



PERFORMANCE AND IMPACT OF MGNREGA PROGRAM ON RURAL RECONSTRUCTION

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Abstract

Since independence rural development and rural reconstruction remains a major challenge before the Indian government. The mission and vision of Ministry of Rural Development exhibits a sustainable and inclusive growth of rural India. Central and state governments have introduced several employment programs and plans with the intention of reconstruct rural area and up-liftment of the rural poor and empowerment of women. This only can possible by providing employment opportunities, for this government has implemented the MGNREGA scheme. In spite of these efforts still the people of rural India faces problems like lack of basic infrastructure, rural-urban migration, and unemployment and disguised unemployment, poverty and so on. The present study reviews the performance and impact of the MGNREGA scheme on the rural reconstruction in India and Karnataka. The study period is taken during 2014 to 2017 financial years. Policy suggestions also given to improve the implementation of scheme, In MGNREGA analysis the basic statistical tools percentage, average, ratios and graphical presentation used to better understanding of the scheme achievements.

Key words: *MGNREGA, Rural Reconstruction, India, Karnataka.*

1. Introduction

The word rural most familiar to us, According to Merriam Webster dictionary the word 'Rural' is of or relating to the country and the people who live there instead of the city. According to Whitakar (1982) 'rural' was first used by the U.S Bureau of the census in 1974 when it was defined as indicating the population of a country exclusive of any cities or towns with 8000 or more inhabitants. 'Reconstruction' means to renovate. So that we can define "Rural Reconstruction" as renovation of the villages for the total well-being of the rural populace; it is oriented to their social, economic, and political development. The purpose of rural reconstruction observes Dr. Spencer Hatch "is to bring about a complete upward development towards a more abundant life for rural people spiritual, mental, physical, social and economic." Rural in present India have characterized as "rural slums" and "poverty and need". Main reason to review the rural reconstruction programs because India is a society with a huge rural area having a large population. According to 2011 census of India there are 6, 40,867 villages in the country and 68.84 % (8, 33,087,662 persons) and the rural literacy rate is 68.9%. So that rural reconstruction should be the starting point of development in India. Hence it's necessary here to examine the MGNREGA program whether it fulfilled the objective or not.

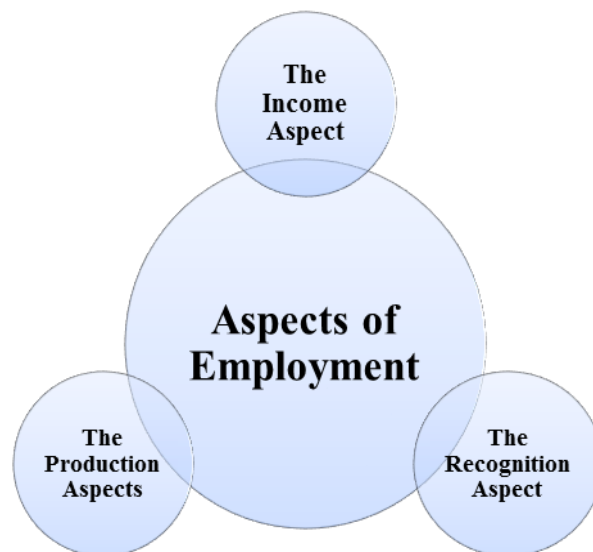
Rural development/reconstruction and improving the socio-economic status of rural poorer has been always the objectives of development planning and programs in India. The MGNREGA is among one of them. The program introduced in February 2006 with the main objective of enhancing the livelihood security in rural areas through providing 100 employment guarantee days with minimum wage every rural household who are willing to do unskilled manual work. The National Rural Employment Guarantee Act 2005 (NREGA) is a social security scheme that attempts to provide employment and livelihood to rural labourers in the country. In an effort to make inclusive and overall



development a reality, the NREGA was passed as a labour law and implemented across 200 districts in 2006. By 2008, it came to cover the entire country. The scheme was designed to provide any adult who registers for rural employment a minimum job guarantee of 100 days each financial year. This includes non-skilled work, making it one-of-its-kind across the world. It was later renamed the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA). The MGNREGA is an entitlement to work that every adult citizen holds. In case such employment is not provided within 15 days of registration, the applicant becomes eligible for an unemployment allowance. MGNREGA was implemented in phases, starting from February 2006, and at present it covers all districts of the country with the exception of those that have a 100% urban population.

