



Inclusive Development and Mgnrega

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ABSTRACT

MGNREGA was introduced as a flagship programme to provide Employment and Empowerment of weaker sections- SCs, STs, OBCs, Minorities and Women. The document argues for inclusion of these sections of society to participate in process of Economic Development. It emphasizes on providing guaranteed additional employment with minimum pay which is on par with wages of unskilled labour and in some states better than those wages. By providing additional 100 days employment it enables them to afford quality of life in terms of accessing socio-economic opportunities and meeting their utility desires. This paper tries to understand how MGNREGA enables inclusive development. An attempt is made to analyse whether the programme is really enabling Inclusive Economic Development using simple statistical tools. The study found that MGNREGA has made significant impact on the lives of backward communities and in the process making them part of Economic Development.

KEYWORDS : MGNREGA, Inclusive Development, Growth**1.1 Introduction:**

Outlining its vision, the Eleventh Plan noted that 'the economy accelerated in the Tenth Plan period (2002-03 to 2006-07) to a record average of growth of 7.6 percent – the highest in any Plan period so far.' It emphasized the fact that during the last 4 years of the Tenth Plan, average GDP growth was 8.6% making India one of the fastest growing economies in the world. The saving and investment rates have also increased. The industrial sector has responded well to face competition in the global economy. Foreign investors are keen to invest in the Indian economy. But "a major weakness in the economy is that growth is not perceived as being sufficiently inclusive for many groups, especially SCs, STs and minorities. This lack of inclusiveness has lowered performance on dimensions of poverty reduction, Deprivation Index, Human Development Index, sluggish agricultural growth and unemployment. Therefore, the Plan document hastens to add that the target is not just faster growth but also inclusive growth which ensures broad based improvement in the quality of life of the people, especially the poor SCs/STs, OBCs and the minorities. The National Development Council in December 2006 approved the Approach to the 11th Plan document titled "Towards faster and more Inclusive growth" and directed the Planning Commission to prepare a detailed plan to assess the resources required to meet the broad objective set forth in the Approach Paper. In this direction, The Union Government of India on April 2, 2006 has implemented Mahatma Gandhi Employment Guarantee Act (MGNREGA) 2005 as a major step towards inclusive growth and development. Present study is undertaken to analyse how development is made inclusive through MGNREGA. It also evaluates the extent of inclusive development achieved through MGNREGA at India in general and Karnataka in particular.

Economic growth in the developing countries is desirable and necessary but it is the distribution of that growth that matters rather than the pursuit of growth itself (Stuart, 2011). Policy makers have often promoted economic expansion as the panacea for poverty reduction in the developing and emerging world. But there has been a failure to recognise that growth is a means to an end, rather than an end in itself (The Growth Report, 2008). India has achieved and fared well in its GDP growth rate and National Income whereas a look at Poverty pictures tell us that Gini Coefficient has grown higher indicating that there is more uneven distribution of income. SCs, STs, OBCs, Women and minorities have not significantly benefited from the India's high pace of economic growth in first one and half decades of twenty

first century. The reduction in poverty is 28 % (2004-05) from 36% in 1993-94 (Datt, 2008). In order to take care of it, the Eleventh Plan Document has forwarded actions to include excluded people in the process of Economic development and reduce the inequalities in income and employment opportunities so as to ensure objective of equity-justice.

Inclusive growth is a buzz-word in policy circles nowadays, among developed and developing countries alike, as well as in international institutions. Its importance is increasingly being recognised and highlighted in work plans and strategies of the International Monetary Fund (IMF), G20, European Commission and many developmental agencies such as Governments. Several countries and development institutions have incorporated the term "inclusive" into their strategies, and now "Inclusive Development" is gathering momentum as a global development agenda (World Bank, 2007). However, there is no universally agreed definition of Inclusive growth (development). The definitions vary so as to consider growth or development. Growth is measured in one dimension- Income; development is multi-dimensional measuring well being of people which includes not only incomes but also health, education, employment and empowerment. Despite, Inclusive Development can be defined as "development that enhances people's well-being by advancing the equality of opportunity for all members of society, with particular attention to the poor, the vulnerable, and those disadvantaged groups normally excluded from the process of development" (Kozuka, 2011). The definition of Inclusive development thus includes equity in terms of opportunity, employment and resource distribution, inclusion of disadvantaged groups in economic activities.

