

MGNREGA- ROLE IN EMPLOYMENT: A STEP TOWARDS INCLUSIVE GROWTH**Dr. Veena K.P *** **Dr. C. Mahadeva Murthy****

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ABSTRACT

One of the big challenges India is facing is poverty. The Indian Government has giving more emphasis on poverty alleviation and employment generation. Poverty reduction is possible through economic growth. Many poverty alleviation schemes have been introduced like Training Rural Youth for Self-Employment (TRYSEM), Integrated Rural Development Program (IRDP), Rural Landless Employment Guarantee Programme (RLEGP), Swarnajayanti Gram Swarozgar Yojana (SGSY) etc. All these are not effective in eradicating the problem of poverty and unemployment. In this regard, Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) was introduced which is an important tool for inclusive growth. The concept of inclusive growth is to provide adequate number of productive employment opportunities. MGNREGA is the most ambitious anti-poverty scheme launched in India to provide employment opportunity for women. The present study analyzes the inclusive growth in Karnataka state under MGNREGA scheme. The study also indicates the employment opportunity provided in Karnataka state under the scheme.

Key Words: MGNREGA, Inclusive growth, poverty, Employment.

INTRODUCTION

The inclusive growth in India is not possible due to problem of employment. The population growth has an impact on employment scenario in the country. The problem of unemployment is a serious issue in the country because poverty is much higher than unemployment. Employment is the only source to eradicate poverty. As more than 70.00 per cent of the people depend on agriculture, the employability rate is very low. Developing country like India needs inclusive growth for the overall development of the country. Inclusive growth is necessary for sustainable development and equitable distribution of wealth. In India, more than 70.00 per cent people live in rural areas and among rural population marginalized sections of the society are more vulnerable. In order to reduce the poverty, the inclusive growth should provide livelihood opportunities. In rural areas, still the problem of mass poverty is very severe even though India had already achieved a growth rate of more than 8.00 per cent in the Eleventh Plan. In this background, there is a need for the Government to enact the employment guarantee Act like Mahatma Gandhi National Rural Employment Guarantee Act, 2005.

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is an Indian job guarantee scheme, enacted by legislation on August 25, 2005. On February 2, 2006, amidst great hype and hope, the MGNREGA came into force in 200 of India's backward districts. The scheme provides a legal guarantee for one hundred 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 statutory minimum wage. The law was initially called the National Rural Employment Guarantee Act (NREGA) but was renamed as Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGA) on 2 October 2009. This act was introduced with an aim of improving the purchasing power of the rural people, primarily semi or un-skilled work to people living in rural India, whether or not they are below the poverty line.

MGNREGA is being implemented in Karnataka since 2006. Now it covers all the 30 districts of the State. The objective is to ensure livelihood and food security by providing unskilled work to people through creation of sustainable assets.

Table No. 1, Timeline of Preparatory Critical Activities under MGNREGA

August	25th, 2005	NREGA enacted by legalization
September	5th, 2005	Assent of the President
September	7th, 2005	Notified in the Gazette of India
February	2nd, 2006	Came into force in 200 districts
April	1st, 2007	113 more districts were notified
May	15th, 2007	17 more districts were notified
April	1st, 2008	Notified in the remaining rural districts
October	2nd, 2009	Renamed as MGNREGA
December	10 th , 2010	SMS service was introduced
April	20 th , 2011	Report for daily expenditure
July	5 th , 2013	Workers Mobile number can be added in the data

