MGNREGA and Labour employability –a comparative analysis of KBK and Non-KBK regions of Odisha, India

Dr. Minati Sahoo*, Ms. Liza Pradhan, Mr. Simachal Mishra

[1]Asst. Professor, Dept. of Economics, Central University of Orissa, Landiguda, Dist-Koraput, Odisha, India
[2]Lecturer, Dept. of Economics, Government College, Koraput, Odisha, India
[3]Lecturer, Dept. of Economics, Model Degree College, Rayagada, Odisha, India
minati.sahoo@gmail.com, pradhan.liza1996@gmail.com, simachal16cuo@gmail.com

Abstract

Objectives: Within India, KBK regions in Odisha are considered to be the most backward regions. MGNREGA, by providing guarantee employment to the rural households, empowers the marginalized through decentralized planning and ensures the livelihood security. Hence the present study attempts to analyze the employability performance of MGNREGA in KBK and Non-KBK regions of Odisha.

Method: To analyze the performance of the scheme in KBK region and Non-KBK of Odisha, a comparative analysis has been done over a period of five years from 2013-14 to 2017-18. The study is mostly based on secondary sources. Most of the data were collected from Ministry of Rural Development, Government of India. For analysis, data collected has been summarized and portrayed in tables and figures. Beside this, mathematical and statistical techniques such as averages, percentages have also been used in the present study.

Findings: The study found that the performance of MGNREGA in terms of 100 days of wage employment, person-days generated, and Schedule Tribe (ST) and women person-days is better in KBK regions than in Non-KBK regions of Odisha. Further total expenditure, total wages, average cost and average wage rate per day person in KBK district is better than Non-KBK district of Odisha. But these regions are lagging behind their Non-KBK counterparts in case of average days of employment provided per household and job cards issued. Thus, though the difference of MGNREGA performance in terms of rural employment generation in KBK and non-KBK is not substantial, but still MGNREGA can serve an important means for eradicating poverty and enhancing the socio-economic condition of the tribal in these regions.

Application: Effective measures should be taken by the Government machinery for more opportunities for work and better implementation of the scheme so that the poor and marginalized especially in the tribal backward regions can join the main stream of the society.

Keywords: Backward Regions, Employment, Poverty, Wage, Tribal.

1. Introduction

Sustainable and inclusive employment has always been the top priority for our government. As human beings are considered to be the real resource of a nation [1], hence the development of a nation depends upon its ability to make use of its human resources. Productive employment can also provide a pathway out of poverty [2]. "Employment to all" has always been accepted as one of the policy goal of India.

Many rural employment schemes were introduced by the Government of India since 1976 like National Rural Employment Program, Jawahar Rozgar Yojana, Sampoorna Grameen Rozgar Yojana to provide employment opportunities to the people. But there was no guarantee of employment for longer period of time as well as the minimum wage payment. Even after 70 years of Independence, with more than seven self-employment schemes, rural mass arestill so vulnerable for the employment and income opportunity [3].

This has forced the government to provide guaranteed long period jobs and minimum wages. To attain this, Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) was introduced in 2006 which will provide guarantee employment to the rural poor and help them to fight with poverty [4]. MGNREGA has emerged as one of best approach for removing poverty and unemployment in rural areas [5]. It has also helped in arresting migration, reducing child labor, removing poverty, and creation of productive assets such as road water and soil conservation etc. Its significance is evident from a variety of perspectives. First, it is one of the largest rural employment guarantee scheme introduced in India.

Second, by providing a wage employment of at least 100 days to all and additional 50 days in tribal region in a financial year, it ensures right to work to the rural poor. Thus MGNREGA is basically inclusive in nature as it targets mostly the poorest sections of society [6]. This has also came as a true relief against the suffering of tribal where the development projects like industrialization has caused large scale displacement of tribal population [7]. After Africa, India is the second country to host a large number of tribal communities [8]. Among states, Odisha is considered to be one of the tribal dominated states. It comprises 9.22% of tribal population as per 2011 census. Various studies found that tribal suffer from extreme poverty, poor literacy level, low status of health and nutrition and are mostly unemployed [9].

They are among the poorest and the most marginalized sections of Indian society. In rural areas, tribal exhibit the highest level of poverty (47.4%) [10]. It had a rural unemployment rate of 8.7% and an urban unemployment rate 5.8% as per the 68th National Sample Survey [11]. No region in India illustrates this better than Odisha, which has considerable natural resources, but also the highest percentages of tribal people living below the poverty line [12]. Among Indian states, Odisha is the least developed and most backward state [13]. In 2004–05, the percentage of tribal people living below poverty line stood at 75.6% in Odisha [12].

