

Public Expenditure on Rural Development Scheme with Special Reference to MGNREGA in Karnataka

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Abstract:

The paper focused on Mahatma Gandhi National Rural Employment Guarantee Act, has brought about positive changes in terms of employment opportunities, rural living standards, rural connectivity, economic independence for rural women, increased purchasing power, financial security, and any gender discrimination in the work placement. Objective of the study the performance of worker participation of MGNREGA in Karnataka, the examine the public expenditure on MGNREGA in Karnataka. The study purely based on secondary data collected from Ministry of Rural Development and Rural Development and Panchayati Raj Institutions.

Introduction:

The Ministry of Rural Development is responsible for development and welfare activities in rural areas. The Department of Rural Development under the Ministry is responsible for implementation of many major schemes in rural areas. These schemes are targeted at poverty reduction, provision of basic services, employment generation, rural infrastructure and habitation development. The Ministry of Rural Development has the fourth highest allocation across Ministries in 2020-21, at Rs 1, 22,398 crore. In 2020-21, the Department of Rural Development has an allocation of Rs 1, 20,147 crore, accounting for 98% of the Ministry's allocation. It

witnessed a 2% decrease in funds from revised estimates of 2019-20. In 2019-20, the Department was allocated Rs 1, 17,647 crore, which increased by Rs 5,002 crore (4%) in the revised estimates stage for that year. Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), continues to account for more than half of the Department's budget. However, the funds allocated to it have decreased by 13% this year. The composition of expenditure of the Department of Rural Development. In 2020- 21, 51% of the Department's expenditure is estimated to be on the MGNREGS. This is followed by the rural component of Pradhan Mantri Awaas Yojana – Gramin (16.2%), and PMGSY (16.2%).¹

Mahatma Gandhi National Rural Employment Guarantee Scheme

*“The Mahatma Gandhi National Rural Employment Guarantee Act aims at enhancing the livelihood security of people in rural areas by guaranteeing hundred days of wage-employment in a financial year to a rural household whose adult members volunteer to do unskilled manual work.”*² The main goal of the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) is to provide guaranteed 100 days of wage employment per financial year to every rural household whose adult members volunteer to do unskilled manual work. The Mahatma Gandhi National Rural Employment Guarantee Act specifies a list of works that can be undertaken to generate employment. These are related to water conservation, land development, construction, and agriculture, among others. The scheme at present covers all districts of the country with the exception of those that have a 100% urban population. The Indian parliament passed the Mahatma Gandhi National Rural Employment Act was enacted on 25th August 2005 and it came into force on 2nd February 2006. On 2nd October 2009 an amendment was made in the national rural employment act 2005, to change the nomenclature of the act from NREGA to MGNREGA.

Salient Features of the Act:

- Adult members of a rural household, willing to do inexperienced and untrained work, may apply for registration in writing or orally to the local Gram panchayati.

¹ <https://www.prsindia.org/parliamenttrack/budgets/demand-grants-2020-21-analysis>

² <https://nrega.nic.in/netnrega/home.aspx>

- The Gram panchayati after due verification will issue a job card. The job card will bear the photograph of all adult members of the household willing to work under NREGA and is free of cost.
- The job card should be issued within 15 days of application.
- A job cardholder may submit a written application for employment to the Gram Panchayati, stating the time and duration for which work is sought. The minimum days of employment have to be at least fourteen.
- The Gram Panchayati will issue a dated receipt of the written application for employment, against which the guarantee of providing employment within 15 days operates.
- Employment will be given within 15 days of application for work, if it is not then daily unemployment allowance as per the Act, has to be paid liability of payment of unemployment allowance is of the States.
- Work should ordinarily be provided within 5 km radius of the village. In case work is provided beyond 5 km, extra wages of 10% are payable to meet additional transportation and living expenses.
- Wages are to be paid according to the Minimum Wages Act 1948 for agricultural laborers in the State unless the Center notifies a wage rate which will not be less than Rs60 per day. Equal wages will be provided to both men and women.
- Wages are to be paid according to piece rate or daily rate. Disbursement of wages has to be done on weekly basis and not beyond a fortnight in any case.
- At least one-third beneficiaries shall be women who have registered and requested work under the scheme.
- Work site facilities such as crèche, drinking water, primary health care, shade have to be provided.
- Shelf of projects for a village will be recommended by the gram sabha and approved by the Zilla Panchayati.