Source: Various reports, MGNREGA

SALIENT FEATURES OF MGNREGA

The following are the salient features of MGNREGA

- Registration:** Adult members of a rural household willing to do unskilled manual work, may apply for registration either in writing, or orally to the local Gram Panchayat (GP). The unit for registration is a household. Under the Act, each household is entitled to a 100 days of employment every year.
- Job Card:** After due verification of place of residence and age of the member/s (only adult members are eligible for employment), the registered household is issued a Job Card (JC). Job Card forms the basis of identification for demanding employment. A JC is to be issued within 15 days of registration. Each JC has a unique identification number. The demand for employment in the GP, or at block level has to be made against the JC number. Job Cards are also supposed to be updated with days of work and payment made to the beneficiary as and when the work is undertaken.
- Application for Work:** A written application seeking work is to be made to the GP or Block Office, stating the time and duration for which work is sought. The GP will issue a dated receipt of the written application for employment, against which the guarantee of providing employment within 15 days operates.
- Unemployment Allowance:** In case employment is not provided within 15 days, the state (as per the Act) will pay an unemployment allowance to the beneficiary.
- Provision of Work:** While allocating work, the below mentioned considerations are followed: Work is provided within 5 kilometres (kms) radius of the village. In case, work is provided beyond 5 kms, extra wages of 10 per cent are payable to meet additional transportation and living expenses. Priority is awarded to women, such that at least one-third of the beneficiaries under the scheme are women. At least 50 per cent of works, in terms of cost, are to be executed by the GPs.
- Wages:** Wages are to be paid as per the State-wise Government of India (GOI) notified MGNREGA wages. Wages are also to be paid according to piece rate, as per the Schedule of Rates⁴ (SORs). Payment of wages has to be done on a weekly basis and not beyond a fortnight in any case. Payment of wages is mandatorily done through the individual/joint bank/post office beneficiary accounts.
- Planning:** Plans and decisions regarding the nature and choice of works to be undertaken in a FY along with the order in which each work is to be taken up, site selection, etc. are all to be made in open assemblies of the Gram Sabha⁶ (GS) and ratified by the GP. Works that are inserted at Block and

District levels have to be approved and assigned a priority by the GS before administrative approval can be given. The GS may accept, amend or reject them.

REVIEW OF LITERATURE

Ulvin (2011) submitted a research paper on “Social Security for Poverty Reduction: A Study of the MGNREGA in Karnataka, India”. The aim of the study was to find out the need, benefits & challenges of implementing MGNREGA in rural Karnataka. The outcome of the study shows that 50 percent of the respondents participated in work under the MGNREGA. Twelve-point-five percent had a Job Card but they had not participated in any work under the MGNREGA. Fourteen percent did not have a Job Card, but knew about the MGNREGA. Thirteen percent did not have a Job Card and did not know about the MGNREGA, and 10.5 percent had applied for a Job Card, but at the time of the fieldwork, it had not been issued from the local Gram Panchayats.

Harish, Nagaraj, Chengappa and Basavaraj (2011) conducted a study on “Impacts and Implications of MGNREGA on Labour Supply and Income Generation for Agriculture in Central Dry Zone of Karnataka”. The study evaluates the impact of MGNREGA on employment, income and savings of the MGNREGA workers, and analyzes the impact of MGNREGA wages on labour availability for agriculture and on workers’ gender and age. The outcome of the study indicates that the MGNREGA programme often poses the problem of labour scarcity for some of the agricultural operations linked to market wage rates.

Prasad (2012) submitted a study on “Performance of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA): An Overview”. The objective of the study was to explore the current status of MGNREGA, review the performance of MGNREGA and to explain the funding pattern of MGNREGA. The study concludes that MGNREGA serves as an effective safety net for the unemployed especially during famine and drought. It has enabled them with sufficient purchasing power and they are able to at least to supports their basic necessity.

Kadrolkar (2012) conducted a study on “An Impact Assessment Study of Mahatma Gandhi National Rural Employment Guarantees Act’ (MGNREGA) In Karnataka”. The aim of the study was to study the socio-economic background of the beneficiaries of the act, the perceptions of the beneficiaries about the act and to find out the lacunas in the implementation of the act and to offer suggestions for policy implications. The study suggested that job should be provided to all job card holders and there should be redress cell in case injustice met by the beneficiary.

Kaushik (2013) presented a paper on “Challenges Faced by Women Entrepreneurs in India”, the aim of the study was to motivate and de-motivate internal and external factor of women entrepreneurship. The study focused on the socio-economic background and total investment made by the women entrepreneurs. The study also finds out the no. of hours devoted for their business. The study suggests that there is a need for providing assistance investment from financial institutions.

Anitha and Sritharan (2013) undertook a study on “Problems Being Faced by Women Entrepreneurs in Rural Areas”. The study aims at undertaking the entrepreneurial development among women highlights their motivational forces and relationship between socio-economic background of women entrepreneurs, motivational factors and their existing entrepreneurial trait. It is suggested in the study that most of the women entrepreneurs are of the opinion that because of lack of training, they are not able to survive in the market. Hence, the government should conduct frequent training programmes with regard to new production techniques, sales techniques, etc.

Shenbagaraj and Arockiasamy, (2013) presented a paper on “Impact of MGNREGA on local development: A study of Ottapidaram blocks in Thoothukudi district, Tamil nadu”. The objective of the study was to analyze the impact of MGNREGA in increasing the employment and earnings of households in Thoothukudi district. The findings of the study shows that out of 63 Panchayats in Ottapidaram blocks in Thoothukudi district, Tamil nadu,

only 38 Panchayats were covered under MGNREGA and around 76.95% of the beneficiaries received employment for less than 20 days in a year.