Despite of various efforts by Government of India and various states since independence to improve the tribal livelihoods, tribal are still suffering from acute poverty [14] and the gap between the tribal and non tribal populations has further widened. As MGNREGA has been implemented to empower the tribal through guaranteed jobs, but how far it has helped in improving the lives of poor poses a researchable question. Thus, the present study attempts to comparatively analyze the employability performance of MGNERGA in Kalahandi-Balangir-Koraput (KBK) region, the most backward and poverty stricken belt of Odisha and Non-KBK region of Odisha.

2. Methodology

A comparative method has been adopted in the present study to analyze the MGNREGA's employability performance in KBK and Non-KBK region. The KBK region of Odisha is one of the poorest, tribal dominated and most backward regions of India [15].

The region consists of eight districts of Odisha i.e. Koraput, Nawarangpur, Malkanagiri, Rayagada, Subarnapur, Bolangir, Kalahandi and Nuapada. It covers 31% of state geographical area with 20% of state population. Nearly 38 % people of this region belong to the Scheduled Tribes (ST) communities.

Being the region to be tribal dominated; these districts were covered from the very beginning of starting of MGNREGA. As Odisha have 30 districts, hence rest 22 districts would be considered as Non-KBK region of Odisha in the present study. How far this programme has been able to work for the welfare of tribal in most backward district of region in Odisha? To answer this question, it is necessary to judge the rural labour employability performance of the scheme in this tribal region.

To analyze the performance of the program in KBK region and Non-KBK of Odisha, a comparative analysis has been done over a period of five years from 2013-14 to 2017-18.

Data have been collected and analyzed from secondary sources. Data collected then is summarized and portrayed in tables and figures. Beside this, mathematical and statistical techniques such as averages, percentages have also been used in the present study.

3. Discussion

MGNREGA generates the conditions for inclusive growth that will provide a strong social safety net for the marginalized groups by providing employment source, when other employment opportunities are lacking. The employability performance of MGNREGA will be analyzed on the basis of criteria like job cards issued per workers, person-days generated for employment, average days for employment provided per household, SC and ST person-days percentage as of total person-days and women participation in KBK and Non-KBK region of Odisha.

Table 1. Rural labour employability under MGNREGA in KBK and Non-KBK region (District Wise) from 2013-14 to 2017-18

Districts	Total No. of Job Cards issued as on 2018 (in Lakh)	Average Person-days Generated (in Lakhs)	Average days of employment provided per household	No. of Households completed 100 days of employment
KBK Region				
Bolangir	2.8	35.4	46.7	6396
Kalahandi	2.9	27.8	34.2	3491
Koraput	2.8	43.2	41.1	5090
Malkangiri	1	11.5	34.4	974
Nabarangapur	2.4	27	38.9	3142
Nuapada	1.2	16.7	38.7	2439
Rayagada	2	29.5	42.3	4018
Sonepur	1.1	9.2	31.5	947
Non-KBK Region				
Angul	1.8	12.2	32	1084
Baleshwar	3.5	14.2	27.8	876
Bargarh	2.4	11.4	28	688
Bhadrak	2.3	11	27.9	292
Boudh	0.8	9.2	30.9	679
Cuttack	2.8	12.1	24	405
Deogarh	0.7	8.5	38.1	775
Dhenkanal	1.8	12.1	34	1011
Gajapati	1.2	19.6	40.4	2565
Ganjam	4.9	74.1	46.9	10662
Jagatsinghpur	1.3	6.2	21.5	129
Jajpur	2.8	10.9	26.2	586
Jharsuguda	0.7	5.3	36.1	536
Kandhamal	1.4	36.4	47.5	7638
Kendrapara	2.1	10	24.7	335
Kendujhar	3	45.9	38.9	6797
Khurda	1.4	7.6	30.9	782
Mayurbhanj	4.1	105.1	49.7	22842
Nayagarh	1.6	16.6	33.9	1009
Puri	2.3	10.9	24.9	371
Sambalpur	1.2	17.1	39.6	2353
Sundargarh	2.8	50.9	46.2	9451

Source: [16] and compiled by Author

Local government i.e. Gram Panchayats were assigned the task to implementing MGNREGA. Job Cards were provided to every household who have registered themselves. This is important as it helps to ensure protection against fraud. Once the registration has been done, they are entitled to receive employment within 15 days from the date of their registration and if they fail to provide employment, then unemployment allowance is given to them.