1.1 Aspects of Employment

There are generally three aspects in the employment those written in flow chart. For rural peoples all three are important. NGNREGA over focuses on the income aspect. Employment gives income to the villagers, it also yields production which is second aspect and the employment gives person the recognition of being engaged in something worth his while, this is the third aspect of employment.



2. Review of Literature

Ashok (2016) found that in his study the scheme provides a legal guarantee for 100 days of employment in every financial year to adult members of any rural household willing to do public work related unskilled manual work at the legal minimum wage. The objective is to ensure livelihood and food security by providing unskilled work to people through creation of sustainable assets. The study mainly concentrated on to study the performance and progress of MGNREGA in the study area.

Banerjee and Saha (2010) in their research analyze that provision of work and creation of durable assets are the economic mechanism of the MGNREGA scheme. Both these objectives have important implications in terms of livelihood strategies in rural India. **Mathur (2008)** "Employment guarantee progress so far" depicted in the finding that MGNREGA could act as a great agent of socio- economic well-being and providing livelihood security of poorest of the poor in rural India if implemented earnestly. The employment and the earning under MGNREGA should be treated as additional way for such households.



3. Objectives of the Study

1. To know achievement of MGNREGA & its impact on Rural Reconstruction
2. To offer policy suggestions to better implementation of scheme

4. Research Methodology

The study is based on secondary source of data collected from various sources like reports published by centre and state governments, Karnataka economic survey, articles and websites such as www.nrega.nic.in, www.rdpr.nic.in. The study period is taken during the 2014 to 2018 financial years. The statistical tools such as percentage and average have been used to better understanding of the program.

5. Results and Discussion

Table 5.1 Basic Information about India and Karnataka

In India		Karnataka	
Total No. of Districts	691	Total No. of Districts	30
Total No. of Blocks	6,919	Total No. of Blocks	176
Total No. of GPs	2,62,588	Total No. of GPs	6,028

Source: www.nrega.nic.in

The below table 5.2 illustrated that in all India level job card issued show in crores while in Karnataka state shows figure in lakhs. In the national level the percentage of the active workers is 46.69 per cent, in Karnataka state it is 47.34 per cent that is higher than national average. The percentage of active job cards in national level is about 59.27 percent, whereas in the Karnataka state it is 54.40 per cent. It is understood from the blow table is that active workers performance in national level is lesser than the State of Karnataka. It means the performance of Karnataka state is better with compare to all India level.

Table 5.2 Total No. of Job Cards provided under the MGNREGA scheme in India and Karnataka

In India	No. of Cards [In Cr]	% of Activeness	In Karnataka	No. of Cards [In lakhs]	% of Activeness
Total No. of Job Cards issued	13.04	59.27	Total No. of Job Cards issued	59.44	54.40
Total No. of Active Job Cards	7.73		Total No. of Active Job Cards	32.34	
Total No. of Workers	25.38	46.69	Total No. of Workers	140.37	47.34
Total No. of Active Workers	11.85		Total No. of Active Workers	66.46	

Source: www.nrega.nic.in

In table 5.3 reveals that from the financial year 2014-15 to 2018-19 the available fund to undertake various work is increases in India from Rs.37,855.03 crore to Rs.67,829.49 crore whereas in Karnataka State also increase except in FY2015-16.