Surendra Singh (2013) presented by “MGNREGA: 100 days Employment Guarantee in Bundelkhand (M.P.)?” The study conducted with an aim to find out the progress of MGNREGA in Bundelkhand (M.P.). The study reveals that MGNREGA given 33% jobs for Women’s in Bundelkhand Region (M.P.). In the year 2008-09 percentage of 100 days completion of jobs is 2.98 comparatively low and it was increased in 2010-11. In 2010-11 no .of households issued job cards was 1538480 but no. of jobs demanded only 461791 that was around 30 percent.

OBJECTIVES OF THE STUDY

The study was undertaken with the following objectives

1. To study the Fund Availability and Actual Expenditure on MGNREGA in Karnataka State;
2. To visualize the Number of Job Cards issued under MGNREGA;
3. To find out the Employment rate to Different Categories of people;
4. (vi) To analyze the Employment provided under MGNREGA; and
5. To offer suggestions in the light of the study.

RESEARCH METHODOLOGY

The Study has been under taken to find out the role of MGNREGA towards inclusive growth in Karnataka State. The data required for the present study has been collected from secondary sources. The data is collected from different journals, magazines, texts, articles, and websites related to MGNREGA and employment for women under MGNREGA Scheme in Karnataka State from 2008-09 to 2013-14. The data required for the study has been taken from the website of Ministry of Rural Development www.mgnregs.nic.in. The analysis of the study is done through percentage method. Reaching at suggestions and conclusion were based on the analysis of the study. In the light of the objectives of the study, the study is divided into the components of Mahatma Gandhi National Rural Employment Guarantee Act towards inclusive growth such as,

- a) Fund Availability and Actual Expenditure on MGNREGA;
- b) Number of Job Cards issued under MGNREGS; and
- c) Employment Provided to Women, SC, ST People

MGNREGA: AN OVERVIEW

a) Fund Availability and Actual Expenditure on MGNREGA

Table No. 2 depicts the details of fund availability and actual expenditure made on MGNREGA. The overall total fund available to Karnataka state for the period is ₹1020421 crores and the actual expenditure incurred is ₹ 941541.10 crores. In the years 2009-10 and 2010-11, the actual expenditure is more than the fund available. But in rest of the years actual expenditure is less than the total fund available. Presently, in the year 2013-14 State budget is ₹93013.45 crore, total fund available is ₹125152.65 crore and actual expenditure is estimated to ₹ 79259.09 crore. The scheme is getting more importance now-a-days in Karnataka.

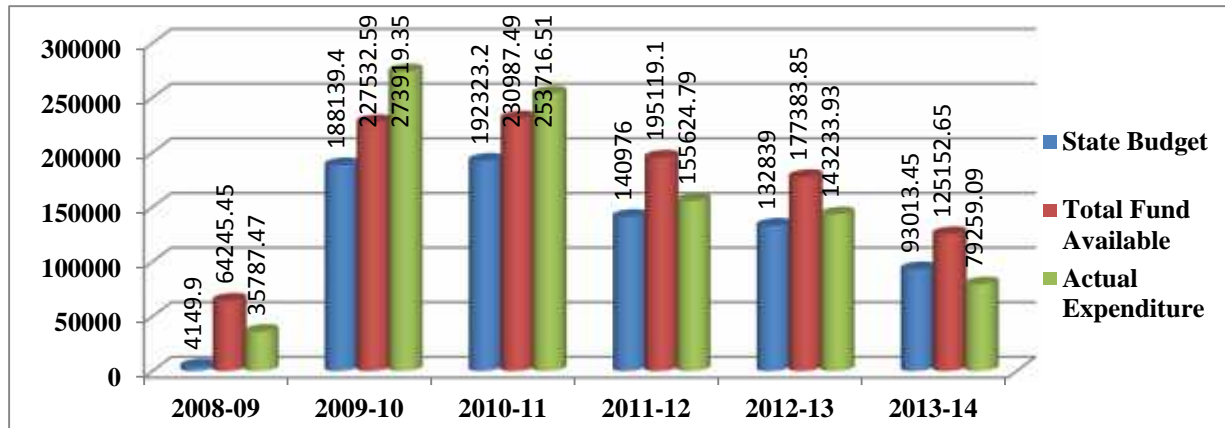
Table No.2, Fund Availability and Actual Expenditure on MGNREGA