A district wise data with regard to the employment provision under MGNREGA is shown in Table 1.MGNREGA is performing better in KBK region than in Non-KBK regions for person-days generated, employment provided per household and number of households completed 100 days. But the performance is better in Non-KBK with regard to job card issued than in KBK region (Figure 1).

Figure 1.Rural labour employability under MGNREGA in KBK and Non-KBK region of Odisha from 2013-14 to 2017-18
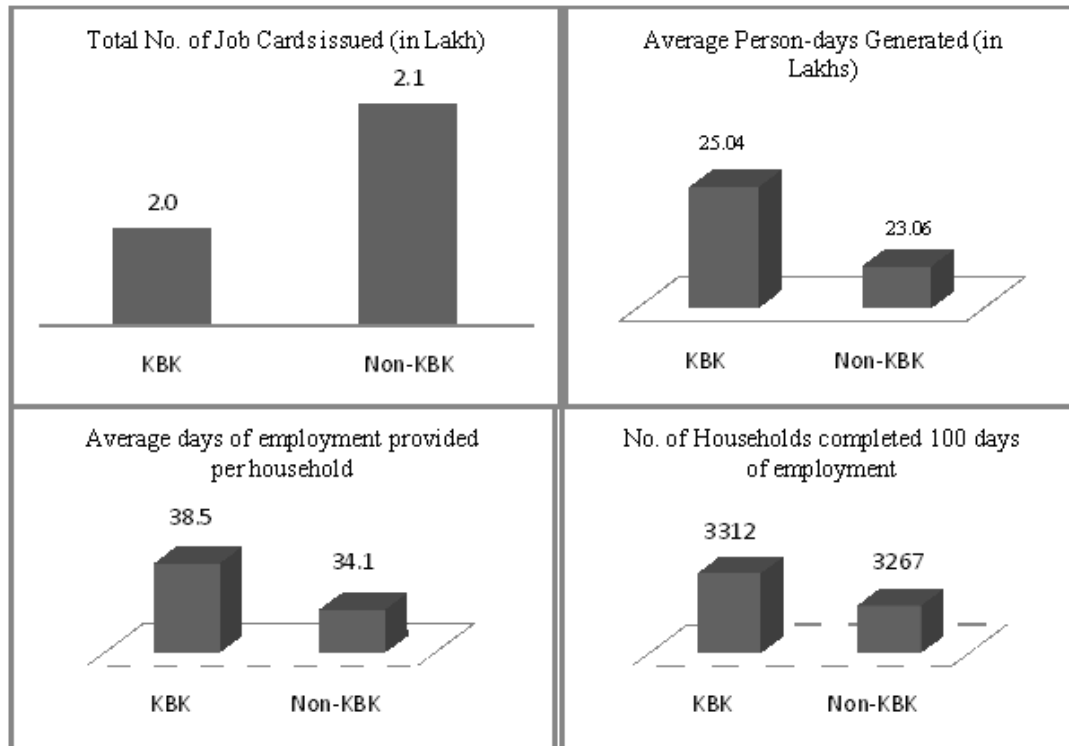
Source: Compiled by Author

The scheme by providing employment aims at improving the financial condition of the poor people. This has also helped at empowering the marginalized section, especially women and tribal. Empowerment of SC/ST and women through employment under MGNREGA in KBK and Non-KBK region can be seen from Table 2.

Table 2. Rural employability percentage of SC, ST and women person-days district wise from 2013-14 to 2017-18

Districts	SC % Person-days	ST % Person-days	Women % Person-days
KBK Region			
Bolangir	17.0	26.8	38.9
Kalahandi	16.8	35.8	41.2
Koraput	12.2	63.3	31.8
Malkangiri	21.3	65.0	32.5
Nabarangapur	13.3	61.1	36.6
Nuapada	13.9	41.8	38.2
Rayagada	16.5	62.1	37.5
Sonepur	21.8	9.4	29.0
Non-KBK Region			
Angul	17.0	18.3	34.4
Baleshwar	18.1	11.4	32.5
Bargarh	20.8	28.2	25.4
Bhadrak	16.7	0.9	26.7
Boudh	21.7	15.3	31.6

