

# Impact of Mgnrega on Employment Generation in Karnataka

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## ABSTRACT:

This study examines the impact of the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) on employment generation in Karnataka. Using secondary data from official websites, the research highlights MGNREGA's significant role in providing wage employment and enhancing livelihood security for rural households. As of September 2024, over 80 lakh job cards have been issued, with a high employment fulfillment rate exceeding 98%. The program actively supports marginalized communities, with 18.15% of workers from Scheduled Castes and 10.71% from Scheduled Tribes. Overall, MGNREGA is a crucial mechanism for economic stability and poverty alleviation in rural Karnataka.

**Keywords:** MGNREGA, Impact, Employment, Karnataka

## INTRODUCTION:

The Government of India passed the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) in September 2005. This law promises 100 days of paid work each year to adults in rural households who ask for it and are ready to do unskilled manual labor. The Act applies to areas chosen by the Central Government. Its main goal is to improve the livelihood of people in rural areas by providing them with work that helps build local infrastructure. The Mahatma Gandhi National Rural Employment Guarantee Scheme was first launched in two districts, Mahendergarh and Sirsa, on February 2, 2006. Later, it expanded to Ambala and Mewat on April 1, 2007, and to the rest of the state by April 1, 2008. The scheme's main aim is to provide rural households with job opportunities throughout the year, guaranteeing at least 100 days of paid work annually. A secondary goal is to develop rural infrastructure. The Central and State Governments share the cost of the scheme, with the central government covering 90% and the state covering 10%. As of April 1, 2024, the minimum wage for workers is ₹374 per day, and both men and women are paid equally. Wages are paid weekly or every two weeks through workers' bank or post office accounts.

## LITERATURE REVIEW:

**Dr. Mukesh Kumar Mishra (2024)** "An Impact Assessment Study of MGNREGA in Bihar". This paper looked at the impact of MGNREGA in the villages of Dhabauli West, Bishanpur, and Patarghat in the Patarghat area of Saharsa district, Bihar. The study used both primary and secondary data. The researcher found that villagers were benefiting from the scheme, which helped improve their socio-economic conditions.

**Dr. Padma Sarkar (2023)** “MGNREGA-An Instrument of Employment Generation in Assam: An Empirical Study” In this paper the author made an attempt to discover the implementation of Mahatma Gandhi National Rural Employment Guarantee Scheme. For this purpose, primary data is collected from Sapartary Gaon Panchayat of Rampur Block in Kamrup district by selecting 50 sample respondents on the basis of a simple random sampling technique. The study found that MGNREGS has been able to generate employment in the rural areas and hence reduced the problem of poverty to some extent.

**Dr. Hema. D. (2022)** “A study on Impact of employment generation under MGNREGA in Theni district, Tamil Nadu”. In this paper, the researcher aimed to study how employment generation under MGNREGA has impacted the economic status of people in the study area. The research is based on primary data, and the analysis was done using the Statistical Package for Social Sciences (SPSS) along with simple statistical tools. The researcher used a paired sample 'T' Test to compare employment before and after joining MGNREGA. Before MGNREGA, the sample respondents worked 613 days, with a mean of 160.19 working days and a standard deviation of 11.94. After MGNREGA, they worked 613 days, with a mean of 259.98 working days and a standard deviation of 11.48. The mean difference was -99.79, with a standard deviation of 4.25, and the T value was -580.85. The degree of freedom was 612, and the two-tailed significance was 0.000. The study concluded that MGNREGA had a positive impact on beneficiaries, as their number of working days increased after joining the scheme.

**Mr. Mukesh Chahal and Pardeep Kumar (2021)** “Impact of MGNREGA on Employment Generation in Haryana” In this paper, the researcher tried to give an overview of how MGNREGA has impacted job creation in rural areas of Haryana. It also looked at the financial progress of the scheme and the jobs it created. The study found that MGNREGA is very important for generating employment in rural Haryana. To achieve the paper's goals, the researcher used secondary data. The findings confirm that MGNREGA plays a key role in creating jobs in rural Haryana.

The above studies have evaluated MGNREGA's impact in other states, there is limited research specifically focusing on its effects in Karnataka. Hence, there is need for a comprehensive analysis regarding Impact of MGNREGA's on employment generation in Karnataka. Investigating this area will contribute to a deeper understanding of the program's efficacy and inform policy adjustments to better serve rural populations in the state.

#### **OBJECTIVES OF THE STUDY:**

- To look into current status of MGNREGA in Karnataka.
- To analyze the impact of MGNREGA on employment generation in Karnataka.

