



Research Paper

## Performance of MGNREGA in Rural Odisha: Successes & Failure

Parameswar Mallik<sup>1</sup>

<sup>1</sup>Ph.D. Scholar, P.G. Department of Sociology, Sambalpur University, Odisha, India

[Email-parameswarmallik97@gmail.com](mailto:Email-parameswarmallik97@gmail.com)

Corresponding Author: Parameswar Mallik

### ABSTRACT:

Rural Odisha located in eastern India, is characterized by diverse landscapes, rich biodiversity, and a predominantly agrarian society. Many rural households rely on agriculture for their livelihoods, but the sector is often plagued by low productivity, irregular rainfall, and inadequate irrigation facilities. This has led to a high prevalence of people living below the poverty line. In this context, the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) serves as a welfare measure and safety net for rural development in India. It provides a crucial social and economic support system to rural communities. Based on secondary data, the broad objective of the paper is to study the performance of MGNREGA in the Odisha context. The necessary information was gathered from various journal articles, Census reports web sources, and published and unpublished manuscripts that are related to the topic. Findings of the existing literature highlight that MGNREGA has limited effect on rural communities in Odisha. However, some challenges need to be addressed such as lack of awareness about the scheme among the rural communities, corruption issues, and low wage rates which hinder its effectiveness. It was concluded that MGNREGA is a welfare initiative program to improve rural livelihoods, alleviate poverty, and enhance community infrastructure. In the state of Odisha, MGNREGA has shown significant impact and success since its implementation.

**KEYWORDS:** MGNREGA, Employment Generations, Rural Communities, Odisha

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### I. INTRODUCTION

Odisha is the eleventh largest state in India with approximately 42 million people, most of them live in rural areas with 17 % living in urban regions. Odisha's rural communities play a vital role in the country's economic, social, and environmental landscape. In rural Odisha, agriculture is the primary source of livelihood, and people are largely dependent on natural resources for their sustenance. Traditional occupations such as farming, animal husbandry, and artisanal craft are prevalent in rural areas. A significant portion of the rural population in Odisha lives below the poverty line, with limited access to necessities such as food, clean water, and proper health care (Rath, 2018). However, due to various socio-economic factors, these occupations often do not offer sufficient income to support a comfortable lifestyle. The major socio-economic issues that affect rural people in Odisha include poverty and income inequality, agriculture and water scarcity, inadequate infrastructure and services, migration, and seasonal unemployment. Rural development is an important factor in removing poverty and for the growth and development of the rural economy (Nayak, et.al, 2018). The government of India has launched various initiatives to address these challenges and promote the development of rural communities also Odisha. These programs include the Community Development Programme(CDP), Integrated Rural Development Programme(IRDP), Drought Prone Area Programme (DPAP), Marginal Farmers and Agriculture Labourers Scheme, Food for Work Programme(FWP), Jawahar Rozgar Yojana (JRY), Jawahar Gram Samridhi Yojana (JGSY), *Sampoorna Grameen Rozgar Yojana (SGRY)*, National Rural Employment Programme (NREP), Rural Landless Employment Guarantee Programme (RLEGP) and Pradhan Mantri Jan Dhan Yojana (PMJDY), National Rural Livelihood Mission (NRLM) and the Deendayal Antyodaya Yojana-National Rural Livelihoods Mission (DAY-NRLM), the rural people could not get the complete benefits because of regional variations and restricted mobility(Mallik & Paltasingh, 2023).

In this context, the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is a social welfare program that aims to provide a livelihood security net for rural people. It was implemented by the Indian government in 2005, and its primary objective is to enhance the livelihood security of poor households across rural India by guaranteeing 100 days of wage employment per year to adult members who volunteer to do unskilled manual work. This scheme focused on providing employment opportunities to the most vulnerable households, including women, Scheduled Castes, Scheduled Tribes, and other marginalized communities. The program aims to improve connectivity, promote self-employment, and enhance agricultural productivity in rural areas (Das, 2016). The program's primary goals include (i) Guaranteed employment for one hundred days (ii) social protection for the most vulnerable rural Indians (iii) equal wages for men and women (iv) Ensuring that single women are eligible (v) livelihood security for the poor through the development of long-lasting assets (vi) Strengthening decentralized participatory planning (vii) strengthening Panchayati Raj Institutions and (viii) effecting greater transparency and accountability in governance (Swain & Ray, 2013). This scheme encourages community participation in the rural decision-making process related to the selection of work, wage rates, and other issues. This can promote a sense of collective action and social solidarity among rural communities. The implementation of MGNREGA in India has been a complex and challenging process due to the vastness and heterogeneity of the country (Turangi, 2022). However, the program has made significant strides in providing employment opportunities and poverty alleviation in India also Odisha.

