



NREGS (National Rural Employment Guarantee Scheme) under financial inclusion with special reference to Patna District (Bihar)

Vijay Lakshmi*, Swati Shree*, Smriti Prakash*, Kamini Jha **

*B.A.III 2010, Economics Honours, Patna Women's College, Patna University, Patna

**Lecturer, Dept. of Economics, Patna Women's College, Patna University, Patna

The quest for food and basic needs and the battle for employment seem to have found a shore with the enactment of the employment act; the NREGA - NATIONAL RURAL EMPLOYMENT GUARANTEE ACT(5th Sep, 2005). It was brought into force by the Union Government on February 2, 2006 covering 27 states and aims to cover the whole of rural India by 2010. It is "An Act to provide for the enhancement of livelihood security of the household in rural areas of the country by providing at least one hundred days of guaranteed wage employment in every financial year to every household whose adult members volunteer to do unskilled manual work and for matters connected therewith or incidental thereto." "Every person who digs a pond, renovates an irrigation canal and plants a tree contributes a bit to poverty alleviation in India. Under NREGA more than one percent of India's population should have done that in the last ten months." Finance means money, and inclusion means including the unprivileged people of the society in the economy of the country. 'Financial Inclusion' concept gained importance with the Rangrajan Committee set up by the RBI which means the process of ensuring access to financial services and a timely and adequate credit to vulnerable groups at an affordable cost. NREGS -National Rural Employment Guarantee Scheme and the Financial Inclusion concept had similar goals hence they were combined in the 11th five year plan, to reach the maximum number of beneficiaries. The main aim of this paper is to Develop a comprehensive understanding of the Government policy- NREGS. As NREGA is a widely discussed public policy and a knowledge about it is the need of the hour. An attempt has been made to analyse." How much effective employment has been made and how is the scheme helping in financial inclusion via wage payment through banks in Patna district." A study of NREGA is important from the economic point of view as it includes employment as well as Financial Inclusion. It is also important from the social point of view as it is a nationwide discussion regarding the low living standard of workers of Bihar and their migration out of the state in search for work. It also aims to find out Other benefits derived with the implementation of this scheme and study the problems coming forth in its implementation and measures adopted.

Key words: NREGA, NREGS, Financial Inclusion, Employment.

UNDER FINANCIAL

The NREGA, a flagship programme of the UPA government with an opportunity for rural renewal is a boon for BIHAR boosting finance on one hand and on the other raising wages, pulling down migration rate and creating productive assets. It is making a difference in rural life; slowly but surely.