#### **METHODOLOGY:**

This study is based entirely on secondary data sourced from the official MGNREGA website, as well as various other websites, journals, articles, and published reports. For the analysis, utilized the percentage method to evaluate and compare the data effectively. This approach allows for a clearer understanding of employment trends and the overall impact of MGNREGA on employment generation in Karnataka. By employing this method, it can accurately reflect the relationships between employments demanded and offered, providing valuable insights into the effectiveness of the program.

**RESULTS, ANALYSIS AND DISCUSSION:**

**Current Status of MGNREGA in Karnataka (As on 26-09-2024)**

Total No. of Districts	<b>31</b>
Total No. of Blocks	<b>230</b>
Total No. of G Ps	<b>5,958</b>
Total No. of Job Cards issued (In Lakhs)	<b>80.16</b>
Total No. of Workers (In Lakhs)	<b>182.37</b>
Total No. of Active Job Cards (In Lakhs)	<b>44.05</b>
Total No. of Active Workers (In Lakhs)	<b>81.21</b>
(i) SC worker against active workers (%)	<b>18.15</b>
(ii) ST worker against active workers (%)	<b>10.71</b>

**Source:** <https://nrega.nic.in>

As of September 26, 2024, MGNREGA in Karnataka operates across 31 districts, 230 blocks, and 5,958 Gram Panchayats. A total of 80.16 lakh job cards have been issued, with 44.05 lakh active job cards. Out of the 182.37 lakh registered workers, 81.21 lakh are currently active, indicating a significant workforce engagement. Among active workers, 18.15% are from Scheduled Castes (SC), and 10.71% belong to Scheduled Tribes (ST), reflecting considerable representation of marginalized communities. These figures highlight MGNREGA’s crucial role in providing employment opportunities, especially for vulnerable groups, ensuring economic support and inclusion.

**Impact of MGNREGA on Employment Generation in Karnataka;**

**Employment Demanded and Offered (in Household)**

Year	Employment Demanded	Employment Offered	Percentage of Offered
<b>2020-21</b>	32,95,638	32,35,122	<b>98.16</b>
<b>2021-22</b>	36,81,378	36,18,275	<b>98.29</b>
<b>2022-23</b>	32,71,592	32,15,975	<b>98.30</b>
<b>2023-24</b>	32,41,256	31,93,668	<b>98.53</b>
<b>2024-25</b>	26,20,483	25,93,284	<b>98.96</b>

**Source:** <https://nrega.nic.in>

The above data reflects a steady demand for employment under MGNREGA in Karnataka over the years, with a minor decline in 2024-25. The employment offered consistently matches the demand closely, maintaining a high percentage of fulfillment, averaging above 98% across all years. This suggests that the scheme has been effective in meeting the employment needs of rural households. Overall, MGNREGA has played a significant role in employment generation, ensuring job security for a substantial portion of the rural population.

**Employment Demanded and Offered (in Persons)**

Year	Employment Demanded	Employment Offered	Percentage of Offered
<b>2020-21</b>	64,39,816	62,17,281	<b>96.54</b>
<b>2021-22</b>	72,10,661	69,68,453	<b>96.64</b>
<b>2022-23</b>	61,14,214	59,27,812	<b>96.95</b>

2023-24	60,15,839	58,59,656	97.40
2024-25	47,58,432	46,71,882	98.18

Source: <https://nrega.nic.in>

The above data shows a consistent demand for employment under MGNREGA in Karnataka. The percentage of employment offered compared to demand remains high, ranging from 96.54% to 98.18% over the years. This reflects the program's strong capacity to meet rural employment needs. The increasing percentage of employment offered, peaking at 98.18% in 2024-25, indicates improved efficiency in job provision. Overall, MGNREGA has had a substantial impact on employment generation, maintaining high fulfillment rates.

### CONCLUSION:

MGNREGA has significantly contributed to employment generation in Karnataka, offering consistent support to rural households and individuals. The scheme's high rate of employment fulfillment, averaging over 98% in households and above 96% in individual terms over the years, demonstrates its success in addressing rural unemployment. Despite fluctuations in demand, particularly the minor decline in 2024-25, MGNREGA has maintained efficient delivery of employment, ensuring job security for vulnerable populations.

The active participation of marginalized communities, with 18.15% of active workers from Scheduled Castes (SC) and 10.71% from Scheduled Tribes (ST), further underscores the scheme's role in promoting inclusivity and social equity. MGNREGA's ability to provide jobs to a large workforce 81.21 lakh active workers in 2024 reflects its importance as a safety net for rural economies, especially during periods of economic uncertainty.

Overall, the research indicates that MGNREGA remains a vital mechanism for rural employment generation in Karnataka, empowering households and individuals with steady income opportunities and contributing to broader socio-economic development. The program's effectiveness in fulfilling employment demands ensures continued relevance in the state's efforts to combat poverty and unemployment.

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