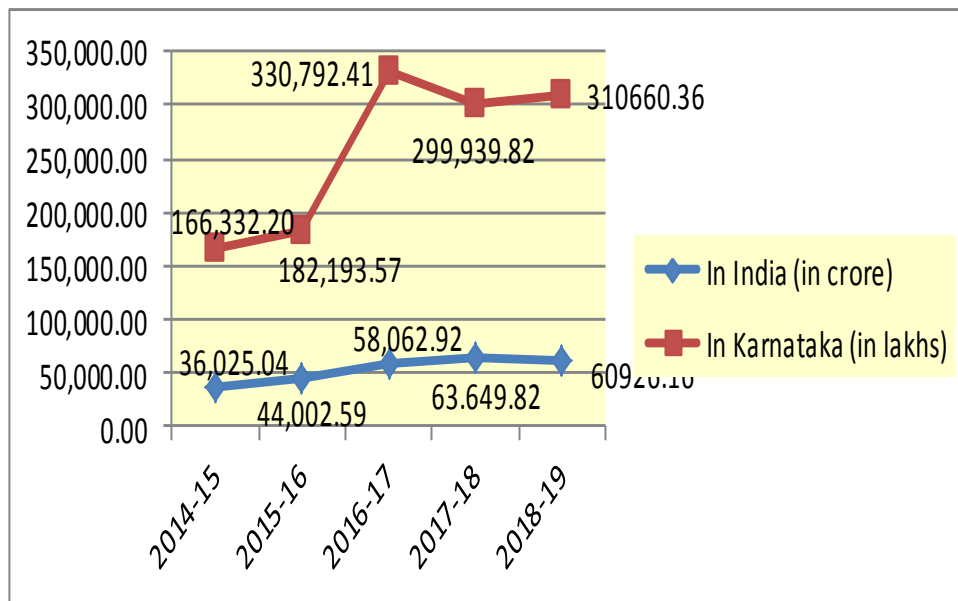
Table 5.3 Total Fund availability in India and Karnataka

Financial Year	Total Availability (In Cr.) in India	Total Availability (Rs. in Lakhs.) in Karnataka
2014-15	37,588.03	195512.8
2015-16	43,380.72	131348.19
2016-17	57,386.67	267841.21
2017-18	64985.89	322998.73
2018-19	67829.49	333797.4

Source: www.nrega.nic.in

The figure 5.1 shows that the total expenditure undertaken in the MGNREGA was Rs.36,025 crores in India in FY2014-15 and it increases continually and in FY2017-18 it reaches Rs.60926 crores. Whereas in Karnataka it increases from Rs.1,66,332 lakhs to Rs.3,30,792 lakhs during the FY2014-15 to 2016-17 respectively, but it was reduced to Rs.299939 lakhs in FY2017-18, after that it again increases.

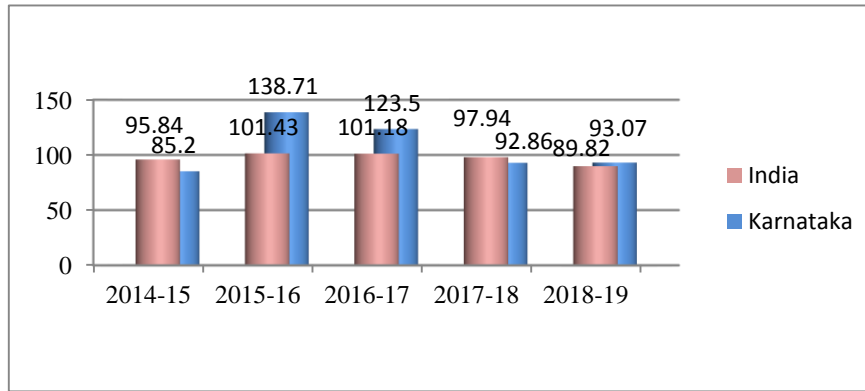
Figure 5.1 Total expenditure under MGNREGA in India and Karnataka



The figure 5.2 reveals that the fund utilization under MGNREGA scheme in India in 2014 it was nearer to 96 per cent whereas in 2018 it decreases to 89 per cent. In 2014 Karnataka state had utilize 85 per cent of fund and in 2018 it increase to 93 percent. In the financial year 2015 and 2016 has the more than 100% utilization both in India and Karnataka. What we understand from above figure is that overall performance of the state of Karnataka is better than the national level.