Review of literature:

Roshni Pandey (2017): in this paper entitle on MGNREGA and its role in rural development. She said development of a nation without the development of its rural economy, neglecting of

rural development means neglecting of overall development nation. The real development of India lies in the economic betterment of peoples' lives in rural India for which the government needs to make strong economic policies and better implementing strategies. The study of MGNREGA in asset creation and infrastructural development of rural India. Revealed how MGNREGA is a beneficial and effective scheme for the development of rural India. Also provide some important suggestions have been proposed to make this scheme more powerful, fruitful and valuable.

Divakar Reddy et al., (2016): entitle on impact of MGNREGA on income, expenditure, savings pattern of beneficiaries in North-Eastern Karnataka. Revealed that people participate in the MGNREGA increases with an increase in the income an fully implemented MGNREGA villages as compared to partially implement MGNREGA villages. The annual net income of the MGNREGA participant farmers of the partially implemented MGNREGA villages was 49,360 when compared to 63,967 for fully implemented MGNREGA villages it was less. The study also finds average amount of savings made in SHGs was also increased.

Gangadhara Reddy and Aswath G.R (2016): they argue on Performance of Mahatma Gandhi National Rural Employment Guarantee Act in Karnataka, India. Revealed that MGNREGA performance in rural Karnataka 57.23 lakh households registered and 57.23 lakh job cards issued. Since 2005 to onwards MGNREGA performance very intellectually involvement of the work, then works in progress and work completed in rural Karnataka good. The study states person day employment provided for SC, ST, Women and Others local area.

Ashok Kumar H (2016): studied that performance of MGNREGA in Mysore district, Karnataka. SC, ST, Women and Others people participation of MGNREGA in Mysore district, more affected to the rural people. MGNREGA affected on rural poverty, and provided 100 days, and getting wages. Conclude that the performance of MGNREGA in Mysore district has brought many positive changes in improving the livelihood of the poor people along with improvement in the infrastructure for sustainable growth.

Research gap:

A gap statement is found in the introduction section of journals, working paper, and article. In their all above of the review of literature the study regarding of public expenditure and rural

development. They are study about only Mahatma Gandhi National Rural Employment Guarantee Act, in India, but no one viewed clearly public expenditure and rural development at local area, in Karnataka.

Objective of the study:

- The performance of worker participation of MGNAREGA in Karnataka.
- The examine the public expenditure on MGNAREGA in Karnataka.

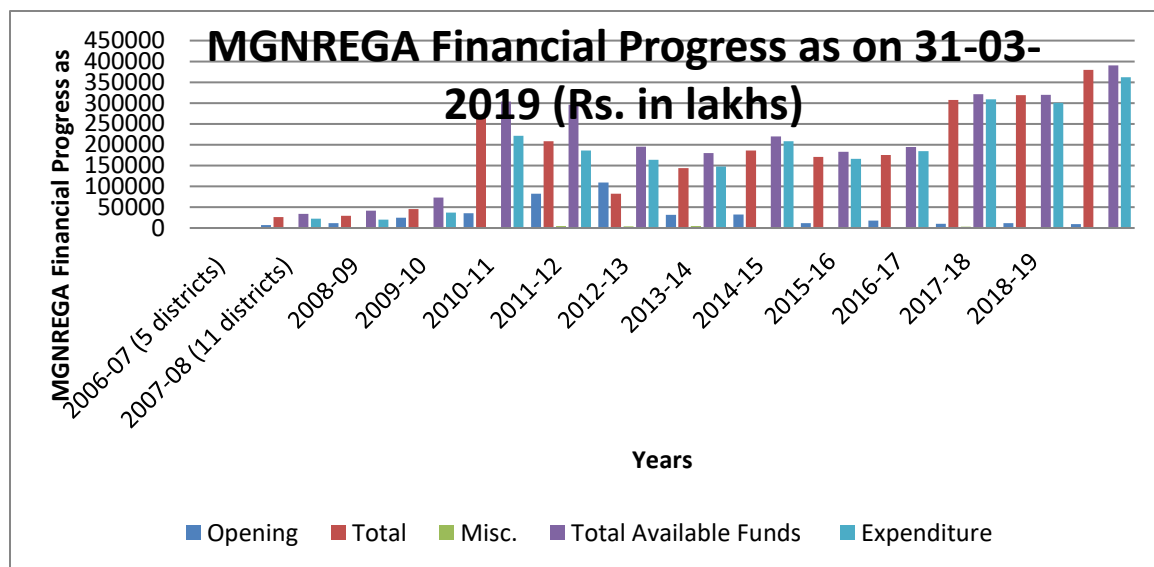
Methodology:

