

Impact of MGNREGA on Rural Livelihood of Karnataka

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Abstract

MGNREGA is a ground-breaking Indian government initiative that directly affects the lives of rural poor. The Act was passed on August 25, 2005, and took effect on February 2, 2006. It was first implemented in Karnataka during the fiscal year 2006-2007, initially in 5 districts as part of Phase 1, and eventually expanded to 31 districts. The Mahatma Gandhi National Rural work Guarantee Act (MGNREGA) seeks to improve the livelihood stability of rural communities by providing 100 days of paid work per year to rural households whose members volunteer to conduct unskilled manual labour. The program focuses on providing unskilled labor opportunities in rural areas, promoting transparency and accountability in government operations, strengthening democratic systems, ensuring sustainable development through the improvement of natural resources like land and water, and empowering the Panchayati Raj system. This dissertation aims to explore the impact of MGNREGA on rural living, examine the benefits it provides to rural communities, and address the challenges associated with its implementation. Additionally, it offers valuable recommendations for improving the execution of the program. Proper implementation of MGNREGA has the potential to alleviate poverty and generate employment across the country.

Keywords: MGNREGA, Rural, Livelihood, Unskilled, Karnataka.

Introduction

MGNREGA is a unique Indian government programme that directly affects the lives of poor people in rural areas. The National Rural Employment Guarantee Act of 2005, later called the "Mahatma Gandhi National Rural Employment Act," has evolved into an Indian labour law and social security legislation aimed at "guaranteeing the right to work." The Narasimha Rao government proposed the Act for the first time in 1991. The Act was passed on August 25, 2005, and MGNREGA was first introduced on February 2, 2006, at Anantapur, Andhra Pradesh. The first stage of implementation covers 200 districts. In the second phase of NREGA, which began in 2007–08, an additional 130 districts were added, bringing the total number of districts covered by the Act to 330. NREGA will go into effect in the remaining districts on April 1st, 2008, as announced on September 28th, 2007. As a result, the Act's requirement that the entire nation be covered within five years of its notification has been achieved. Certain steps must be done to ensure seamless operation and proactive PRI functionaries as part of this scheme in order to make it more effective and implement it successfully. According to the wage rate announced under the system, wages must be paid within a week or no later than 15 days. Equal wages for both men

and women have to be paid. No gender discrimination in the disbursement of wages. It is mandatory to maintain the wage material ratio of 60:40 under the scheme. The scheme is implemented as Centrally Sponsored Scheme on cost sharing basis between the Centre and State in a ratio of 90:10. Wage component is fully borne by the Government of India and the material component is borne by Central and State governments.

The first ten years of the programme saw spending of Rs 3.14 lakh crore, making it the largest social welfare programme in the world. India's poverty rate has been drastically reduced because of this programme. It was cited as a shining example of ensuing rural development in the 2014 World Development Report. This has allowed many rural women to make a living and receive social security benefits. 100 days of employment are offered to unemployed adolescents between the ages of 18 and 30 each year.

The Act's Most Notable Characteristics

- The act guaranteed up to 100 days of paid employment per year to any adult from rural areas willing to undertake unskilled manual labor.
- This scheme strengthens the Panchayati Raj system by granting substantial authority to gram panchayats in overseeing and managing various public projects. They are empowered to make key decisions about project selection and have the authority to reject proposals from higher levels.
- This program incorporates accountability into its operating standards and functions with more transparency than other government initiatives.
- In accordance with the Mahatma Gandhi National Rural Employment Guarantee statute (MGNREGA) program, this statute is applicable to every district.
- Each household that applies for the program gets an employment card within 15 days.
- The work assigned to the worker should be located within 5 kilometers of the village's jurisdiction.
- Workers are compensated with 10% more if the government assigns them to work outside of the 5-kilometer radius rather than within it.
- There was no gender-based pay discrimination; men and women were paid equally.
- To ensure equal employment opportunities for women, one-third of the positions were reserved for female workers.
- If the government fails to provide work, it must pay one-fourth of the wage for the first 30 days and half the wage for the remaining days of the 100-day period.
- Payment for the work done by laborers should be made within 15 days through post office or bank accounts.
- Proper working conditions were ensured for the workers, including access to drinking water, rest areas, and clean washrooms.

Objectives

The objective of the paper concentrated on:

- To study the Act's concept and structure.
- To study how it impacts MGNREGA on Karnataka's rural life.
- To know the achievements and progress of MGNREGA in Karnataka during the period of 2019-20 to 2023-24.

Methodology

The proposed study relies on secondary data collected from a variety of sources, including books, articles, annual reports, government documents, journals, and official records from the Ministry of Rural Development and Panchayat Raj, Government of Karnataka, and the Government of India.

