

MGNREGA for Inclusive growth: A Case Study of Manipur

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Abstract:

The study aims to evaluate the effectiveness of the MGNREGA (Mahatma Gandhi National Rural Employment Guarantee Act) in promoting inclusive growth in Manipur. By analysing data from both primary and secondary sources, the research focuses on two districts - Imphal West (valley) and Chandel (hill) - with a sample size of 391 MGNREGA beneficiaries. The findings suggest that MGNREGA positively impacts rural lives by generating employment, fostering social inclusion for marginalized groups, increasing beneficiary income, reducing poverty, enhancing women's economic independence, boosting local purchasing power, and creating long-term assets for individuals and communities.

Keywords: MGNREGA, Inclusive Growth, Employment, Poverty, Income.

Inclusive growth, a concept that has received significant attention in recent years, describes an economic development model that aims to reduce inequalities and promote shared prosperity among various segments of society. Various international organizations have defined inclusive growth in diverse ways. The World Bank explains inclusive growth as the combination of the pace as well as distribution of economic growth, emphasizing their interconnectedness. As per World Bank, rapid economic growth is crucial for reducing absolute poverty, but for long-term sustainability, growth needs to be inclusive of a sizable segment of the labour force and broad-based across sectors. The World Bank's perspective focuses on sustained growth, where inclusiveness entails ensuring equality of opportunity in terms of market access, resources, and a fair regulatory environment for businesses and individuals. On the other hand, the UNDP (United Nations Development Programme) views inclusive growth as both a process and an outcome. It emphasizes that inclusive growth allows one and all to engage in the process of development, involving decision-making as well as benefiting equitably. Inclusive growth, as per the UNDP, involves participation and equitable benefit-sharing. Similarly, the ADB (Asian Development Bank) integrates inclusive economic growth as a core objective in its corporate strategy (Strategy 2020). Beyond just promoting broad-based growth, the ADB's approach to inclusive growth focuses on

generating economic possibilities and guaranteeing that all societal segments—especially the impoverished—have equitable access to these changes. Inclusive growth, according to the OECD (Organisation for Economic Co-operation and Development) is economic growth that creates opportunity for everyone while distributing it fairly throughout society. This idea seeks to lessen inequality and create opportunity for everyone by making sure that the advantages of economic progress are distributed fairly among all societal groups. Planning Commission defines inclusive growth as a strategy focused on achieving faster and more inclusive economic growth, with a primary emphasis on addressing inequalities and ensuring that growth benefits all segments of society. This definition underscores the importance of not only economic expansion but also creating opportunities that are accessible to all, aligning with the broader goal of promoting equitable development in India.

In India, there is a growing concern about inequality in the country. Despite a high growth rate, a large part of the population still struggles with poverty, and the income distribution is uneven. The rich keep getting richer and the poor keep getting poorer. The rural poor and marginalized groups have not benefited from India's rapid economic growth. The World Inequality Report 2022 states that the lowest 50% now only receives 13% of the nation's total income, the top 10% and top 1% of the population receive 57% and 22% of it, respectively. The liberalization and deregulation of the economy since the mid-1980s have led to one of the biggest in the world rises in income and wealth inequality. The top 1 per cent has benefited significantly from economic reforms, but low- and middle-income groups have witnessed sluggish growth as well as persistent poverty. Despite India's high growth rate, it still has one of the lowest indicators of human development, ranking 132th on the global Human Development Index (HDI) in 2021, much lower than its neighbouring countries such as Sri Lanka, China, Bhutan, and Bangladesh.