Evolving the design of the wage employment programmes to more effectively fight poverty, the Central Government formulated the National Rural Employment Guarantee Act (MGNREGA) in 2005. With its legal framework and rights-based approach, notified on September 7, 2005, MGNREGA aims at enhancing livelihood security by providing at least one hundred days of guaranteed wage employment in a financial year to every rural household whose adult members volunteer to do unskilled manual work. The Act covered 200 districts in its first phase, implemented on February 2, 2006, and was extended to 130 additional districts in 2007-2008. All the remaining rural areas have been notified with effect from April 1, 2008.

1.3 Data and Methodology:

Present study is undertaken using secondary Data. This data is collected from the Reports of MGNREGA and MOSPI. The data is collected on Total Job cards issued, employed provided to SC/STs and Women. Data analysis is carried out using simple statistical tables.

1.4 Results and Discussions:

The National Rural Employment Guarantee Act (NREGA) is one of the most progressive legislations enacted since independence. Its significance is evident from a verity of perspectives. First, it is a bold and unique experiment in the provision of rural employment –in India and indeed in the World at large. Second, it is the first expression of the right to work as an enforceable legal entitlement. In a country where labour is the only economic asset for millions of people, gainful employment is a prerequisite for the fulfillment of other basic rights-the right to life, the right to food, and the right to education. To put it more clearly, rural India is marked by stark inequalities - in terms of opportunities for gainful employment afforded as well as wage rates-NREGA represents action on both these counts (Sharma, 2012).

MNREGA was introduced in 2006-07 in 200 districts of the country (Table 1). In the year 2007-08, the programme was extended to 330 districts; similarly, the benefits were introduced in 615 districts (2008-09) and 619 districts (2009-10), 626 districts in 2010-11 and 632 districts in 2012-13 respectively.

Table.1 Performance of the Mahatma Gandhi NAREGA (National Overview) from 2006-07 to 2013-14

Particulars	2006-07 (200 Districts)	2007-08 (330 Districts)	2008-09 (615 Districts)	2009-10 (619 Districts)	2010-11 (626 Districts)	2011-12 (626 Districts)	2012-13 (632 Districts)	2013-14 (632 Districts)
Total Job Cards Issued	3.74	6.48	10.01	11.25	11.94	12.50	12.79	12.72
Employment provided to households	2.10	3.39	4.51	5.20	5.49	5.00	4.58	3.81
Person days (in crore)								
Total	90.5	141.59	216.32	281.59	257.15	218.76	229.86	154.80
SCs	22.95 [25%]	39.36 [27%]	65.36 [30%]	86.45 [30%]	78.76 [31%]	48.47 [22%]	50.96 [22%]	31.53 [20%]
STs	32.98 [36%]	42.07 [29%]	55.02 [25%]	58.74 [21%]	58.82 [23%]	40.92 [19%]	40.75 [18%]	21.09 [14%]
Women	56.40	81.15	104.57	136.40	122.74	105.27	117.94	75.83

Source: MGNREGA

In terms of Job Cards issued, in 2006-07, job cards were issued to 3.78 crore which were almost doubled in 2007-08. In 2008-09, 10.01 crore job cards were issued. Increasing trend followed in 2009-10 and 2010-11. By 2012-13 there were 12.79 crore job cards issued in total. It means to that extent people were seeking employment. Employment in turn provides them cash in hands which can be used to satisfy their socio-economic desires such as their children's education, savings, buying health policies or spending on their family members' health, consuming additional nutritious food and off course quality clothes and home appliances. Other words it provides an opportunity to take valuable decisions on their own.

SCs, STs and Women have benefitted in more numbers than others (who include members of other backward classes and Upper Castes). In 2006-07, when MGNREGA was implemented 90.5 crore person days employment was provided. Out of which 22.95 crore person days of employment was given to SCs, 32.98 Crore person days of employment to STs and 36.40 crore person days of employment was given to women. Every year, number of person days' employment provided to these weaker sections has increased significantly. A whopping of 86.45crore and 58.74 crore person days employment was given to SC and ST households in 2009-10 respectively. Even women have received an increasing amount of employment after 2006-07. However, in 2011-12 and 2012-13 employment provided to these weaker sections has decreased. The reasons cited are irregularities in MGNREGA and people have lost interest in this programme as wages provided are no better and non-lucrative.