Review of Literature

Hoque, M. A., & Hasmi, M. R. K. (2023). The MGNREGA scheme is a revolutionary move towards eliminating poverty among India's poor. The MGNREGA initiative is the world's largest anti-poverty campaign. The main goals and objectives of the MGNREGA scheme are to eliminate rural poverty through creating jobs in rural areas, minimising rural-urban migration, and developing rural infrastructure. The primary goal of this research is to learn about the operating schemes and permissible works under this scheme, as well as to investigate the function of MGNREGA in creating employment prospects in the studied area. The study proposed that the Central Government promote a "One Nation-One Wage" rate for MGNREGA workers in all Indian states. MGNREGA is seen as a "silver bullet" and a hopeful panacea for raising the living standards of rural poor people. As a result, this amazing flagship initiative has become the "backbone of new rural India" in the twenty-first century. The World Bank saw the MGNREGA project as a shining example of rural development and lauded it as the world's largest public programme for economic development and poverty alleviation. MGNREGA has evolved into Digital MGNREGA in the twenty-first century, as all work is now done through a digital platform.

Sharma, S. (2023). According to their research, the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) became effective on February 2, 2006. As a gauge of economic stability, it was the first time in history that over two-thirds of the population were granted the ability to work. Nearly a tenth of the world's population participated in this incredibly large-scale operation. Over the past ten years, the Indian government has launched a number of rights-based programs, this being the second. By helping them achieve economic and financial inclusion, the self-targeting MGNREGA initiative aims to expand outreach to underserved and underprivileged segments of society.

Husain, T., Akhtar, S. J., & Kaleem, S. (2023). This study uses the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) to analyse trends in employment generation in Uttar Pradesh. In order to analyse the effectiveness and utility of the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) in providing jobs to rural inhabitants willing to perform unskilled manual labour, the study mainly relies on secondary data. The study examines the types of employment that households requested and those that were provided to them between 2014–15 and 2022–23. The study found that MGNREGS provided the greatest number of jobs during COVID-19.

Ravikumar, S. (2017). The Mahatma Gandhi National Rural Employment Guarantee Act creates a social safety net for poor households while also providing an opportunity to combine growth and equity. MGNREGA was launched on February 2, 2006, by the Central Government in collaboration with state governments. This Scheme has been in existence in all districts of Karnataka State from 2006-07 and is being phased in. The study's main objectives are to analyse the trends in wage rates and provided work in Karnataka from 2006-07 to 2016-17, as well as to analyse the financial and physical progress from 2006-07 to 2014-15, and to learn about the progress made under MGNREGS from 2006-07 to 2015-16. The study is based on secondary data sources.

MGNREGA in Karnataka

MGNREGA was established in Karnataka in the fiscal year 2006-07 in 7 districts as the first phase, later expanding to 31 districts.

Table 1 Details of MGNREGA in Karnataka

Total No. of Districts	31
Total No. of Blocks	229
Total No. of GPs	5,999
Total No. of Job Cards issued [In Lakhs]	79.02
Total No. of Workers [In Lakhs]	180.57
Total No. of Active Job Cards [In Lakhs]	44.73
Total No. of Active Workers [In Lakhs]	84.01
(i)SC worker against active workers[%]	17.42
(ii)ST worker against active workers[%]	10.01

Table 1 provides an analysis of 31 districts and 229 blocks in Karnataka. The state has 5,999 Gram Panchayats (GPs), with a total of 79.02 lakh job cards issued. The scheme has 180.57 lakh workers, and 44.73 lakh job cards are active. Based on this data, the utilization rate of the issued job cards stands at 56.60%.

Table 2 Progress of MGNREGA in Karnataka

Progress	2019-20	2020-21	2021-22	2022-23	2023-24
Approved Labour Budget [In Lakhs]	1200	1465	1600	1300	1300
Person days of Central Liability so far [In Lakhs]	1118.63	1480.27	1632.09	1262.21	733.62
% of Total LB	93.22	101.04	102.01	97.1	56.44
% as per Proportionate LB					89.44
SC person days % as of total person days	16.3	17.19	16.6	16.3	16.54
ST person days % as of total person days	10.4	10.52	10.5	11.34	13.14
Women Person days out of Total (%)	49.12	49.47	50.13	51.91	52.91
Average days of employment provided per Household	49.99	49.09	48.21	42.59	32.96
Average Wage rate per day per person (Rs.)	245.53	270.83	284.02	300.45	297.31
Total No of HHs completed 100 Days of Wage Employment	1,87,336	2,39,535	1,76,228	31,957	11,522
Total Households Worked [In Lakhs]	22.38	30.15	33.85	29.64	22.26
Total Individuals Worked [In Lakhs]	41.09	56.69	63.61	53.33	39.73
Differently abled persons worked	10649	20411	27423	27845	22188

