

The Status of Employment and the MGNREGA Programme in the Rural Areas of the Country and in Karnataka State

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Abstract: MGNREGA is the first government programme which assured legal guarantee for 100 days of work for the needy, in the country. The main objective of the MGNREGA is to ensure livelihood security to rural people with employment. It is expected that the guaranteed employment has to facilitate the rural poor and the unemployed persons. This income has to help to meet the day to today expenditure of the beneficiaries like basic necessities of life and additional income for small land holders, create rural assets and encourage the agriculture sector. Therefore, in this paper an effort has been made to examine whether the MGNREGA programme is successful in fulfilling the set objectives specially in the employment generation in the rural areas. In this direction the researchers have taken the data from 2006-07 to 2016-17 and analysed the same by using Compound Growth Rates and tried to examine the set of objectives of the programme. After the analysis of the data the paper comes out with the conclusion that to some extent the income from MGNREGA facilitates beneficiary Households to take care of their basic needs mainly through employment generation, income and this income has led to increase in consumption expenditure, calories intake and in turn ensured food security of the rural Households.

Keywords: employment, programme, rural.

INTRODUCTION

MGNREGA programme has been introduced by the UPA government in 2006, received the assent from the President of India on Sep 5th 2005. The journey of MGNREGA started with lot of criticisms, problems, negative results, achievements and various issues till now. For more than a decade lot of modifications were made in budgetary allocations, government rules and regulations to overcome the drawbacks. This is one of the government programmes, which assures legal guarantee for 100 days work for the needy, especially in the rural areas. MGNREGA is a demand driven programme, when there is a demand for employment, the government through Panchayat Raj Institutions has to provide the job to the needy persons. MGNREGA generates, source of income, improve food security, purchasing power, rural development, social equality with employment, income and equal wages. MGNREGA also concentrates on SC, ST, Women and BPL families in the rural areas. MGNREGA is one of the major substitutes of employment particularly during agriculture lean season in the rural India.

MGNREGA programme was introduced in three phases - In the first phase (2006-07) introduced in 200 most backward districts of India, second phase (2007-08) 130 districts were added to the programme

for implementation and in the third phase (2008-09) MGNREGA had implemented in all over India covering all the Zilla Panchayats/Parishads in the country. The MGNREGA Act promotes local governance at different stages of administration, so initial MGNREGA effort starts from gram panchayat or block level. According to the MGNREGA Act every rural household can apply for job by registering at gram panchayat and applying for the Job Card. Job card includes name, age, photograph, Aadhar number, updated details of the work for which they have applied, received wages and other information of the card holder.

MGNREGA works are mostly related to Natural Resource Management, Water Resource Management, Agriculture and allied activities in that Construction of building, bunds, water ponds, water pits, channels, canals, trenches, construction of toilets and their cleaning, water conservation works, drought proofing works, land development, renovation of traditional water bodies, flood control and protection works, drainage facilities, rural connectivity, rural drinking water facilities, rural sanitation works and so on. There were various government programmes towards improvement in employment and to reduce poverty level namely National Food for Work

Programme (NFWP) & Sampoorna Grameena Rozgar Yojana (SGRY), etc., which are merged with MGNREGA programme.

MGNREGA works are also convergence with Pradhan Mantri Krishi Sinchayee Yojana (PMKSY), Integrated Water Shed Management Programme (IWMP) and Command Area and Water Management (CAD & WM) programmes. MGNREGA convergence with both infra-departmental & inter-departmental level according to state convergence plan. Integrated planning and converging resources available under five rural development schemes, viz., MGNREGA, National Rural Livelihood Mission, Indira Awaas Yojana, National Social Assistance Programme and Deen Dayal Upadhaya Grameen Kaushalya Yojana.

Major Objectives of the MGNREGA Programme

- Providing employment opportunities to rural households on demand and ensuring livelihood securities through providing 100 days of guaranteed wage employment
- Creating productive rural assets through MGNREGA works examples of these are like rural connectivity, renovation of traditional water bodies, provision of irrigation works, etc.
- Protecting the environment by natural resource base generation, land and water management, soil conservation, restoring irrigation arrangements, flood control, protection works and solid waste management.
- Ensure women empowerment with minimum reservation or women workers & equal wages employment provision
- To reduce rural out migration of labourers with MGNREGA employment opportunities in the rural area itself.
- To promote social equality & gender equality

The above clearly indicates that the aims of the scheme are towards ensuring livelihood security through employment, income, consumption and food security specifically in the rural areas of the country. Few studies have been conducted and their reports are published in the form of articles. They are;

Khera and Nayak [1] in their paper published in Economic and Political Weekly have examined the socio-economic consequences of the MGNREGA for women workers in 2008. The paper highlights that the MGNREGA programme benefited women workers in terms of employment opportunity, economic independency, safe working conditions, provision for work, equal wages and minimum wages for women employees. If we observe secondary data about total MGNREGA performance from 2006 onwards gradually participation of women workers increased to considerable level therefore, the study concludes that

MGNREGA plays an important role in women empowerment.