When creating the 11th Five-Year Plan, Indian officials also positioned the country's economy on the path of inclusive growth, taking into account the nation's rapid economic growth rate and widening disparities. The objective of the 11th Plan was aimed at achieving accelerated and more inclusive growth. Reduced rates of poverty, widespread and notable gains in health and educational achievements, more chances for wage work and subsistence, and enhanced access to essential services are all expected outcomes of inclusivity as a multifaceted notion. Special attention must be given to the requirements of the OBC and SC/ST communities and women regarding the reach of applicable programs across numerous industries. To integrate

minorities and other marginalized groups into society, special programs are needed. In response to the suffering of the rural populace, the Indian government enacted MGNREGA. This program's demand-driven, people-centered design set it apart from earlier rural employment initiatives. Every rural household seeking employment is expected to receive at least 100 days of guaranteed wage work per fiscal year under the terms of the Act. It was a comprehensive strategy for promoting inclusive growth in India, which included creating jobs, addressing poverty, empowering marginalized groups, promoting social inclusion, and fostering sustainable development in rural areas. It was announced in 200 districts across 27 states on February 2nd 2006, and expanded to 130 more districts in 2007-08. All remaining rural areas have been notified, with effect from April 1st, 2008. The MGNREGA was first introduced in Manipur in 2006, along with the rest of India, but only in Tamenglong. Afterward, the districts of Churachandpur and Chandel were brought under the scheme from 2007–2008. And it wasn't until 2008–09 that the state incorporated all of the remaining districts.

According to the 2011 Census, Manipur, a small state with a total area of 22,327 square kilometers, makes up 0.7% of the Indian Union. It is home to seven Scheduled Caste (SC) communities and 33 Scheduled Tribe (ST) communities. Geoclimatically, the state can be divided into 2 regions, such as valley and hill. Although the valley region only makes up 10% of the state's total area—2,238 square kilometers—it is one of the most densely populated areas of the state. The hill is around nine times the size of the valley area, encompassing 20,089 square kilometers, or 90% of the state's total area. Manipur has now 16 districts altogether.

According to the final Population Census figures from 2011, the rural population accounts for approximately 70.79% of the total population. The agriculture sector is vital to the state's economy. It makes a significant contribution to the state's gross domestic product. Cultivators and agricultural laborers account for 52.81% of Manipur's workforce. In urban regions, there are 2.78 lakhs (32.59%) and 7.45 lakhs (38.8%) of individuals living below the poverty level. One of the primary goals of the state's development planning has been to raise living standards for the economically disadvantaged sections of society. Thus MGNREGA will be the right initiative to bring about inclusive development in the state covering the diverse landscape and population of the state by impacting the lives of the rural population.

Objectives and Methodology:

The objective of the study is to assess MGNREGA's effectiveness in promoting inclusive growth in Manipur. Both primary and secondary sources of data were used in this investigation. To represent the state of Manipur consisting of valley and hill areas, two districts namely Imphal West as valley and Chandel as hill areas have been selected. The sample size of 391 MGNREGA beneficiaries is distributed 188 to Chandel district and 203 to the Imphal West district. Here, multistage stratified random sampling with proportional allocation was applied. The District, CD Blocks, and Gram Panchayats (GP) are treated to be stratum in the multistage sampling scheme. The Wards/ Villages in the selected CD Blocks/ Village authority are taken to be the last stratum in the scheme. The valley's sub-sample of size, 203 MGNREGS – beneficiaries was proportionally distributed to four CD Blocks. In this manner, hill's sub-sample of size, 188 was distributed to the four TD Blocks. After this stage, the sample of each CD Block is again distributed proportionally to the different Gram Panchayats. Lastly, the required samples were thus taken from the beneficiaries of the Wards of each Gram Panchayat. Information was gathered from the beneficiaries and Gram Panchayat using a well-designed interview questionnaire that included both open-ended and closed-ended questions. To find out the quantitative differences in socio-economic variables and variables related to MGNREGA between hill and valley areas, cross-tabulation analyses were performed and chi-square tests of significance were also done.

Results and Discussions:

Table1

Employment Generated for the FY 2017-18 to 2021-22 in Manipur under MGNREGA

Year	Total HH-issued Job cards(in lakhs)	Total HH provided employment(in lakhs)	Total no. of Persondays generated(in lakhs)	Families completed 100 days
2017-18	5.49	4.99	61.25	1
2018-19	5.67	5.25	117.4	16
2019-20	5.73	5.46	234.1	856
2020-21	5.85	5.52	330.5	4365
2021-22	5.95	5.61	303.3	1859

Source: www.nrega.nic.in

Unemployment is a serious problem in Manipur due to the lack of private sector, industrial backwardness, and inadequate infrastructure in both the valley and hills. As such, MGNREGA in Manipur is an important mechanism for creating jobs, improving livelihood security, and promoting inclusive growth by providing guaranteed wage employment to rural households.