Cuttack	23.9	7.1	21.3
Deogarh	16.1	36.0	42.4
Dhenkanal	24.2	18.0	36.0
Gajapati	6.1	72.0	40.3
Ganjam	22.5	7.0	47.4
Jagatsinghpur	25.9	0.5	32.6
Jajpur	28.3	8.8	18.3
Jharsuguda	22.1	49.9	30.2
Kandhamal	19.6	56.2	40.1
Kendrapara	20.7	0.6	24.7
Kendujhar	12.2	44.9	40.7
Khurda	21.5	9.9	31.2
Mayurbhanj	12.4	57.4	40.7
Nayagarh	12.3	9.5	35.2
Puri	17.0	0.7	31.7
Sambalpur	19.2	40.4	31.0
Sundargarh	10.1	69.9	39.0

Source:[16] and compiled by Author

The average ST person-days percentage is 46% and 26% in KBK and Non-KBK region respectively from 2013-14 to 2017-18. These show those ST person-days in KBK region are higher than Non-KBK region. Further with regard to women-person days, again KBK regions are performing better than the Non-KBK regions (Figure 2).

Figure 2. SC, ST& Women person-days % in KBK and Non-KBK region of Odisha
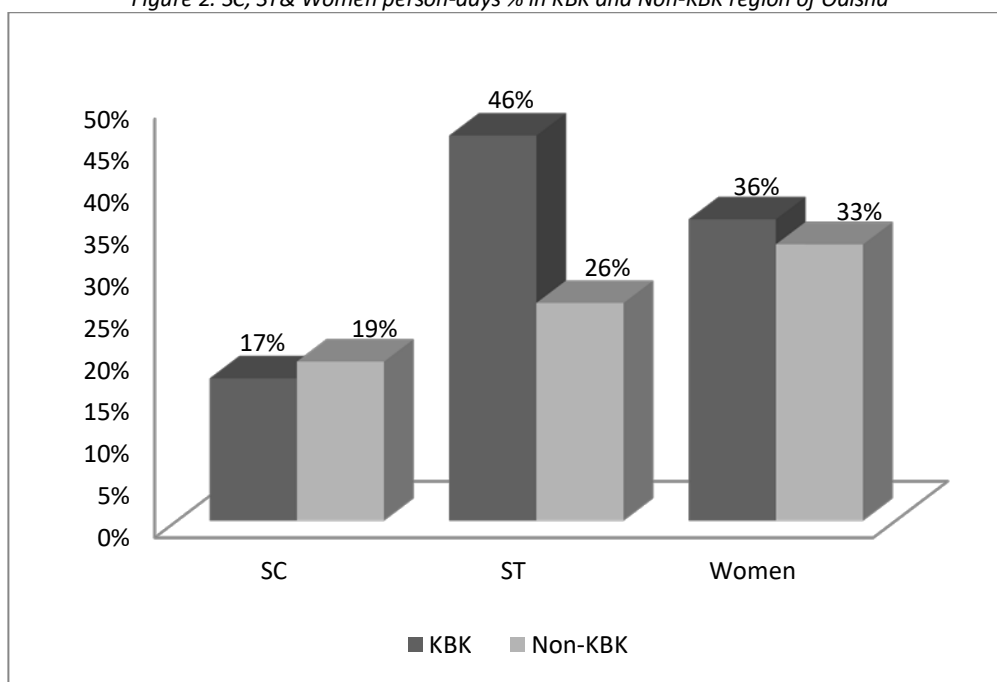
Source: Compiled by Author

Additionally, the funding of MGNREGA will be shared between both the central and state governments. The Central Government will borne 100% of wage expenditure of unskilled labour, 75% of material cost and wage expenses of semi skilled workers and also the administrative expenses whereas the state government will meet the Unemployment allowances and rest of the expenditure on material and wages to skilled and semi-skilled workers. The financial performance of MGNREGA in labour employability district wise in the state has been summarized through Table 3.