## **II. OBJECTIVES & METHODOLOGY**

The objectives are as follows;

1. To assess the implementation of MGNREGA in Odisha
2. To examine the performance of MGNREGA in Odisha (FY-2019-2024)
3. To suggest some recommendations for the betterment of the rural poor.

This review paper on the performance of MGNREGA in rural Odisha is largely based on secondary sources of information, including studies conducted on various socio-economic elements of the programs, reports, and notifications issued by the Ministry of Rural Development (MoRD), Ministry of Labour & Employment, and data from the Management Information System (MIS), data of working papers as well as published articles journal and reports.

## **III. IMPLEMENTATION OF MGNREGA IN ODISHA**

The implementation of MGNREGA in Odisha is carried out under the supervision of the Department of Panchayati Raj (DoPR). This scheme involves various stakeholders including the Village Council (Gram Panchayat), Block Development Officer (BDO), District Program Coordinator (DPC), and State Program Director (SPD). is responsible for the overall implementation and management of the MGNREGA program. The Act has been implemented in Odisha since 2006 and it covers entire the state along with 30 districts. In Odisha, MGNREGA has been successfully implemented with enthusiastic effort. Bolangir, Boudh, Deogarh, Dhenkanal, Gajapati, Ganjam, Jharsuguda, Kalahandi, Kandhamal, Kendujhar, Koraput, Malkangiri, Mayurbhanj, Nabarangapur, Nuapada, Rayagada, Sambalpur, Sonapur, and Sundargarh were among the 19 districts covered by Phase I of MGNREGA. Another five districts, including Bargarh, Anugul, Balasore, Bhadrak, and Jaipur, were included in Phase II of MGNREGA, while the remaining six districts, including Nayagarh, Kendrapara, Jagatsinghpur, Puri, Cuttack, and Khordha, were included in Phase III of MGNREGA (Mohapatra, Suna & Sahoo, 2020). The implementation process covers several key aspects, including the identification of works, registration of job seekers, issuance of job cards, execution of works, wage payments, and monitoring and evaluation. The state government of Odisha has also introduced several innovative measures to ensure the effective implementation of MGNREGA, such as the construction of community assets, skilled development programs, and convergence with other government schemes. As of the current year, the government of Odisha has extended the coverage of MGNREGA to all rural households in the state, making it a universal program. This scheme improved the employment opportunities and livelihoods of the rural poor in Odisha (Ojha, 2013).

## **IV. PERFORMANCE OF MGNREGA: AN ASSESSMENT**

The performance of MGNREGA in rural Odisha during the financial year (FY) 2019-2024 can be assessed by looking at various indicators such as employment generation, participation of social groups and women, and work status under MGNREGA.