The study based on Secondary data and the data have been collected from the both published and unpublished data such as, reviews of literatures, Journals, working papers, books, magazines, newspapers, reports, and Authentic websites to analyze the data simple technique using.

Data analysis:

1.1 MGNREGA Financial Progress as on 31-03-2019 (Rs. in lakh) Growth rate in percentage.

Financial Year	Opening balance	Total Relases	Misc. Receipts	Total Available Funds	Expenditure
2006-07 (5 districts)					
2007-08 (11 districts)	40%	9%	67%	19%	-13%
2008-09	52%	36%	61%	43%	47%
2009-10	29%	83%	9%	76%	83%
2010-11	57%	-28%	50%	-3%	-19%
2011-12	25%	-154%	-31%	-51%	-13%
2012-13	-248%	43%	15%	-9%	-11%
2013-14	2%	23%	-115%	18%	29%
2014-15	-173%	-9%	-385%	-20%	-26%
2015-16	33%	2%	81%	6%	10%
2016-17	-73%	43%	35%	39%	40%
2017-18	14%	4%	-460%	0%	-3%
2018-19	-28%	16%	57%	18%	17%



MGNREGA Financial Progress as on 31-03-2019 (Rs. in lakhs)		
Variables	average	standard deviation
Opening balance	30398.39	31104.8372
Total releases	179944.9	115165.0581
Misc. Receipts	2260.771	1539.112683
Total Available funds	211695.6	113037.3055
Expenditure	179261.9	107715.8294

Table 1.1 represented that MGNREGA Financial Progress, considering the data from 2006 to 2018; it has been seeing that the total available funds are in the process of declining and increasing. Along with considering the total expenditure data for the period 2006 to 2018, it has been seeing that the rise and decrease are in the process. Overall revealed that average and the standard deviation of the total available fund is 211695.6, 113037.3055, from 2006 to 2018. All so the average and the standard deviation of total Expenditure is 179261.9, 107715.8294 from 2006 to 2018.

Table 1.2 MGNREGA Physical Progress as on 31-03-2019 Growth rate in percentage.

MGNREGA Physical Progress as on 31-03-2019.					
Financial Year	Cummulative No.of Households issued job cards	Cummulative No.of Households Demanded employment	Cummulative No.of Households provided employment	Cummulative No.of persondays generatd in lakhs	Cummulative No.of Households completed 100 days of employment
2006-07					
2007-08	48%	1%	1%	-12%	-202%
2008-09	55%	39%	39%	31%	15%
2009-10	44%	73%	73%	86%	93%
2010-11	-16%	-41%	-40%	-82%	-207%
2011-12	5%	-45%	-43%	-57%	-193%
2012-13	-3%	-13%	-13%	-11%	58%
2013-14	6%	23%	-1%	13%	8%
2014-15	-3%	-26%	-32%	-65%	-182%
2015-16	0%	9%	11%	28%	69%
2016-17	-6%	23%	32%	34%	32%
2017-18	4%	0%	13%	-6%	-552%