Years	Karnataka State (₹ in Crores)		
	State Budget	Total Fund Available	Actual Expenditure
2008-09	4149.90	64245.45	35787.47
2009-10	188139.4	227532.59	273919.35
2010-11	192323.20	230987.49	253716.51
2011-12	140976	195119.1	155624.79

2012-13	132839	177383.85	143233.93
2013-14	93013.45	125152.65	79259.09
Total	751441	1020421	941541.10

Source: Ministry of Rural Development www.mgnregs.nic.in

Graph No.1, Fund Availability and Actual Expenditure on MGNREGA in Karnataka State



b) Number of Job Cards issued under MGNREGA

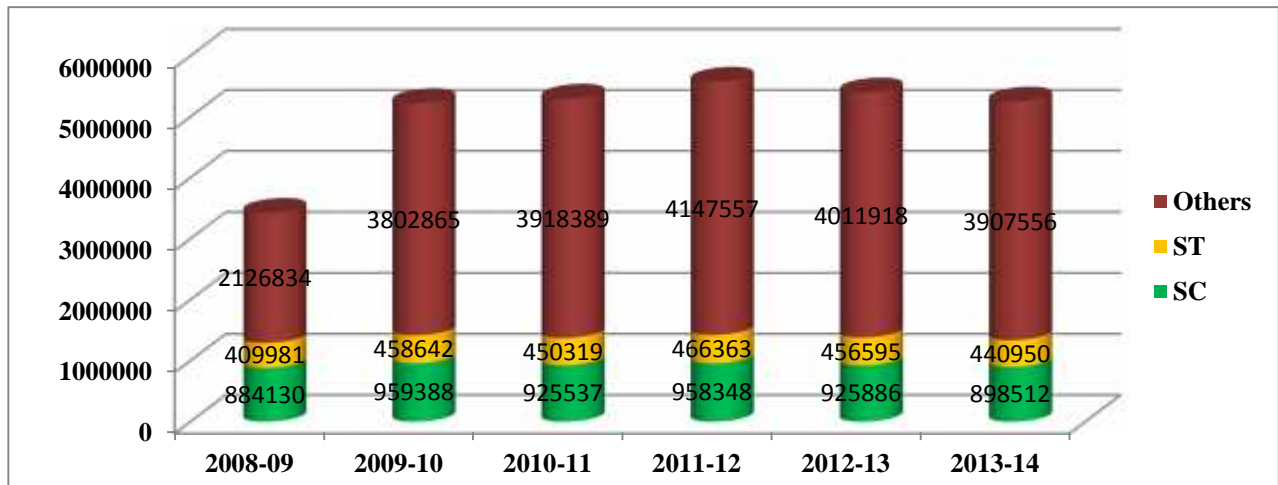
Table No. 3 shows the details of job cards issued under MGNREGA. The total job cards issued during the year issued 27449770. It is clear from the table that the job cards issued in the year 2011-12 was 5572268 cards followed by 2012-13 and 2013-14 with the job cards of 5394399 and 5237018 cards. Out of the total, 5551801 were under SC category, 2682850 under ST category and remaining 21915119 were under other category. To conclude, most of the job card holders are under minority category.

Table No.3, Details of No. of Job Cards issued under MGNREGA

Years	Karnataka State			
	SC	ST	Other	Total
2008-09	884130	409981	2126834	3420945
2009-10	959388	458642	3802865	5220895
2010-11	925537	450319	3918389	2594245
2011-12	958348	466363	4147557	5572268
2012-13	925886	456595	4011918	5394399
2013-14	898512	440950	3907556	5247018
Total	5551801	2682850	21915119	27449770

Source: Ministry of Rural Development www.mgnregs.nic.in.