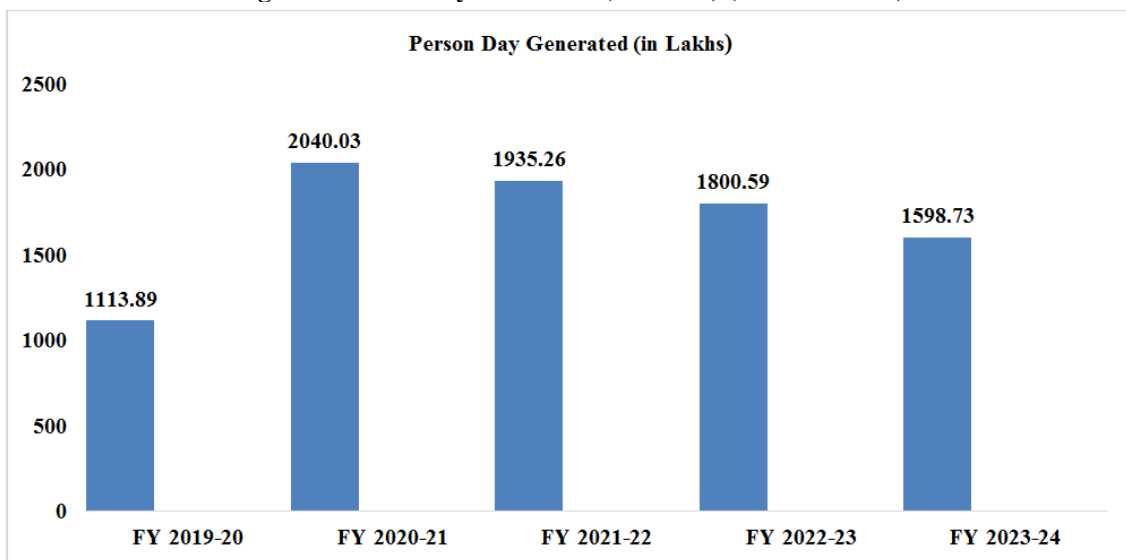
### **4.1 Employment Generation**

Employment generation refers to the process of creating new jobs or opportunities for individuals to participate in the workplace. Panchayati Raj and Drinking Water Department, Government of Odisha has taken several initiatives to promote employment generation in the state. The MGNREGA has been a vital tool in

promoting employment generation and poverty alleviation among rural workers. The program's impact has been particularly significant in the state, as it has helped address the issues of unemployment, poverty, and rural development (Sahoo, 2013). This scheme is a demand-driven program, which means that is based on the labor requirements of rural households. Moreover, the program has been successful in promoting social inclusion and equality as it has provided equal access to employment opportunities for all members of rural households, regardless of their caste, class, and gender (Panda & Tripathy, 2021).

The average employment data for MGNREGA in Odisha can vary from financial year to financial year. According to the latest data for 2023-2024, the average employment generated per household in Odisha under MGNREGA was approximately 53.23, which is a decrease from the previous year's average of 55.51 per day. In the financial year 2023-24, the average wage rate in MGNREGA across Odisha is around Rs. 248.31 per day, which is an increase from the previous year's average of Rs.220.84 per day (MoRD,2024). However, these numbers can alter depending on factors such as the monsoon season, the geographical distribution of the project, and the overall economic climate. This section has been systematized under three major sub-sections; (i) person day generated in 2019-2024 (ii) total household worked (in Lakhs) and (iii) total no of households completed 100 days of employment.

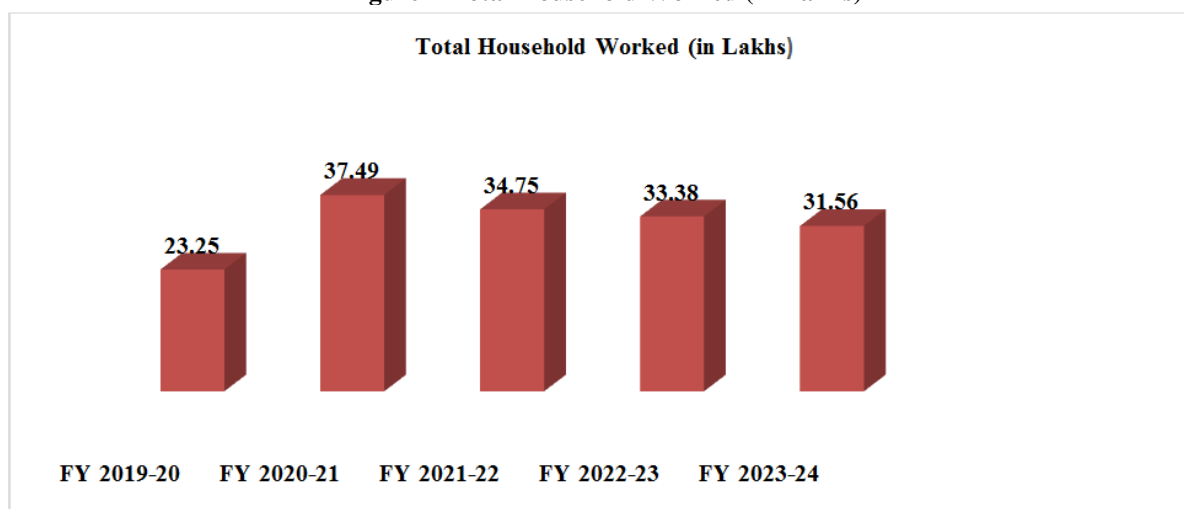
**Figure-1 Person Day Generated (in Lakhs) (FY-2019-2024)**