Table 3. Financial performance of MGNREGA in labour employability district wise from 2013-14 to 2017-18

Districts	Total Expenditure (in Lakh)	Wages (in Lakh)	Average Cost Per Day Per Person	Average Wage rate per day per Person
KBK Region				
Bolangir	8222.2	6138.9	226.3	172.5
Kalahandi	6386	4699.1	225.4	171.5
Koraput	10477.7	7117.1	234.4	167
Malkangiri	2522.5	1892	212.8	165.8
Nabarangapur	6363.9	4549.6	224.7	170.9
Nuapada	3658.6	2821.1	208.9	171
Rayagada	7361.7	4892.9	241.7	168.8
Sonepur	2157.9	1546.9	228	170.3
Non-KBK Region				
Angul	2936.7	2006.6	228.8	168.8
Baleshwar	3453.4	2373.1	234.2	168.8
Bargarh	2677.4	1929.5	230.7	171.7
Bhadrak	2389.9	1786.2	217.9	166.1
Boudh	2250	1547.1	232.6	171.5
Cuttack	2808.4	2005.3	227.9	165.4
Deogarh	1993.5	2005.3	218.2	169.4
Dhenkanal	2962.2	2028.2	233.1	168.6
Gajapati	4618	3187.3	218.4	165.1
Ganjam	15774.9	10933.6	203.9	146.9
Jagatsinghpur	1425.6	1001.5	224.1	166.1
Jajpur	2536.7	1845.3	226.7	170.1
Jharsuguda	1259.1	871.2	228.1	168.8
Kandhamal	7786.9	6071.4	207.9	169.3
Kendrapara	2318.9	1657.3	226.9	166.1
Kendujhar	11248.2	7786.6	236.1	170.4
Khurda	1804.6	1278.3	227.3	168.1
Mayurbhanj	27203.5	17914.8	247.6	170.3
Nayagarh	3660	2764.5	217.5	170.8
Puri	2663.9	1814.4	241.2	166.6
Sambalpur	4057.9	2958.6	228.5	172.8
Sundargarh	11337.9	8688.6	213.8	169.7

Source:[16] and compiled by Author

From Figure 3, it is observed that the wages paid in KBK regions are more than Non-KBK regions. Further KBK districts has more average wage rate than the non-KBK districts and the Non-KBK has more average cost than the KBK district in Odisha.

Figure 3. Financial performance of MGNREGA in labour employability in KBK and Non-KBK region of Odisha
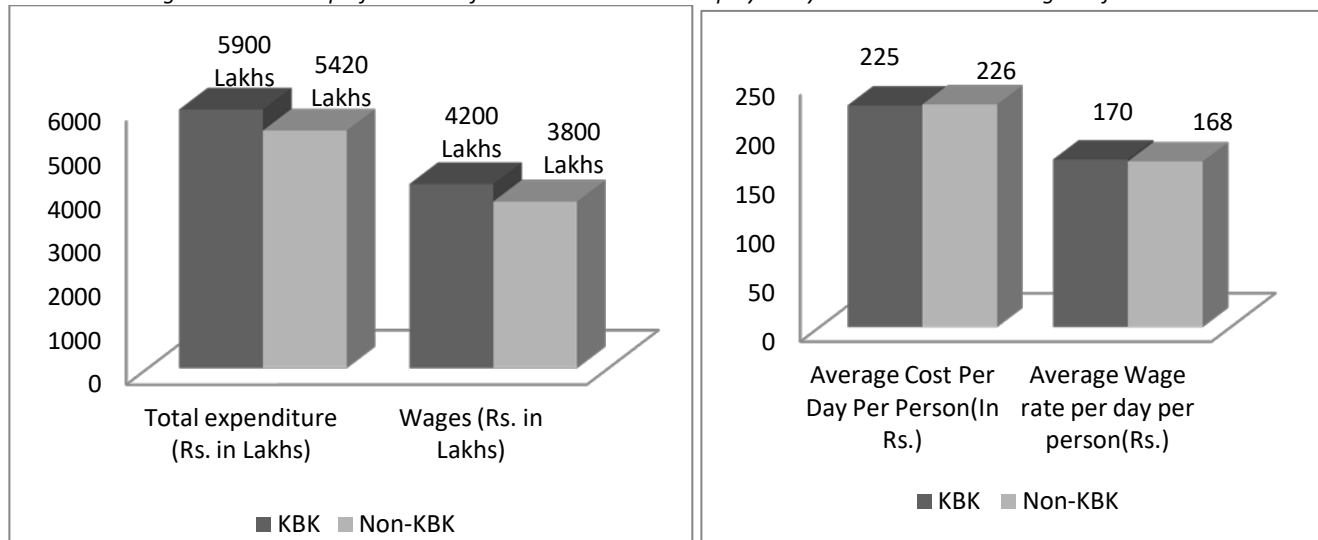
Source: Compiled by Author