Graph No.2, Job Cards issued under MGNREGA in Karnataka State



C) Employment Provided to Women, SC & ST People

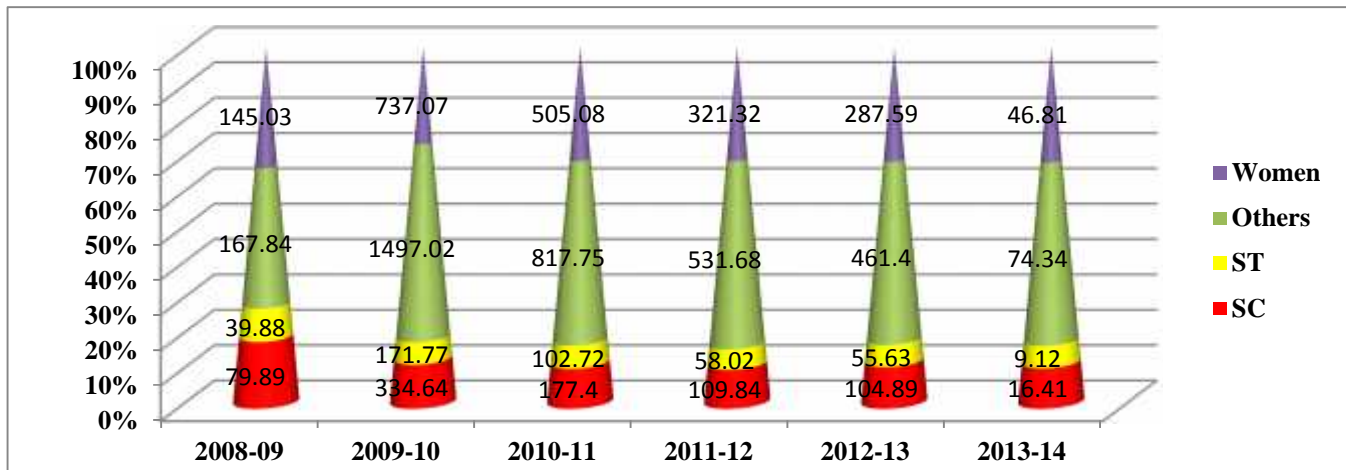
The total employment provided to SC, ST, Others and Women is represented in Table No. 4. The overall employment provided is to be ₹ 6853.14 lakhs. In the year 2009-10 maximum numbers of people got employed and the number stood at ₹ 2740.50 lakhs. The minimum number of members got employment in the year 2013-14 and the number stood at ₹ 146.68 lakhs. Among the total, ₹ 823.07 lakhs were under SC category, 437.14 were under ST category, 3550.03 lakhs belong to others category and remaining ₹ 2042.90 lakhs were women got employed under MGNREGA.

Table No.4, Employment Provided to Different Categories of People

Years	Karnataka State(In Lakhs)				
	SC	ST	Others	Women	Total
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
Total	823.07	437.14	3550.03	2042.90	6853.14

Source: Ministry of Rural Development www.mgnregs.nic.in

Graph No.3, Employment Provided to Different Categories of People



FINDINGS OF THE STUDY

The Following are the Major Findings of the Study

1. The study had taken the data of 6 years pertaining to Karnataka State;
2. The total fund available in 2013-14 was ₹ 125152.65 crores and the actual expenditure was ₹ 79259.09 crores;
3. The job cards issued during the period is 27449770 cards, under SC category 5551801, under ST category 2682850, and others 21915119 cards were issued.
4. In the year 2013-14, the number of Job cards issued under MGNREGA for SC is 898512, ST is 440950 and for others 3907556.
5. In 2011-12, employment provided to SC was 109.84 lakhs, ST was 58.02 lakhs and women were 321.32 lakhs.
6. During 2012-13, the number of people employed under SC category was decreased to 104.89 lakhs, ST were 55.63 lakhs and for women it was 287.59 lakhs compared to previous years.
7. In the year 2013-14, the employment provided for SC is 16.41 lakhs, ST is 9.12 lakhs and for women 46.81 lakhs.

SUGGESTIONS FOR THE STUDY

The Following Are the Major Suggestions for the Study

1. All the State Governments should set up the office of Ombudsman at district level for redressal of grievances in a time bound manner;
There should be enabled Management Information System (eMIS) in issuing of job cards, muster rolls, wage payments and for easy accessibility of information;
2. To create awareness regarding different provisions of MGNREGA among the people;
3. There should be the ability and willingness of local Govt. and Panchayat to plan, works and run the programmes effectively; and
4. Social Audit should carry out in regular interval.

CONCLUSION

In India more than 70.00 per cent of the population is living in rural areas. Hence, majority of them depend upon agriculture or migrate to cities in search of jobs. One the serious problem India is facing is poverty. Rural areas are the most affected with the problem of poverty. In this background, MGNREGA, an employment guarantee scheme provides 100 days guaranteed wage employment for all demands for work. For one-third of the share in

total employment women are given guarantee. Other backward groups like SCs, STs and others are allowed to get developed own private lands. With these, MGNREGA is a step towards inclusive growth.

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