Table.2 Districts notified under Mahatma Gandhi National Employment Guarantee Act in Karnataka

Phases	Phase I	Phase II	Phase III
Districts Covered	Bidar Chitradurga Davanagere Gulbarga Raichur	Bellary Hassan Chikkamagalur Belagum Shimoga Kodagu	Chamarajanagar Mandya, Koppal , Tumkur Haveri Bangalore rural, Bijapur, Kolar Uttar kannada , Bagalkote, Gadag, Mysore, Udupi, Dakshina kannada, Dharwad, Yadagir Bangalore Ramnagar, Chikkaballapura

Source: MGNREGA

Table.2 depicts the districts the phase-wise implementation of MGNREGA in Karnataka. In Phase I and Phase II, MGNREGA was notified most backward districts of Karnataka, where half of the population is below national average in terms of National Socio-Economic Indicators except Kodagu, Chikmagalur and Hassan. Therefore, Employment Guarantee or job entitlement is a need for them to come out of shackles of backwardness. Districts of Hyderabad Karnataka are in very bad need of such inclusive and rural development programmes owing to their backwardness. Districts such as Bidar, Gulbarga, Raichur, Bellary, Koppal, Yadgir, Davanagere, Chitradurga, Belgaum, Bijapur, Bagalkote and Chamarajnagar have low levels of Income, Human Development, literacy and Employment rate. Therefore, employment and cash entitlements undoubtedly provide them a milieu of betterment. Implementation of MGNREGA in these backward and developing districts will enhance their choices of better livelihood, income, and savings; and enables their own socio-economic decision making in respective economic units.

Table 3. SC/STs Beneficiaries of MGNREGA in Karnataka

Particulars	No. of household who have demanded employment	No. of households provided employment	SC (in % s)	STs (in % s)	Total Beneficiaries
Number of Beneficiaries	12,79,992	7,99,282	55.72 (16.56 %)	29.83 (8.86 %)	336.54

Source: MGNREGA

Table 3 explains SC/ST beneficiaries of MGNREGA from 2006 to 2014. In total, 12,79,992 households have demanded employment. Of which only 7,99,282 households are provided employment under MGNREGA for 100 days. 55.72 lakh person days employment was given to SC households. Whereas 29.83 lakh person days of employment was given to ST households from 2006 to 2014. In total, 336.54 lakh person days of employment was given. To this extent employment has been given and has put cash in their hands.

1.5 Summary and Conclusion:

The main objective of MGNREGA with its legal framework and rights-based approach is to provide livelihood security and enhancing their standard of living by giving the people 100 days guaranteed employment for unskilled labourers who are willing to do physical work. Although this is visible objective the inherent objective is to bring them into formal economic system as main role players and partners of economic development. Hitherto neglected communities have to be included in the economic process in order to achieve Millennium Development Goals (MDG) by 2020 addressing very pertinent issues of poverty, malnutrition, child and mother mortality rates, improved drinking water, better enrolment ratios or literacy rates, political participation and sustainable economic development. All these goals cannot be addressed unless the bottom people are provided employment and incomes. MGNREGA comes as a panacea pill here. MNREGA was introduced in 2006-07 in 200 districts of the country. In the

year 2007-08, the programme was extended to 330 districts; similarly, the benefits were introduced in 615 districts (2008-09) and 619 districts (2009-10), 626 districts in 2010-11 and 632 districts in 2012-13 respectively. By third phase all districts of Karnataka are notified with and implemented MGNREGA. The most important aspect is that lesser developed districts of Karnataka have benefited more of this programme. In terms of job cards, by 2012-13 there were 12.79 crore job cards issued in total. It means to that extent people were seeking employment. Employment in turn provides them cash in hands which can be used to satisfy their socio-economic desires such as their children's education, savings, buying health policies or spending on their family members' health, consuming additional nutritious food and off course quality clothes and home appliances. Every year, number of person days' employment provided to these weaker sections has increased significantly. A whopping of 86.45 crore and 58.74 crore person days employment was given to SC and ST households in 2009-10 respectively. In Karnataka itself in total, 336.54 lakh person days of employment was given. However, this has decreased in the last two years owing to irregularities and lower wages. MGNREGA has fared well in the beginning years however in later periods; it has mired in corruption and irregularities bringing down its well recognized benefits. No doubt MGNREGA has endorsed development in creating physical infrastructure in rural areas and bringing hitherto excluded groups into formal economic system by making everyone to do transactions via bank or post office, it moots the idea enabling savings and making transparent transactions. It is in this regard, Governments should address the problem of irregularities, corruption, publicize the importance of MGNREGA and make involve more and more informal workers in the programmes, carry out revision of wages on par with physical labour/agricultural wages, improving facilities at worksite and regular monitor of activities. The issues mentioned are needed to be utterly addressed. If these issues are addressed, the goal of inclusive and sustainable development is a reality.

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