Source-Drawn from MoRD, MGNREGA MIS data, 2024

Person day generated is a metric used MGNREGA program to measure the total number of workers employed in a certain period. This scheme has generated a substantial number of person days of employment in Odisha. As per the MIS data, during the FY 2019-2020, approximately 1113.89 lakh person-days were generated under MGNREGA. This is the sum of the total individual days worked by all the beneficiaries across Odisha. Figure 1 shows that in the FY 2020-2021 around 2040.03 lakh person-days were generated under the MGNREGA. This number is higher than the previous year, due to increased demand for employment opportunities during the COVID-19 pandemic. About 1935.26 lakhs person-days in 2021-2022, 1800.59 lakhs person-days in FY2022-2023 and around 1598.73 lakhs person-days in FY 2023-2024. This number is slightly lower than the previous year, but still significant in terms of providing employment opportunities to rural households.

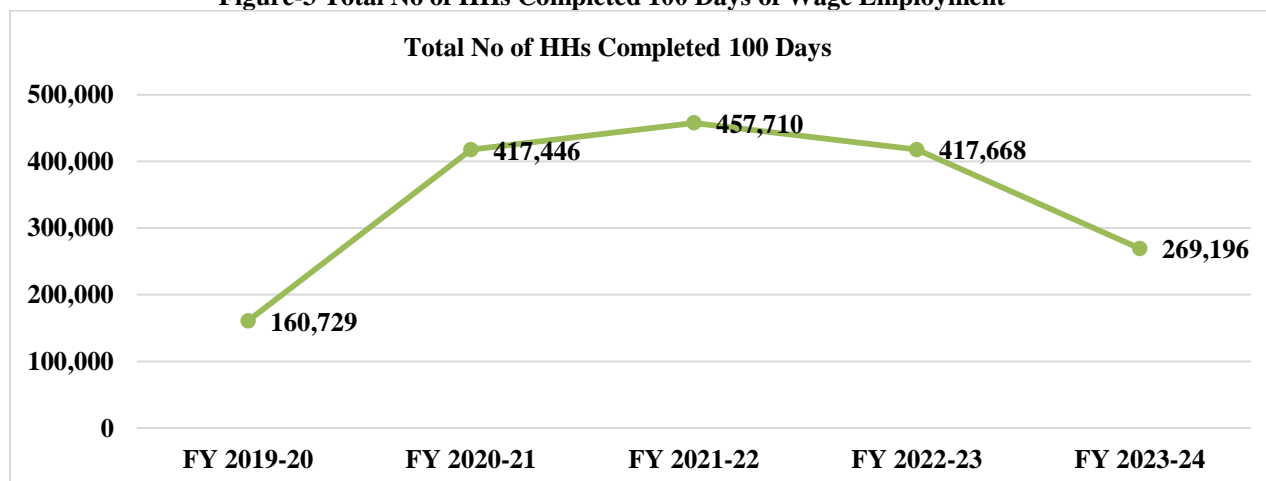
Figure-2 Total Household Worked (in Lakhs)



Source-Drawn from MoRD, MGNREGA MIS data, 2024

Total households worked refers to the combined workforce within a household, typically consisting of family members. Figure 2 shows that in FY 2019-2020, the total number of households worked under MGNREGA is estimated to be around 23.25 lakhs. In the FY 2020-2024 the total number of households worked increased from 37.49 to 31.56 lakhs respectively.

