



## Performance of Mahatma Gandhi National Rural Employment Guarantee Act in Karnataka, India

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Available online at: [www.isca.in](http://www.isca.in)

Received 29<sup>th</sup> October 2015, revised 7<sup>th</sup> November 2015, accepted 30<sup>th</sup> December 2015

### Abstract

Rural Development in India is one of the most important factors for the growth of Indian economy. India is regarded as the land of villages. Out of 1,210,276,932 (121 crore) Indians 833,087,662(68.84 crore ) live in rural areas while 377,105,760 (31.16 crore) live in urban areas. Poverty, unemployment, farmers deaths, drought, low level of communications, illiteracy have increased during the last few decades. In order to overcome all these problems especially rural unemployment, Government of India enacted The National Rural Employment Guarantee Act (NREGA) on 25<sup>th</sup> August 2005. This act has been renamed as Mahatma Gandhi National Rural Employment Guarantee Act (MGNREAGA) on 2<sup>nd</sup> October 2009. This Act guarantees 100 days of employment in each financial year to rural adult members of the family who are willing to do unskilled manual work at the statutory minimum wages. MGNREAGA is the largest employment guarantee programme in the world providing work to 5 crore rural household or 10 crore workers. One in every 3 rural households is a worker under this programme. It addressed 41% of the problem of under employment in rural areas. In Karnataka 57.23 lakh households registered and 57.23 lakh job cards have been issued. In 2014-15 total availability of fund is 1590.40 crores. This paper studies about the performance of MGNREAGA in Karnataka State.

**Keywords:** Poverty Alleviation, Programme, Rural Employment, Unemployment, Wages, Weaker sections.

### Introduction

Mahatma Gandhi National Rural Employment Guarantee Act is the biggest poverty alleviation programme in the world providing work to 5 crore rural households or 10 crore workers. One in every 3 rural household is a worker under this programme. It addressed 41% of the problem of under employment in rural areas. Its main objective is to enhance livelihood and food security to the rural poor by giving 100 days of guaranteed employment to adult members of the family who are interested to participate in the unskilled manual work in a financial year. MGNREAGA started in three phases, first in 2006 covering 200 districts, second phase in 2007-08 covering another 130 districts and in the third and final phase the remaining all the districts have been notified under NREGA

with effect from 1<sup>st</sup> April 2008. Thus the whole nation was brought under the purview of MGNREAGA with the exception of the districts which are having hundred per cent urban population. In 2<sup>nd</sup> October 2009 NREGA has been renamed as MGNREAGA. Table No. 1. Explains the various stages of MGNREAGA where by the scheme got its modifications from 2005 to 2009.

Table-1 shows that the programme was introduced in 200 most backward districts of the country in the first stage on 2<sup>nd</sup> February 2006 and further it was extended to another 130 districts in April 2007 and MGNREAGA has been universalized throughout the country on 1<sup>st</sup> April 2008. On 2<sup>nd</sup> October 2009 it was renamed as MGNREAGA.

**Table-1**  
**Stages of MGNREAGA from 2005 to 2009**

August 2005	I Stage	II Stage	III Stage	IV Stage	V Stage	Final Stage
NREGA legalized on 25 <sup>th</sup> August 2005	Started Functioning in 200 most backward districts from 2 <sup>nd</sup> February 2006	Extended to 130 more districts in April 2007	Extended to the whole country from 1 <sup>st</sup> April 2008	Started paying wages through banks/ post offices from October 2008	MOU with postal department has been signed from February 2009	NREGA has been renamed as MGNREAGA with effect from 2 <sup>nd</sup> October 2009