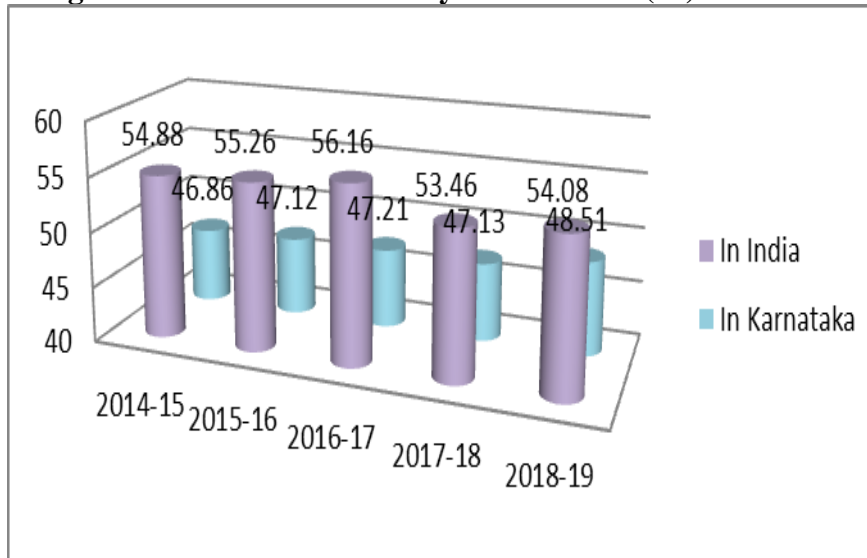
Figure 5.2 Percentage of fund utilization under MGNREGA in India and Karnataka



Source: www.nrega.nic.in

The figure 5.3 explains that during the study period 2014- 15 to 2018-19 the share of women workers almost same from 54.88 per cent to 54.08 in India. Whereas in Karnataka state it increases form 46.86 per cent in 2014-15 to 48.51 per cent in 2018-19, with compare to national level Karnataka state has the low share of women participation in MGNREGA undertaken work. But we can also observe that about 1.65% during the study period.

Figure 5.3 Women Person-days out of Total (%) in MGNREGA



In the figures 5.4 and 5.5 shows social community participation share of India and Karnataka respectively under the scheme of MGNREGA between the study period 2014 to 2019. In the diagram we can see that in the national level scheme performance is good compare to the state of Karnataka. In 2014 SC ST participation is nearer to 40% of total and it remains almost same in further year also in the nation as a whole. But in Karnataka the share of SC ST is 25% of total and remaining 75 percent of work participation share is fulfilled by other communities. Finally we conclude that the share of SC ST community is more in the national level comparing to the state of Karnataka in the study period.



Figure 5.4 Social Community participation share of India

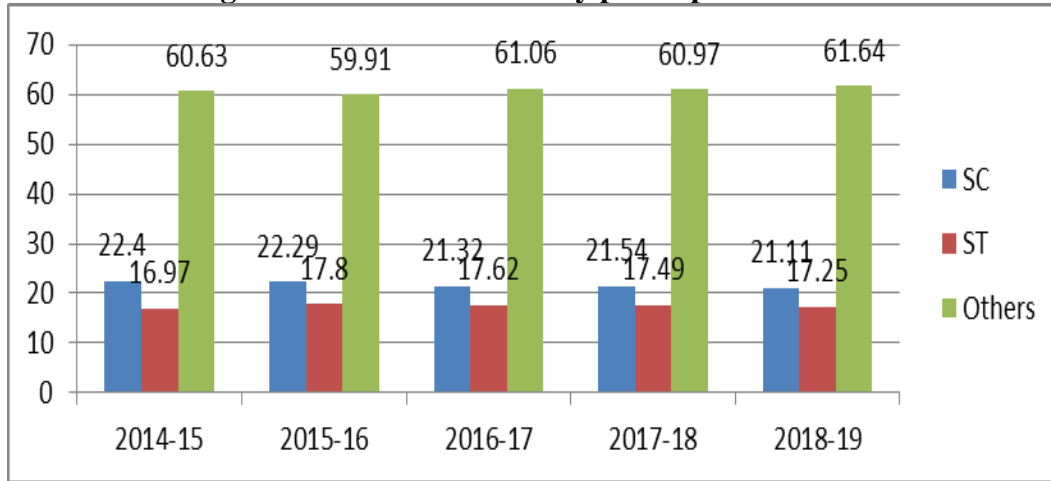
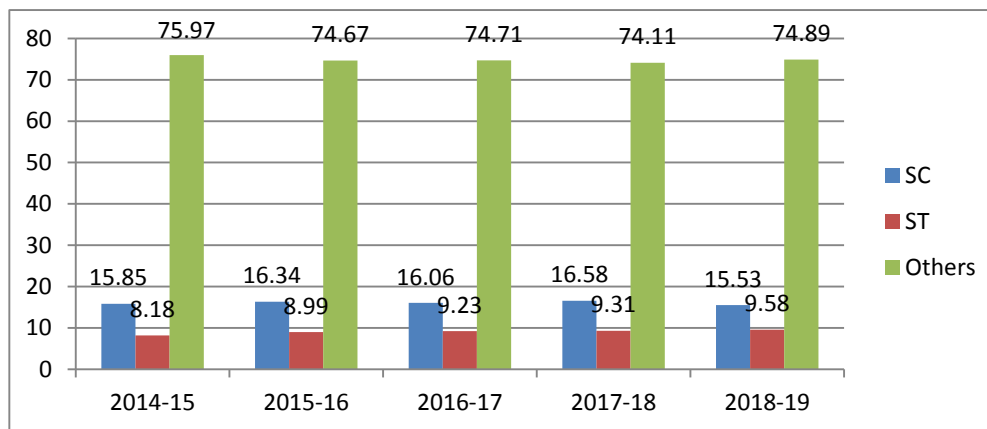