Mohanty's [2] paper critically examined the implementation process of MGNREGA and its impact on tribal livelihoods, focusing, particularly on the extent of MGNREGA reaching tribal households. The study reveals that there is little impact of MGNREGA on tribal livelihoods in sundargarh district of Odhisa. The drawbacks observed during the study are basically flaws in the implementation process like job card distribution, defective leadership, lack of co-ordination among administrative authorities, etc. Therefore, Mohanty concludes that programmes are not that effective in the eradication of poverty and ensuring food security in the rural areas.

Ghose [3] study revealed that additional wages earned by rural people through MGNREGA does not affect to reduce poverty because it doesn't compensate the food price inflation. Also, MGNREGA doesn't contribute growth in agriculture in the long run so that the main problem of food price inflation has to be resolved. Mainly Government has to focus on stock of food grains through that food price can be reduced to some extent. Another suggestion is that the public investment in agriculture has to be increased further so that food production increases and food price inflation can be curtailed.

Dreze *et al.*, [4] in their study published in Economic and Political weekly revealed that the public distribution system in Bihar was worst in India but the system was improved from 2011 onwards. National food security Act (NFSA) officially began from February, 2014. NFSA guarantee three entitlements, viz., subsidized food from Public Distribution System (PDS), through child nutrition and maternity benefits. In PDS five Kg. of food grains per person per month with the price of Rs. 3,2,1 per Kg for rice, wheat and millets respectively have to be issued so that food security can be ensured.

Thakur [5] in his paper has mentioned that the MGNREGA created strong foundation for employment generation program and it has helped in the restructure of the rural development in the rural areas. In his study according to the opinion of beneficiaries, income from MGNREGA were supplementary income, apart from other sources of income from agriculture, casual employment, livestock, etc. Some beneficiary families also getting transfer payments like old age pension, widow pension, etc., which are also equally important in ensuring the food security in the rural areas.

Kanti Das [6] in his paper he has Stated that MGNREGA is a social safety net programme for the poor people, as it provides legal guarantee of work and right to work for rural adults. There are so many loop holes in the implementation level like intervention of

middlemen in collecting and withdrawing the amount from Bank or post office because of the illiteracy and ignorance of the beneficiaries. He further stated that Unutilized MGNREGA funds also one of the drawbacks for the success of the MGNREGA programmes.

A Study by Sharma *et al.*, [7] concluded that the social protection programme effects on Macroeconomic aggregates like output, employment, income and revenue. The study analysed the impact of MGNREGA and Indira Awas Yojana and National Social Assistance Programme in 2011-12. Total output, employment, Income and Revenue increased gradually after implementation of MGNREGA, IAY and NSP. Income and Employment from MGNREGA, IAY and NSP affects demand for output, consumption expenditure and revenue of the government. This, it is said that food security is ensured in the rural areas of the country.

With the review of these few studies it is implied that there are views in favour and also against

the performance of the programme. Hence, the present study tries to answer how MGNREGA helps in the generation of employment in the rural areas based on the analysis of the secondary data collected from the year 2006-07 to 2017-18.

Performance of MGNREGA in India from 2006-07 to 2017-18

The Table-1 clearly reveals the performance of MGNREGA since its inception, i.e., from 2006-07 to 2016-17 and 2017-18. The absolute figures clearly reveal that the funds released by the Central Government continuously increased from Rs. 8,641 crores in the first year 2006-07 to Rs. 55,648 crores by the end of financial year 2017-18. Even the total expenditure made by the various agencies also reveal the same i.e., at par with funds release even the expenditure is also made by the various project implementing agencies. With these efforts the employment generation was about 90.50 crores of PD, which has gone up to 234.27 cores of PD at the end of the financial year 2017-18.