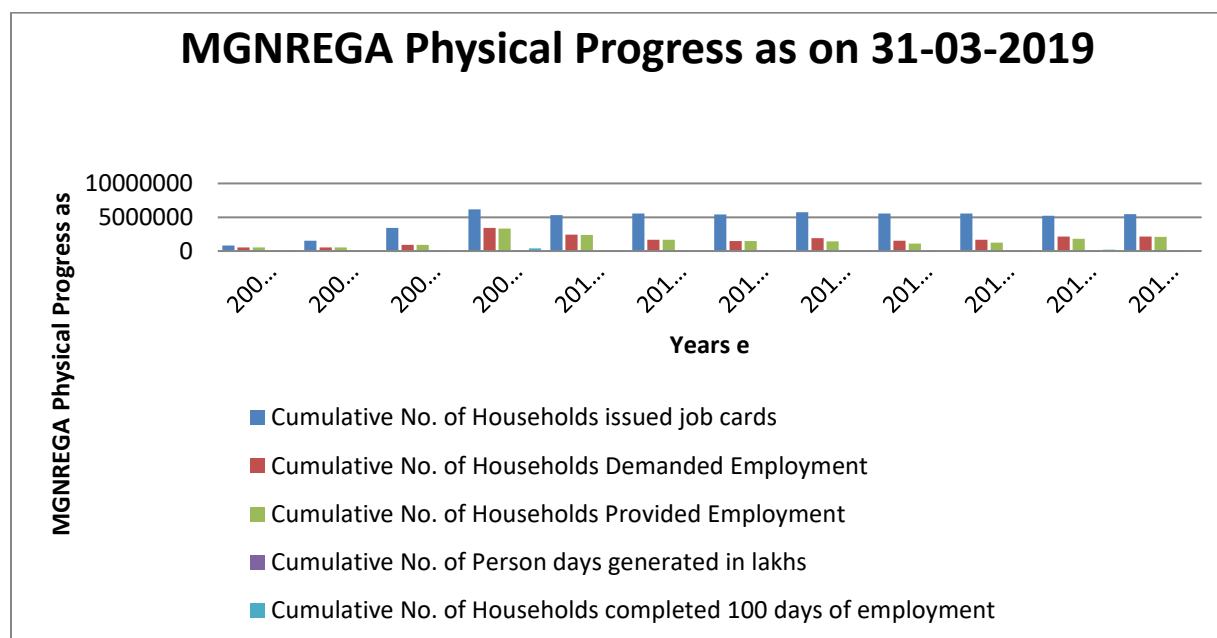


Table 1.2 MGNREGA Physical Progresses as on 31-03-2019

MGNREGA Physical Progress as on 31-03-2019		
Variables	Average	Standard deviation
Cumulative No. of Households issued job cards	4638030	1757021.263
Cumulative No. of Households Demanded employment	1697476	813006.7722
Cumulative No. of Households provided employment	1540380	792046.7875
Cumulative No. of person days generated in lakhs	722.1898	492.0409357
Cumulative No. of Households completed 100 days of employment	110916.9	107540.1216

Table 1.2 reported that MGNREGA Physical Progress in 2019. According to data from 2006 to 2017, we can see the number of cumulative households issued job cards increasing up to 2009. It can then be seen that there is a slight increase and decrease. The Households completed 100 days of employment data has been considering an increase and a decrease from 2006 to 2017. From 2006 to 2017 Cumulative No. of Households issued job cards have average and the standard deviation is 4638030, 1757021.263. along with Cumulative No. of Households completed 100 days of employment of average and the standard deviation is 110916.9, 107540.1216.

Table 1.3 Expenditure on MGNAREGA in labor from 2011 to 2020 Growth rate in percentage.

Year	Labour exp. (disbursed, Rs. In Lakhs)	Material exp. (disbursed, Rs. In Lakhs)	Labour exp. (disbursed + pending, Rs. In Lakhs)	Material exp. (disbursed + pending, Rs. In Lakhs)
2011-12				
2012-13	-10%	-15%	-9%	-6%
2013-14	39%	11%	38%	9%
2014-15	-44%	2%	-45%	-2%
2015-16	12%	1%	12%	1%
2016-17	48%	44%	48%	44%

2017-18	-7%	-15%	-7%	-12%
2018-19	13%	23%	14%	26%
2019-20	22%	29%	22%	41%
2020-21	-310%	-421%	-288%	-503%