Figure-3 Total No of HHs Completed 100 Days of Wage Employment



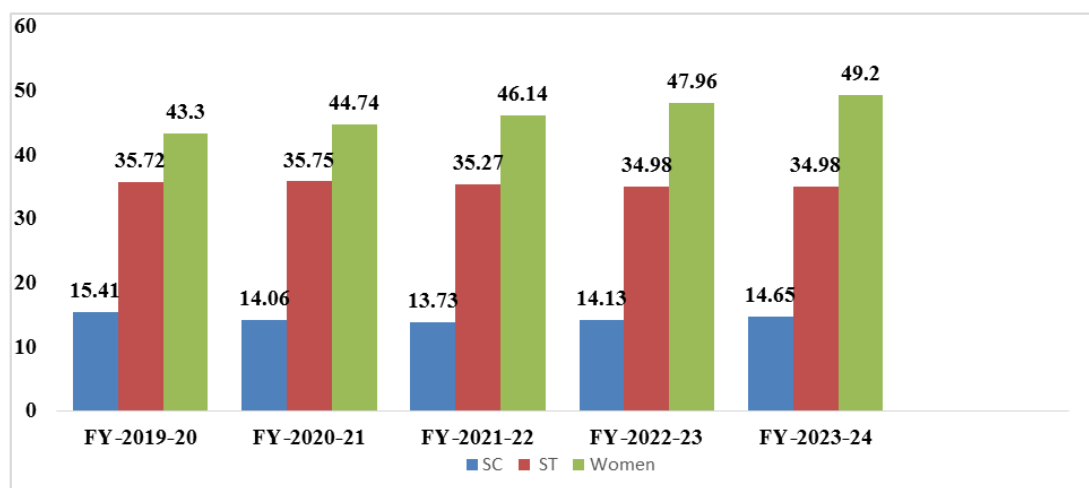
Source-Drawn from MoRD, MGNREGA MIS data, 2024

Figure -3 shows that during the financial year 2019-2020, the total number of households completed 100 days of employment was approximately 1,60,729. In the FY 2020-2024, the total number of households completed households increased from 4,17,446 to 2,69,196 respectively. Overall, the MIS data show that MGNREGA has effectively provided employment opportunities to millions of rural households in Odisha.

#### 4.2 Participation of Social Groups and Women

In the past, Marginalized sections of society have faced in accessing the benefits of the various schemes. The MGNREGA program was implemented during the 11<sup>th</sup> Five-Year Plan (2007-2012) under the UPA Government. The scheme plays a significant role in reducing the unemployment rate and poverty among the SC, ST communities, and women. The program ensures social equality and equal opportunities for both men and women, which helps in encouraging gender equality (Kanungo, 2012). This Act provides various skilled development programs for rural women and disadvantaged groups, which helps in enhancing their skills and making them suitable for various wage employment opportunities. The scheme has also promoted the economic inclusion and sustainable livelihood of marginalized sections. The status of SC, ST, and Women under MGNREGA in Odisha is indeed crucial to assess the program’s effectiveness in targeting the most vulnerable

populations. The government of Odisha has made a concerted effort to ensure the inclusion of SC, ST, and women in Odisha, particularly those living in remote and inaccessible areas (Biswal,2017).



**Figure-4 Participation of SC, ST & Women**

Source-Drawn from MoRD, MGNREGA MIS data, 2024

According to the MIS data financial year 2019-2024, the SC participation rate decreased from 15.41 to 14.65 %. The state government has committed to providing 50% of total employment generated under MGNREGA to ST. But as per the MIS data financial year 2019-24 the participation of ST communities decreased from 35.72 to 34.98 %. MGNREGA has proven to be an effective tool for empowering women in Odisha. According to the MIS data financial year 2019-2024, the women's participation rate increased from 43.3 to 49.2 %.

#### 4.3 Works Status Under MGNREGA

About work distribution, there are various of rural assets that can be created as an outcome of this employment guarantee program. In Odisha, MGNREGA works primarily involve unskilled manual workers, with a focus on water conservation, drought proofing, flood control, micro-irrigation, provision of rural connectivity, and village infrastructure.

**Table 1- Number of Works Completed under MGNREGA (Financial Year 2019-2024)**

Works	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Anganwadi/ Other Rural Infrastructure	4202	3703	8312	14126	14452
Drought Proofing	29156	13298	47322	82277	71003
Rural Drinking Water	656	253	74	47	35
Flood Control and Protection	753	534	1315	2329	2131
Fisheries	157	55	134	278	135
Micro Irrigation Works	2345	1746	5515	10291	10936
Land Development	16170	9579	28222	43581	28212
Rural Connectivity	17105	9364	22290	42361	46936
Rural Sanitation	10649	5371	6703	9045	20109
Water Conservation and Water Harvesting	5542	6251	23961	48022	57867
Renovation of Traditional Water Bodies	5536	2936	6919	13536	15942