Table-1: MGNREGA Performance in the Country as a Whole since Its Inception

Financial Year	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Central Fund Release	8,641.00	12,610.00	29,940.00	33,507.00	35,769.00	29,190.00	30,010.00	32,744.00	32,139.10	35974.64	47411.72	55658.18
Total Expenditure in Cr	8,823.00	15,857.00	27,250.00	37,905.00	39,377.00	37,073.00	39,778.00	38,602.00	36,025.04	44002.59	58062.92	63649.27
Wage Expenditure in Cr	5,842.00	10,738.00	18,200.00	25,579.00	25,687.00	24,306.00	27,154.00	26,535.00	24,187.26	30890.96	40750.72	43161.94
Labour Budget (In Cr)	-	-	-	401.50	405.60	315.90	280.20	260.00	220.67	239.112	220.9274	231.31
Achieved (PD in Cr)	90.50	143.60	216.30	283.60	257.20	218.80	230.50	220.40	166.30	235.1465	235.6458	234.27
% of SC PD	25%	27%	29%	30%	31%	22%	22%	23%	22%	22%	21%	22%
% of ST PD	36%	29%	29%	21%	21%	19%	18%	18%	17%	18%	18%	18%
Women Participation	40%	43%	48%	48%	48%	48%	51%	53%	55%	55%	56%	53%

Source: www.mgnrega.co.in

The same Table-1 clearly indicates that the participation of women has been increased from 40 per cent in the beginning to 53 per cent at the end of the financial year 2017-18. However, the SC/ST participation in the programme has been declined from 25 per cent (2006-07) to 22 per cent at the end of the financial year 2017-18 for the SCs and STs it was 36 per cent and 18 per cent respectively for the same years, which are mentioned for the SC population. It is a researchable question separately whether there is a correlation between the increase in employment for the women and the decline in the employment for the SC and ST population (a small paper can be prepared and published by any researcher in this regard). However,

minute details regarding the same issues are captured in the Table-2.

Any project, which is implemented in the country, in case it has to be successful the financial allocation and release of the same is very important. As mentioned earlier, the Table-2 presents the Central Fund Release, Expenditure is Made, Wage Component, Labour Budget and such other details minutely with Compound Growth Rates (CGR) for the same variables for a period of 12 years starting from the year 2006-07 to the latest year 2017-18. For the entire 12 years data the CGR is worked out for all the variables. The CGR for all the variables and the CGR reveals that there is a positive growth rate for all the variables.

Table-2: Financial Performance of MGNREGA in the Country as a Whole (Figs. In Crores)

Years	Central Fund Release	Total Expenditure	Wage component	Labour Budget	Achieved Person Days of Employment
2006-07	8641.00	8823.00	5842.00	0.00	90.50
2007-08	12610.00	15857.00	10738.00	0.00	143.60
2008-09	29940.00	27250.00	18200.00	0.00	216.30
2009-10	33507.00	37905.00	25579.00	401.50	283.60
2010-11	35769.00	39377.00	25687.00	405.60	257.20
2011-12	29190.00	37073.00	24306.00	315.90	218.80
2012-13	30010.00	39778.00	27154.00	280.20	230.50
2013-14	32744.00	38602.00	26535.00	260.00	220.40
2014-15	32139.00	36025.00	24187.00	220.67	166.30
2015-16	35975.00	44003.00	30891.00	239.12	235.15
2016-17	47411.00	58602.00	40751.00	220.93	235.65
2017-18	55658.00	63649.00	43162.00	231.30	234.21
CGR	12.33	13.66	14.06	-7.73	4.44

The fund released by the Central Government over a period of time is grown at the rate of 12.33 per cent per annum. The Central Government fund started with Rs. 8,641 crores and that has reached to Rs. 55,658 crores in the latest year, i.e., 2017-18. It is very interesting to observe the expenditure part of the given budget. Except during the year 2008-09 for all the years the expenditure is more than the funds released by the government. This reveals that the kind of attention which is given to the programme, which is implemented by the government. As it is already mentioned the funds released by the Central Government is grown at the rate of 12.33 per cent, where as the total expenditure is grown at the rate of 13.66 per cent. This means that expenditure is grown more than the funds released by the Central Government.

The third most important component is the wage component. The wage component is basically the wages, which are paid directly to the labourers in the project area. The same Table-2 reveals that the major budget is going to the wages. Though there is lot of criticism about the wages paid to the labourers, but at least on the paper it is clear that more than 50 per cent of the budget is being given as wages to the families who are opting MGNREGA programme. The wage component is 65.96 per cent in the year 2006-07, which is little more than the initial period, constitutes about 67.81 per cent during the year 2017-18. This shows that as per the records and as per the rules the implementation of the programme is taken care in the MGNREGA.