4. Conclusion and Suggestions

Thus from above analysis, it is found that the performance of MGNREGA in physical criteria like 100 Days of Wage Employment, Person-days generated, ST and Women person-days is better in KBK regions than in Non-KBK regions of Odisha. Further it can be also seen that the financial performance like its total expenditure, total wages, average cost and average wage rate per day person in KBK district is better than Non-KBK regions of Odisha. Though the rural labour employability performance of MGNREGA is better in some criteria but these regions are lagging behind their Non-KBK counterparts in case of average days of employment provided per household and job cards issued. Further, though the difference in performance of MGNREGA in KBK and non-KBK is not marking, but still MGNREGA can serve an important means for eradicating poverty and enhancing the socio-economic condition of the rural tribal in these regions through employment generations.

Hence the government machinery should take up some more measures to further strengthen the scheme. The effectiveness of MGNREGA can be of multiplying effects if a more economics oriented planning is put into selection of works under MGNREGA. Due care should be taken by the administrative machinery while implementation so that the scheme reaches the people who deserve it. More of awareness has to be given with regard to enrollment in MGNREGA. There should be flexibility in types of work that can be taken up under this scheme depending on the local needs and necessities. At last, effective measures should be taken by the Government machinery for providing more opportunities for work so that the poor and marginalized especially the tribal can join the main stream of the society.

5. References

1. United Nation Development Programme. Human Development Report. http://hdr.undp.org/en/content/human-development-report-2010. Date accessed: 10/02/2010.
2. Promotion of rural employment for poverty reduction, International Labour Conference, 97th Session. http://www.ilo.org/wcmsp5/groups/public/@ed_norm/@relconf/documents/meetingdocument/wcms_091721.pdf. Date accessed: 2008.
3. A.K. Giri. Rural development in India: through employment programmes. *International Journal of Scientific Research and Management*. 2017; 5(7), 6150-6155.
4. Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) and Tribal Livelihoods: A Case Study in Sundargarh District of Odisha. http://ethesis.nitrkl.ac.in/3620/. Date accessed: 21/05/2012.

5. Keshlata, S.N. Fatmi. The contribution of MGNREGA in the empowerment of the scheduled tribes through poverty alleviation and rural development in the Sheopur District of Madhya Pradesh: An analytical study. *International Journal of Humanities and Social Science Invention*. 2015; 4(2), 58-71.

6. B. Benni, J. Nagaraja. Inclusive growth through Mahatma Gandhi national rural employment guarantee act in Karnataka State. *International Journal of Academic Research.* 2017; 4(6), 53-61.

7. R. Singh. Mining and Its Impact on Tribals in India: socio -economic and environmental risks. *International Journal of Social Science and Humanities Research.* 2015; 3(2), 429-439

8. K.C. Naik. Dynamics of tribal migration in undivided Koraput district of Odisha, India. *International Journal of Academic Research and Development.* 2017; 2(4), 585-587.

9. F.A. Ganiee. A case study of rural development programmes in India. *International Journal of English, Language & Humanities.* 2014; 1(5), 40-47

10. Planning Commission. *Poverty Estimates for 2009-10.* Government of India. http://pib.nic.in/newsite/PrintRelease.aspx?relid=81151. Date accessed. 19/03/2012.

11. Government of India, *Economic Survey of India* (2011-2012).Ministry of Finance, New Delhi, India (2013). https://www.indiabudget.gov.in/budget2012-2013/es2011-12/estat1.pdf. Date accessed: 02/12/2011.

12. Ministry of Tribal Affairs, Govt. of India. http://www.kractivist.org/wp content/uploads/2014/12/Tribal-Committee-Report-May-June-2014.pdf. Date accessed: 03/2014.

13. Ministry of Finance, Report of the Committee for evolving a Composite Development Index of States*.* New Delhi*,* Government of India. https://finmin.nic.in/sites/default/files/Report_CompDevState.pdf. Date accessed: 09/2013.

14. V. Oraon. Changing patterns of tribal livelihoods: a case study in Sundargarh District, Odisha. National Institute of Technology, Rourkela, Odisha. 2012; 1-33.

15. S.P. Parida, G. Mishra. Bridging the poverty gap in KBK region of Rural Odisha: A statistical estimation. *Golden Research Thoughts.* 2012; 2(5), 1-10.

16. Ministry of Rural Development, Government of India. http://www.nrega.nic.in/netnrega/mgnrega_new/Nrega_home.aspx. Date accessed: 23/08/2018.