Source: Compiled from the news papers, magazines and journals

**Salient features of MGNREGA:** i. Rural households who are interested to participate in the unskilled manual work have to register their names at the Grama Panchayat office in writing or orally. ii. After verifying the application submitted, the Grama Panchayat will issue job cards with the photograph to the eligible rural households within 15 days. This job card facilitates the rural people to do unskilled manual work under MGNREGA. The job card will be provided at free of cost by the Panachayat. iii. The house hold with job card has to submit an application in writing for employment to the Grama Panchayat by giving their preference schedule for work. 15 days of employment will be provided by the Grama Panchayat. iii. Grama Panchayat will issue an acknowledgement for the written application for employment, against which the guarantee of providing employment within 15 days operates. iv. The job seeker will be provided employment by the Grama Panachayat within the stipulated time limit of 15 days after submitting the application. The household will get 100 days of guaranteed employment in each financial year based on the need. v. If the Grama Panchayat is not provided employment as per the stipulated time limit of 15 days, they are entitled to get unemployment allowance in cash as per the Act. The payment of unemployment allowance is the responsibility of the State Government. vi. Among the beneficiaries, at least one third of the beneficiaries should be women. vii. Work has to be provided within 5 km. radius. If it is not possible to provide employment within the radius of 5km, extra 10% wages have to be paid in order to meet the transport charges. viii. Equal wages have to be paid for both men and women. The wages should be paid as per the minimum wages Act 1948 for agricultural labourers in the State. Wages should not be less than Rs.60/- per day. ix. Weekly payment of wages is mandatory, however this should not be beyond 15 days in any circumstances. x. Planning, monitoring and implementation of MGNREGA works rests with the Panchayat Raj Institutions. xi. The work site should have Creech, drinking water along with shelter and first aid facility. xii. If the children below the age of 6 years are accompanying their mothers and the number of children accompanying are more than five, then provision should be made to look after the children by assigning one women to look after them. xiii. At least 50% of works will be executed by the Grama Panachayats. There is no provision for contractors and machinery. xiv. Central Government will bear the 100% cost towards unskilled works. With regard to skilled and semi skilled work 75% will be borne by the Central Government and 25% will be borne by the states. Administrative expenses at the rate of 6% are borne by the Centre for effective implementation. xv. There is provision for wide publicity such as beating drums in the village, placing banners, writing on walls notifying in the notice board of the local bodies etc. xvi. For the effective implementation of MGNREGA social audit by the Grama Sabha is mandatory.

**MGNREGA in Karnataka:** To tackle the problem of unemployment, under employment and poverty among the rural population in Karnataka, MGNREGA has been

introduced on 2<sup>nd</sup> February 2006. The programme was implemented first in Bidar, Gulbarga, Raichur, Davanagere and Chitradurga districts of the state in 2006 and extended to Belgaum, Bellary, Chikmagalur, Hasan, Shimoga and Kodagu districts in 2007. In 2008 MGNREGA universalized by covering all the remaining districts of the State. The main aim of this programme is to ensure livelihood and food security to the rural poor through creating sustainable assets.

**Objectives of the study:** i. To study about the growth, aims and present status of MGNREGA. ii. To study and understand the main features of the programme. iii. To study the impact and its performance in Karnataka. iv. To discuss about the physical and financial progress of MGNREGA.

### Methodology

The study is based on secondary source of data such as books, records, Government documents, journals, magazines and official records of Ministry of Rural Development and Panchayat Raj, Government of Karnataka and Government of India, websites.

**Current status:** During the current financial year 2015-16, 1449649 lakh employments have been provided to households and 718.10 lakh person days of employment generated. The programme has attracted down trodden groups like Scheduled Caste (15.89%), Scheduled Tribes (7.93%) and women (46.59%). Out of 894249 works undertaken 104040 works are completed and 790209 works are in progress. Women have actively participated in this programme. The figures show that the women have surpassed the statutory requirement of the Act i.e. 33%.

**Mgnregas funding pattern:** The Grants will be released directly to the districts from the National Employment Guarantee Fund. The Government of India has instructed to open separate bank accounts at the district, block and panchayat levels in order to credit MGNREGA grants directly.

**Performance of mgnrega:** MGNREGA has generated 67.83 crore man days up to January 2015. In the financial year 2014-15, 1094870 households were provided employment by generating 43369681 person days. Most of the expenditure is on wages. At present the average wage earned is Rs.190/- where as it was only Rs.65/. during the year 2006. Women work force participation under this scheme has increased to 46.59%. During the financial year 2014-15, 70330 works have been completed and 118155 works are in progress under MGNREGA.

Table-2 shows that out of the total 3486289 works taken up, only 592971 works have been completed and 2892748 works are still in progress from 2006-07 to 2014-15. The performance in terms of completed work is quite low.

Table-3 shows the employment provided to different categories from 2006-07 to 2014-15. The overall employment provided is 8098.1 lakhs. In the year 2009-10 maximum number of people got employed and the total number stood at 2740.50 lakhs. The minimum number of members got employed in the year 2014-15 and the number stood at 144.96 lakhs. Among the total, 1070.38 lakh were SC category, 577.23 lakh were under ST category, 4769.45 were other category and remaining 2589.21 lakh were women got employed under MGNREGA.

Table-4 shows the details of person days generated from 2006-07 to 2014-15. In total person days of 67.83 crores the share of SC/ST category is 17.30 crore person days and women has generated 29.44 crore person days. During the year 2006-07 total person days generated was 2.22 crores and it has gone up to 20.04 crore person days in 2009-10. This is due to the introduction of scheme in all the districts of the State.