The wages paid to the labourers is grown at the rate of 14.06 per cent per annum, which highlights that the programme is successful at least in the process of the implementation of the project. Labour budget is grown negatively at the rate of about 7.73 per cent. The reasons are well known as the officials and the implementing agencies are declined to comment on this. However, the Table-2 highlights that there are no major weaknesses at least in the funds flow for the

implementation of the MGNREGA project in the whole country.

The effort by the Central Government has resulted in the creation of employment to a greater extent for the rural people in general and the women, SC and ST population in particular. In the year 2006-07 the total employment is created was about 90.50 crores of PD and that has reached to 234.21 crores of PD, which in terms of percentage change is about 13.23 per cent per annum (this means, on an average per day about 64 lakhs of people are employed in the rural areas through the MGNREGA programme). The employment generation has been grown at the rate of 4.44 per cent per annum, which is really very much higher side, if this is in real terms, has taken place in the rural India.

Progress of the MGNREGA Programme in Karnataka State

In the state of Karnataka, we have 30 districts, in all the thirty districts the MGNREGA programme has been implemented with the inception of the programme. However, the programme has been implemented in the state of Karnataka with various other names. Though the nomenclature is changed the objective of the various programmer has been the same i.e., eradication of poverty through the eradication of unemployment, underemployment and disguised employment in the state. In this direction an effort has been made to study the performance in the state by comparing the performance across various years starting from 2012-13 to 2016-17.

In the entire state for the years 2012-13 to 2016-17 the performance in terms of HHs demanded the work, people demanding the work and the employment offered for the HHs and the people, actual PD of employment generated and the number of families completing the 100 days of employment are presented in the Table-3. The table clearly reveals that employment demanded by the HHs and the people and 100 days completed by the number of families are

grown more or less at the similar rates. The CGR reveals that they are growing at the rate of 3.91, 3.76 and 3.69 respectively for all the three variables mentioned before this sentence. This highlights that the MGNREGA programme has been reaching the people and it is playing an important role in reducing the unemployment and underemployment in the rural areas.

However, there are some exigencies where employment provided for persons is declining at the rate 0.44 per cent. This may be due to the changes in the base values. Because in case we observe the absolute figures we get to know that there is some disturbance during 2014-15 and 2015-16. Otherwise there is an increase in absolute terms.

Table-3: Growth Rate of the MGNREGA in the State of Karnataka

Year	Employment demanded Households	Employment demanded Persons	Employment Provided Households	Employment Provided Persons	Employment Provided PD	No. of Families Completed 100 days
2012-13	1,470,412	4,108,936	1,331,967	3,658,543	61,780,912	104,364
2013-14	1,909,384	5,837,966	1,450,457	4,232,894	71,885,974	117,725
2014-15	1,513,650	4,197,500	1,093,906	3,008,352	43,328,089	41,315
2015-16	1,662,438	4,189,166	1,235,613	3,026,777	59,838,284	132,977
2016-17	1,909,384	5,837,966	1,450,457	4,232,894	71,885,974	117,725
CGR in Per cent	3.914	3.775	0.101	-0.437	1.203	3.694

Table-4: Performance of the Programme in the State and the Districts (as on 2016-17)