The data show fluctuations in employment generation over the years, with significant increases in years such as FY 2020-21. Despite variations, there is an overall upward trend in employment generation from FY 2017-18 to FY 2021-22, as evidenced by total person days generated and households employed. In the FY 2017-18, only 1 family completed 100 days of work. In FY 2018-19, only 16 families completed the required days of work. This number increased significantly to 4365 in FY 2020-21 before falling to 1859 in FY 2021-22.

Table 2

Social Inclusion under MGNREGA in Manipur

	FY 2019-20	FY 2020-21	FY 2021-22
Total Individuals Worked[In Lakhs]	5.9	6.04	5.94
Women Person days out of Total (%)	48.99	52.03	52.58
ST person days % as of total person days	40.45	41.48	41.05
SC person days % as of total person days	2.92	2.7	2.75
Differently, abled people worked	1854	1986	2140

Source: www.nrega.nic.in

The MGNREGA Act plays a crucial role in promoting social inclusion by providing employment opportunities to marginalized groups within society, such as women, Scheduled Tribes and Castes, and other disadvantaged communities. The data reflects a varying level of social inclusion under MGNREGA in Manipur over the years. Women's participation has

shown a positive trend, with an increasing percentage of person days worked by women. The contribution of Scheduled Tribes (ST) individuals has notably increased, especially in FY 2020-21, indicating improved inclusion of ST communities. Scheduled Castes (SC) individuals have a consistent but relatively low participation rate in MGNREGA activities. The number of differently-abled persons engaged in MGNREGA work fluctuates, suggesting varying levels of inclusion and opportunities for differently-abled individuals.

Table 3
Distribution of amount increased in family income per annum
after joining MGNREGA

Amount (in '000Re)	District		Total	Test Value
	IW(Valley)	Chandel(Hill)		
5-10	96 (47.3)	88 (46.8)	184 (47.1)	$\chi^2_{(2 \text{ d.f.})} =$ 0.64 P > 0.05
10-15	83 (40.9)	82 (43.6)	165 (42.2)	
15+	24 (11.8)	18 (9.6)	42 (10.7)	
Total	203 (100)	188 (100)	391 (100)	

Source: Household survey

The data presented in the table suggests that participation in NREGS has resulted in significant income increases for households in both the "IW" and Chandel districts. The distribution of income increases is similar in both districts, with a higher proportion of households experiencing an increase in income between 5,000 and 15,000 Rupees. Specifically, in the "IW" district, 47.3% of respondents reported an increase in income between 5,000 and 10,000 Rupees, while 40.9% reported an increase between 10,000 and 15,000 Rupees. In Chandel district, the corresponding figures are 46.8% and 43.6%, respectively. It is noteworthy that a smaller proportion of households in both districts (11.8% in "IW" and 9.6% in Chandel) reported an income increase of more than 15,000 Rupees. This suggests that while NREGS has provided a significant boost to household income for many families, it may not have had a transformative impact on the most impoverished households.

Overall, these findings suggest that NREGS has been successful in providing short-term employment opportunities and income support to households in these districts. This is also evidenced by the test value calculated as (2 d.f) = 0.64. The result shows that the p-value (P) >0.05, representing that there is no statistically significant difference in the income distribution between the IW and Chandel districts.