Works					
Number of GPs with NIL exp	17	11	17	40	62
Total No. of Works Takenup (New+Spill Over) [In Lakhs]	8.46	11.18	14.77	18.91	14.21

Number of Ongoing Works[In Lakhs]	5.05	7.04	9.16	11	10.41
Number of Completed Works	3,40,503	4,13,721	5,61,051	7,91,497	3,80,501
% of NRM Expenditure(Public + Individual)	0	73.77	71.78	66.96	40.82
% of Category B Works	68	54.77	49.99	52.28	55.12
% of Expenditure on Agriculture & Agriculture Allied Works	0	72.85	66.53	60.58	27.6

Financial Progress					
Total center Release [In Lakhs]	554620.29	560500.51	591089.44	544816.08	289078.95
Total Availability [In Lakhs]	604471.01	597090.71	670927.76	735146.36	371674.85
Percentage Utilization	78.62	94.37	92.45	89.62	75.21
Total Exp (Rs. in Lakhs.)	4,75,251.27	5,63,469.73	6,20,247.33	6,58,808.43	2,79,550.91
Wages (Rs. In Lakhs)	2,97,615.18	3,99,364.82	4,63,810.02	3,78,847.78	2,25,533.88
Material and skilled Wages (Rs. In Lakhs)	1,67,927.58	1,47,498.37	1,41,181.7	2,58,411.37	48,529.53
Material (%)	36.07	26.97	23.34	40.55	17.71
Total Adm Expenditure (Rs. in Lakhs.)	9,708.51	16,606.54	15,255.61	21,549.28	5,487.51
Admin Exp (%)	2.04	2.95	2.46	3.27	1.96
Average Cost Per Day Per Person (In Rs.)	334.71	335.89	334.51	460.88	420.57
% of Total Expenditure through EFMS	99.99	99.73	99.92	99.99	100
% payments generated within 15 days	95.84	97.59	99.18	97.8	99.87

Table 2 indicates the progress of MGNREGA in Karnataka, where the approved labour budget for the five fiscal years has increased. It has also been seen that the sum allocated for person days increases until FY 2021-22, then decreases in fiscal years 2022-23 and 2023-24. Women's person days are growing, and women are becoming more involved and empowered. In 2023-24, the average number of days worked per household will be falling. The overall number of households working and individual involvement is likewise on the decline in the fiscal year 2023-2024, as is the participation of differently-abled workers.

The number of GPs with no experience has shown an increasing trend. While the number of works undertaken initially increased, it later declined in the year 2023-24. The percentage of work in agriculture and allied activities increased in 2020-21, but later decreased.

The funds released from different sectors first showed an upward tendency, but then dropped in the years 2022-23 and 2023-24. The scheme's total expenditure and total wages have likewise been increasing, before declining in 2023-24. Initial increases in material and skilled wages were followed by a fall. The average daily expenditure per person has also grown. It has been noted that the percentage of total spending spent through EPMS and payments generated within 15 days is growing.

Findings

- The year 2021-22 has the largest increasing approved labour budget. In 2023-23, the total proportion of the labour budget dropped.
- The proportion of women's person days in the total percentage is steadily increasing.
- There is the highest utilization of funds in 2021-22.
- There are increasing MGNREGA wages till 2021-22 later decreased.

Suggestions

- There is a need to raise awareness in order to increase job creation.
- The government should direct the scheme's responsible authorities to complete their work on time.
- The expenditure must be correctly utilized as the available fund for the entire period.
- It is necessary that the employment provided to Households is equal to the employment demanded by Households.
- There is a need to increase the engagement of women and SC/STs in this scheme through proper channels in order to achieve greater inclusivity.

Conclusions

As we all know, the majority of Indians reside in rural areas; economic upliftment of the rural masses is an area in which we must continue to focus in order to be mentioned among the developed countries in the next years. MGNREGA is a government programme meant to assist the poor in this country. To ensure that MGNREGA thrives and achieves its objectives, the government must implement rigorous monitoring mechanisms. According to the most current budget, the most money has been supplied in the plan, but when we evaluate how those funds have been used, it is clear that they have not been completely utilized. Although the government has made measures and implemented modifications in the payment method to address the issue of delayed salary payments, there is still a vacuum in the implementation process, and many recipients are unaware of how to maximize their benefits from this scheme. According to secondary sources, the government has implemented a mobile monitoring system as well as real-time monitoring of the development of projects that use the labour market under the scheme. It also governs attendance and the working atmosphere in the job locations. Simultaneously, monies have been provided to undertake social audits in order to maintain transparency by permitting public review of all documents and accounts in order to reduce corruption. Despite the fact that various attempts have been made in the shape of policy measures, rural Indians have not yet made MGNREGA into a movement for economic empowerment in an environment that is free of corruption, transparent, and characterized by accountability, clarity, and skill.

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