**Table-2**  
**Works completed during the period from 2006-07 to 2014-15**

Year	Works started	Works completed	Works in progress
2006-07	18642	11004	7638
2007-08	26180	18040	8140
2008-09	96598	8446	88152
2009-10	519471	27919	491552
2010-11	391657	195430	195657
2011-12	326002	144029	181973
2012-13	311898	78359	233539
2013-14	544356	39414	504942
2014-15	1251485	70330	1181155
Total	3486289	592971	2892748

Source: Karnataka State convergence plan, Department of RD and PR.

**Table-3**  
**Employment provided to different categories (in lakhs)**

Year	SC	ST	Others	Women	Total
2006-07	73.37	45.18	319.25	112.2	550
2007-08	59.79	37.94	352.87	99.4	550
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
2014-15	114.15	56.97	547.3	334.71	144.96
Total	1070.38	577.23	4769.45	2589.21	8098.1

Source: www.mgnrega.nic.in

**Table-4**  
**Person days generated from 2006-07 to 2014-15**

Year	Total person days generated (in crores)	Women (in crores)	SC/ST(in crores)	Average person days per family out of 100 days (No. Of days)
2006-07	2.22	1.12	1.08	41
2007-08	1.97	0.99	0.97	36
2008-09	2.88	1.45	1.19	32
2009-10	20.04	6.85	5.07	57
2010-11	10.98	4.91	2.80	48
2011-12	7.01	3.23	1.68	42
2012-13	6.21	2.87	1.60	46
2013-14	7.18	3.34	1.71	50
2014-15	9.34	4.68	1.20	41
Total	67.83	29.44	17.30	--

Source: www.mgnrega.nic.in

**Table-5**  
**Financial Performance of MGNREGA from 2006-07 to 2014-15**

Year	Total funds available(in crores)	Total expenditure (in crores)	Percentage of utilization of funds
2006-07	341.31	248.30	73
2007-08	436.72	236.51	54
2008-09	727.33	373.61	51
2009-10	3407.30	2569.20	75
2010-11	2587.90	2116.29	82
2011-12	1957.01	1528.25	78
2012-13	1788.76	1456.86	81
2013-14	2192.94	2097.70	95
2014-15	1590.40	1222.78	77

Source: Rural Development and Panchayat Raj annual report.

The above table shows the total fund availability during the year 2006-07 was Rs.341.31 crore and exceptionally high during the year 2009-10 it is Rs.3407.30 crore and in the year 2014-15 it is 1590.40 crores. Similarly the utilization of fund has increased from 248.30 crore in 2006-07 to 2569 crores in 2009-10. This is mainly due to the implementation of the scheme in all district of the state since 2008-09. However the total utilization has come down to Rs.1222.78 in 2014-15.

**Summary:** Since the inception of MGNREGA it has generated 67.83 crore person days.

The present average wage earned is Rs.191/- per day as it was Rs.65/- per day in 2006. It shows that the average wage has been substantially increased in the state.

The state has provided employment to 8098.1 crore rural households under MGNREGA. Out of which the share of the marginalized groups like SC 1070.38 crore and ST 577.27 crore persons and 112.20 crore women have been provided employment in 2006-07 and it is substantially increased to 737.07 crore in 2009-10, but it came down to 46.81 crore in 2013-14. In 2014-15 women's share in employment is 334.71 crore.

In total person days of 67.83 crore SC/ST share has increased from 1.08 crore in 2006-07 to 1.71 crore in 2013-14 but it has come down to 1.20 crore in 2014-15..

The total funds availability in the year 2006-07 was 341.31 crore and exceptionally high in the year 2009-10 it is 3407.30 crore and in the year 2012-13 it is 1788.76 crore. The demand for MGNREGA was high in the year 2009-10 due to drought in the state. Similarly the utilization of funds has increased from 248.30 crores in 2006-07 to 2569.20 crore in 2009-10. This is mainly due to the implementation of the scheme in all the districts of the state since 2008-09. However total utilization of funds has come down to 1222.78 crore in 2014-15.

### Conclusion

MGNREGA is the largest employment providing programme in the world. It has provided work to 5 crore rural households or 10 crore workers in India. It addressed 41% of the problem of under employment in rural areas. Since its inception in Karnataka 67.83 crore person days of employment has been generated. MGNREGA has helped in enhancing the livelihood in rural areas by providing 100 days of guaranteed wage employment in each financial year to every household who volunteers to do unskilled manual work. It also helped in the creation of durable assets that can provide environmental services and sustainable livelihood; reduction in distress rural migration and work participation by women, SC, ST and disabled persons. MGNREGA helps in strengthening of gross root process of democracy.

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