Source-Drawn from MoRD, MGNREGA MIS data, 2024

The above table shows various of works taken under MGNREGA for rural development and environmental sustainability in Odisha. According to the financial year 2019-2024, the total number of Anganwadi and other rural infrastructure work completed was from 4202 to 14452, and out of them from 29156 to 71003 works are drought proofing. Regarding rural drinking water, the total number of works completed was from 656 to 35, and out of them increased from 753 to 2131 works are flood control and protection. As per the data in 2019-24, the total number of fisheries works completed was from 157 to 135 respectively, and out of them increased from 2345 to 10936 works are micro irrigation and under land development have been completed works from 16170 to 28212 respectively. Further, table 1 reveals that the total number of rural connectivity works completed from 17105 to 46936 FY 2019-21, and out of them increased from 10649 to 20109 works are rural sanitation and under water conservation and water harvesting have been completed works from 5542 to 57867. Regarding the renovation of traditional water bodies, the number of works completed was

from 5536 to 15942. It is clear from the above MIS data that reflecting on rural development and environmentally sustainable related works is one of the major initiatives under MGNREGA.

## **V. CRITICAL APPRAISAL**

The MGNREGA has been instrumental in generating employment opportunities for rural households in Odisha, contributing to poverty reduction, infrastructure development, and women empowerment in the state. The success of MGNREGA largely depends on its implementation at the grassroots level. However, certain critical issues and challenges need to be addressed for improvement in the implementation process. Most of the projects under MGNREGA in Odisha still rely heavily on manual workers. This not only slows down the overall development process but also exposes the workers to hazardous working conditions (Das, 2016). MGNREGA workers in rural Odisha often receive low wage rates compared to their counterparts in other employment sectors. This makes it difficult for workers to secure a steady income through the scheme, leading to financial instability and limited opportunities for social and economic mobility. Delays in wage payments lead to dissatisfaction among the beneficiaries and discourage them from actively participating in the scheme. Workers often have to wait for months before receiving their payment, which can cause financial hardships and adversely impact their livelihoods (Parida, 2016). Although MGNREGA guarantees 100 days of work per rural household per financial year, there may be insufficient job opportunities available in the state due to low demand or limited resources. MGNREGA mainly provides unskilled work, and there is limited scope for skill development or diversification within the program (Yasmin & Srinivas, 2020)

## **VI. CONCLUSION & RECOMMENDATIONS**

Implementing MGNREGA successfully requires proper planning, monitoring, and coordination at various levels of planning and implementation. The lives of rural people have been impacted by MGNREGA in many different ways in Odisha. There is no denying that this program has helped a lot to marginalized groups, including women, BPL households, SC and ST communities, and landless households, to improve their financial well-being. However, there are still a lot of issues that need to be addressed. This scheme, which is the largest employment-generating program in rural Odisha, Micro-level analysis is therefore required to identify issues with program implementation in rural villages (Kar, 2013). The fact is that a significant portion of the rural communities have not fully benefited from the development processes carried out during the last decades and have been negatively impacted by development projects undertaken during this time. Decentralized planning and awareness are especially crucial in rural villages at the local level, where individuals are organized to develop projects for their community to address basic requirements and infrastructure needs.

Many rural communities are unaware of the scheme and they need to be made aware of it. Self-Help Groups (SHGs) must raise awareness, assist workers in obtaining a job card and a bank account, and monitor construction sites. The central and state governments should establish social audit units for managing and carrying out social audits through skilled members. These actions may help in filling up the remaining gaps in the scheme's accomplishments and successfully dealing with the issues of distress and rural-urban migration. The program's employment provisions should be made regularly to stop seasonal and non-seasonal migration at the village level. The rural women who are engaged in forest and agricultural activities can be given training and encouraged to be included in MGNREGA works, which can help them confront challenges including exploitation and discrimination. As the MGNREGA regulation states that payments should directly benefit the workers, the state government must take prompt action to combat corruption at all levels of its administration. Timely payment of wages, preferably within 15 days from completion of job card registration needs to be ensured. This will encourage people to continue working under the scheme and motivate others to apply for it. Local governments and panchayats should have the expertise to monitor the program and carry it out properly.

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