Districts	Sum of Employment demanded Household	Sum of Employment demanded Persons	Sum of Employment Provided Household	Sum of Employment Provided Persons	Sum of Total persons worked per lakh Population	Sum of Employment Provided Person days	Sum of No. of Families Completed 100 days
Bagalkote	286,169	960,938	239,464	800,965	42,385	12,358,566	28,019
Bellari	214,338	719,841	156,356	531,193	21,658	7,355,478	8,437
Belgavi	509,165	1,370,133	402,595	1,071,025	22,408	18,619,771	31,135
Bangaluru	21,775	49,403	17,801	40,324	419	437,826	141
Beng. Rural	96,397	327,890	80,575	278,391	28,094	4,418,905	7,944
Bidar	229,610	655,034	167,312	465,381	27,322	7,994,085	12,242
C. Nagara	173,097	470,552	144,727	386,470	37,860	6,543,195	10,469
C. Ballapura	225,316	575,508	145,312	347,544	27,690	5,479,613	5,200
C. Magaluru	196,267	526,414	162,052	441,645	38,810	5,823,046	3,852
C.durga	562,443	1,705,230	389,403	1,133,085	68,281	22,365,687	35,797
D.Kannada	92,293	227,577	85,784	208,825	9,993	3,398,732	3,191
Davanagere	508,891	1,400,533	412,347	1,112,135	57,165	23,022,280	49,307
Dharwar	243,791	707,226	191,262	547,827	29,660	9,312,870	20,317
Gadag	256,311	723,263	187,814	512,047	48,099	7,795,891	10,992
Hassan	340,785	956,321	266,247	735,933	41,428	11,458,246	13,482
Haveri	272,247	710,537	198,640	513,104	32,116	9,220,179	15,276
Kalburgi	405,342	1,510,664	292,477	1,044,942	40,717	16,804,992	25,786
Kodagu	62,051	150,704	50,067	122,055	22,011	2,122,298	1,630
Kolar	301,907	698,252	258,358	583,266	37,963	13,733,614	31,701
Koppal	291,165	951,770	208,918	666,626	47,961	10,018,525	18,235
Mandya	330,211	575,957	261,677	442,537	24,507	8,174,457	9,281
Mysuru	219,665	679,602	172,908	528,061	17,595	6,910,658	9,607
Raichuru	439,516	1,554,511	335,144	1,133,029	58,742	18,398,253	27,254
Ramanagara	293,674	864,281	233,147	669,239	61,816	13,249,222	30,879
Shimoga	479,748	771,976	409,801	628,867	35,879	10,913,143	6,045
Tumkuru	485,711	1,469,834	380,287	1,128,797	42,135	20,546,414	51,004
Udupi	42,068	85,859	36,999	75,091	6,378	1,032,330	481
U. Kannada	216,546	365,172	191,448	318,035	22,129	5,871,098	5,185
Vijayapura	395,999	1,531,391	290,680	1,100,425	50,540	14,746,598	26,440
Yadgir	272,770	875,161	192,798	592,596	50,465	10,593,261	14,777
State Total	8465268	24171534	6562400	18159460	1052228	308719233	514106
State Avg.	282176	805718	218747	605315	35074	10290641	17137
NDASA	15	16	13	12	16	13	12

Note: NDASA= Number of Districts Above the State Average.

In the next stage of analysis we have taken up the performance of the state and the districts during the latest year i.e., March 31st 2017. In this analysis we have introduced one more variable i.e., in each district the number of people worked per lakh population, which is in addition to the regular variables, which are mentioned above (Table-4). The table clearly indicates that in case of employment demanded by the HHs at the state level it is 2,82,176 families. Exactly about 50 per cent (15 districts) of the districts are above the state level and the remaining below the state average. Secondly, the number of persons actually demanded the work is 8,05,718 persons. In this 16 districts have more than state average and 14 districts below the state average. When it comes to the employment provided for the HHs it is 2,18,747 in this 13 districts are above the state level and 17 districts are below the state average. Per lakh population the number of persons actual provided the job and they involved in the work is 35,074 people in the state as a whole in which 16 districts are the above state average. Out of these 16 districts Chitradurga district stands first where 68,281 persons actually worked in MGNREGA programme per lakh population. The lowest seems to be in the district of Bengaluru Urban district where it is only 419 (the reasons for this is explained elsewhere). However, in case if this district is not considered because of its special features other districts are Udupi and Dakshina Kannada districts. Udupi and Dakshina Kannada districts the performance per lakh population is very low because of their diversified activities and the kind of wages they get for the other jobs in their regions.

The above analysis clearly indicates that the most backward districts and the most forward districts the utilization of the programme is very much low. In the developed districts since the other opportunities are more and the wage rates are less in the MGNREGA programme compared to the other works they are not getting into this programme and the most backward districts because of the lack of awareness, lack of seriousness among the authorities and irregular employment still the people are migrating to far of places in search of employment instead of getting into the MGNREGA works. There are few districts who are really utilising the programme during the summer and therefore, their performance is very high. This clearly indicates that the development agencies have to chalk out the programmes according to the requirements so that the programme's performance will be still better

(these issues have to be proved based on the primary data analysis by conducting a surveys at the gross root level.

CONCLUSION

MGNREGA is one of the flagship programmes of the Government of India and it is one of the large scale employment generation schemes in the country. The guaranteed employment programme is well known scheme for the rural people. This scheme encourages landless, marginal and small farmer families particularly during the agricultural lean season. Therefore, maximum MGNREGA beneficiaries belong to the landless, marginal and small farmer families who are basically involved in casual labour, agricultural labour and construction workers. Hence the programme helps to the rural poor, unemployed adults and particularly women in the generation of employment and income in turn ensuring livelihood to the rural mass.

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