Figure 5.5 Social Community participation share of Karnataka



6. Findings of the paper

- At the national level the share of active workers in total is 46.69 percent, whereas in Karnataka it is 47.34 percent, which is not good because out of 100 percent remaining of them are getting employment allowance without doing any work.
- Average days of employment provided per household in India level increases it 40 and 49 days in 2014 and 2015 financial years respectively but it begins to decrease to 46 and 45 average days in 2016 and 2017 financial year respectively.
- Average days of employment in Karnataka state is also increases 40 to 48 and 50 in 2014, 2015 and 2016 respectively but it come down to 45 days only which is not good smooth progress of the scheme.
- Women Person days out of Total (%) at India level is decreasing from 54.88 in 2014-15 to 53.46 in 2016-17 so far. But, in Karnataka it is slightly increased from 46.88% in 2014-15 to 48.51% in 2018-19 so far. This clearly shows that women work participation is increasing. This is a welcome step.
- SC ST person day's % as of total person days at national level is at 40%. Whereas in Karnataka it is only 25%.



7. Policy Suggestions

- Government must avoid delay in releasing the outstanding funds of MGNREGA.
- Until the definition of working unit is changed by law, from household to individual. 33 percent of women workers should be made mandatory. The states and implementing agencies then will have no ensure 33 percent for continuation of the scheme.
- The average days of labour used was only 40 to 50 days as against 100 days stipulated per annum by MGNREGA in India and Karnataka both. Hence, it is advised to encourage the rural people to utilize stipulated 100 days of labour.
- At some places, it is observed that the workers have to wait months together for their wages and they have to pay some amount as bribe for their job card. Hence, States must punish such people who indulge in such activities.
- Central-state relations and issues in the federal structure have continued to plague MGNREGA implementation in the disbursement of funds. This in turn affects the timely payment of wages, thereby adversely affecting workers. So that the central and state governments are bound by law in MGNREGA to make timely wage payments to the workers.
- Some states government has used the space and mobilization of workers enabled by MGNREGA to provide gender inputs to the MGNREGA workers (e.g. literacy training to women at the worksites in Chhattisgarh). So that training on gender, legal literacy, information about government schemes such as the Domestic Violence Act, social protection scheme, as well as grievance redressed mechanisms, could be undertaken at MGNREGA worksites.

Conclusion

While concluding this one can observe that the impact of MGNREGA on rural reconstruction in India is most positive comparing to other rural development schemes. The National Rural Employment Guarantee Act of 2005 created a justifiable “**right to work**” for all households in rural India through the scheme. Lastly if government adapts some new initiatives such as suggestions given in above then this program will become more effective and through this India can overcome from the rural backwardness.

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