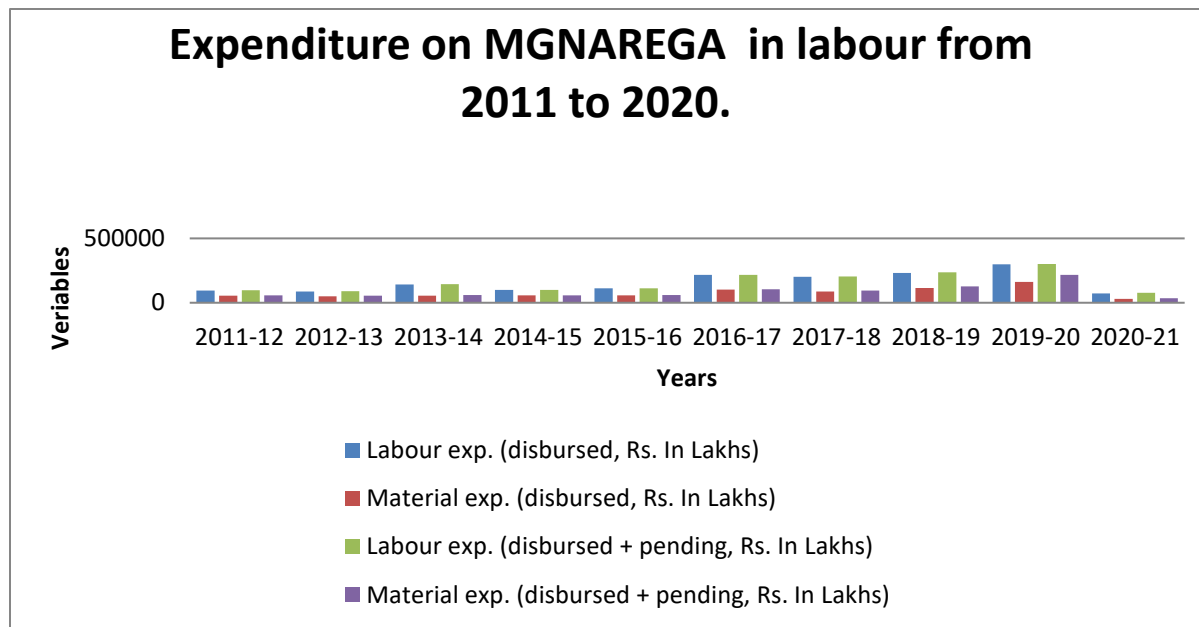


Table 1.3 Expenditure on MGNAREGA in labor from 2011 to 2020.

Variables	Average	Standard deviation
Labour exp. (disbursed, Rs. In Lakhs)	155610.8	76300.15
Material exp. (disbursed, Rs. In Lakhs)	77211.77	39580.22
Labour exp. (disbursed + pending, Rs. In Lakhs)	157727.5	76283.5
Material exp. (disbursed + pending, Rs. In Lakhs)	86468.07	53588.75

Table 1.3 explored that Expenditure on MGNAREGA in labor from 2011 to 2020. According to the labor expenditure data from 2011 to 2020, there is a slight increase and decrease in the

expenditure of labor. All so looking at the material expenditure data from 2011 to 2020, it has been seeing that there is an increasing and decreasing rate. The Labour expenditure of average and the standard deviation is 155610.8, 76300.15 according to 2011 to 2020. The material expenditure of average and standard deviation is 77211.77, 39580.22 it is also according to 2011 to 2020.

Conclusion:

MGNREGA is landmark legislation in the history of social security legislation in India since its independence. Mahatma Gandhi NREGA is a good step taken by the government to reduce unemployment. MGNREGA is a well thought out legislation that is a powerful tool for rural people to get their basic livelihood. MGNREGA has provided rural India with special benefits Extra income during tough times. India's one of the most ambitious anti-poverty the intervention program is namely Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), has been implemented in 2006. The report revealed that Center government year by year more increased expenditure and participation job cards also slight decreased in MGNREGA. But nowadays this program has been due to positive changes in the household respondent, increased household income, education, increased monthly expenditure of food items, and improved fuel consumption for cooking, improved drinking water supply, improved toilet facilities, and reduction in social misconduct such as untouchability. MGNREGA has brought about positive changes in terms of employment opportunities, rural living standards, rural connectivity, economic independence for rural women, increased purchasing power, financial security, and any gender discrimination in the work placement.

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