Table 4

Distribution of opinion on the benefit of MGNREGA according to location

Benefit	Opinion	Location		Total	Test Value
		IW(Valley)	Chandel(Hill)		
Enhancement of food security	Yes	154 (75.9)	163 (86.7)	317 (81.1)	$\chi^2_{(1)}$ d.f)= 7.48 P < 0.05
	No	52 (25.6)	25 (13.3)	74 (18.9)	
Protection against extreme poverty	Yes	166 (81.8)	162 (86.2)	328 (83.9)	$\chi^2_{(1)}$ d.f)= 1.40 P > 0.05
	No	37 (18.2)	26 (13.8)	63 (16.1)	
Reduce indebtedness	Yes	16 (7.9)	41 (21.8)	57 (14.6)	$\chi^2_{(1)}$ d.f)= 15.20 P < 0.01
	No	187 (92.1)	147 (78.2)	334 (85.4)	
Greater economic independence for women	Yes	177 (87.2)	156 (83.0)	333 (85.2)	$\chi^2_{(1)}$ d.f)= 1.37 P > 0.05
	No	26 (12.8)	32 (17.0)	58 (14.8)	
Generated purchasing power in the local economy	Yes	182 (89.7)	158 (84.0)	340 (87.0)	$\chi^2_{(1)}$ d.f)= 2.71 P >
	No	21 (10.3)	30 (16.0)	51 (13.0)	

					0.05
Reducing distress migration	Yes	4 (2.0)	2 (1.0)	6 (1.5)	$\chi^2_{(1 \text{ d.f.})} = 2.98$ P > 0.05
	No	199 (98.0)	186 (98.9)	385 (98.5)	
	Total	203 (100)	188 (100)	391 (100)	

Source: Household survey

The above table shows the distribution of opinions on the benefits of the MGNREGA in two districts of Manipur: Imphal West and Chandel.

1. Increased Food Security: In Imphal West, 75.9% believe MGNREGA improves food security, while in Chandel; the percentage is higher at 86.7%. Overall, 81.1% of respondents in both districts believe that MGNREGA has a positive impact on food security.

2. Protection from Extreme Poverty: The majority of respondents in both districts believe that MGNREGA protects them from extreme poverty, with 83.9% overall agreement.

3. Reduce Indebtedness: The districts differ significantly, with 7.9% in Imphal West and 21.8% in Chandel believing that MGNREGA reduces indebtedness. However, the majority in both districts do not see the MGNREGA as reducing indebtedness.

4. Greater Economic Independence for Women: Both districts (87.2% in Imphal West and 83.0% in Chandel) agree that MGNREGA increases women's economic independence.

5. Increased Purchasing Power in the Local Economy: The majority of respondents in both districts believe MGNREGA helps to generate purchasing power in the local economy, with no significant differences between the districts.

6. Reducing Distress Migration: Only a small percentage of people in both districts believe MGNREGA reduces distress migration (2% in Imphal West and 1% in Chandel), indicating a lack of trust in the scheme's ability to address this problem.

Overall, the table shows varying perceptions of MGNREGA benefits in various areas, with an overall preference for food security, poverty reduction, economic independence for women, and local economic impact. However, there are different viewpoints on debt

reduction and distress migration, indicating the need for further research to improve the scheme's effectiveness in addressing these issues.

Conclusion and Suggestions:

Thus, MGNREGA is a multidimensional intervention aimed at achieving inclusive development for the rural poor. The study found that MGNREGA impacts the lives of the rural poor by generating employment, social inclusion of the marginalized, increasing beneficiary income, reducing poverty, giving women greater economic independence, increasing purchasing power in the local economy, and creating long-term assets for individuals and communities. It serves as a social safety net for the vulnerable by providing a backup source of employment when other options are scarce or insufficient. It adds an element of equity to the process of growth. However, the success of MGNREGA depends mainly on the greater and efficient functions of Panchayats, the quality of planning, transparency, and strict monitoring. However, the main shortcoming was a lack of adequate administrative as well as technical experts at the gram and block panchayat levels. This program is hampered by rampant corruption and diversion of funds, as well as data manipulation to show payments for work that was not completed, among numerous other issues. Despite its limitations, MGNREGA not only creates additional employment opportunities for the rural poor, but it also channels its vast potential into nation-building through the development of social and economic infrastructure, which has the potential to transform the rural face and boost the national economy.

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