driven programme. It requires adequate flow of funds all through the year in response to the job demand. MGNREGA was initiated as a short-term intervention strategy for creation of employment in the rural society wherever there is no such scope. However, ultimate long-term success of MGNREGA lies in creating the required economic, social, and environmental empowerment and social capital in the rural society so that it graduates from one stage of development to next higher stage.

The poverty and employment are the two major issues in Karnataka in rural areas. More poor people are living in the rural areas. Mostly they were dependent on seasonal agricultural labours and were bound to migrate to urban cities for the work before the implementation of MGNREGA. Poverty was widespread across the country at varying level in different states. Rural areas were most affected with the problem of poverty and non-availability of opportunities to work in hometowns. They were always in hardship and were forced to suicide. In this backdrop, the MGNREGA proved to be miracle for the poor in the rural areas. The MGNREGA provides at least 100 days guaranteed wage employment for all demands for work. Women are given guaranteed one-third share in the total employment. Marginalized groups, for example SCs, STs and Others, are allowed to get developed own private lands.

One of the important objectives of MGNREGA is to promote financial inclusion and empower workers socially and economically. To realize this objective and to make the payment system transparent, MGNREGA stipulated for 100% payment through banks/post offices. Although the problem of wage payment through banks/POs is difficult in some of the interior Gram Panchayats / villages in rural areas, this practice of nonpayment through banks/post offices should become a norm.

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