

IMPACT OF MGNREGA ON POVERTY REDUCTION: A CASE STUDY OF KBK REGION IN ODISHA

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ABSTRACT

The paper examines how the functioning of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) reduces poverty in the backward regions of Odisha using both secondary and primary. Primary data is collected from four sample Gram Panchayats (GPs) of the KBK region (undivided Kalahandi-Bolangir-Koraput) and analysed through bivariate and multivariate tabulation and the statistical relationship are checked using chi-square test. The study found that the effective implementation of the programme helped in reducing unemployment and poverty. The scheme bears the significant importance to handle the human development issues like income, education and health of the rural people working under MGNREGA through wage earning and enhancing the bargaining power. However, the study found MGNREGA has done better in developed region compare to less developed region as the middlemen have hijacked the programme and has no significant socio-economic impact through income earning in these areas.

Keywords: KBK Region, MGNREGA, Migration, Poverty, Unemployment

JEL Classification: J21, J31, J83, O15, O38

Introduction

The Head Count Ratio (HCR) in Odisha has either remained stagnant or increased among some social groups since 1990's in some regions of the state. The estimation of Planning Commission from NSSO data depicts that the HCR in Odisha during 1993-94 and 2004-2005 are 48 percent & 47 percent respectively. Further, the HCR stood at 71 percent in the southern part of Odisha, which constitute the KBK region. The HCR is 76 percent among the Schedule Tribe (ST) and 50 percent among the Schedule Caste (SC) population during 2004-2005 in Odisha compared to 51 percent among the ST population and 50 percent among the SC population at all India level. According to the report for the year 2011-12 by Labour Bureau (Under Union Ministry of Labour and Employment-2012), the unemployment rate in Odisha is 2.4 percent compared to 3.8 percent at all India level. In rural areas, the unemployment rate is 2.8 percent whereas in urban areas; the same is 4.3 percent in Odisha. On the other hand in India, the same is 3.4 percent and 5 percent respectively. The female unemployment rate is estimated to 3.4 percent, whereas for males, the unemployment rate is 2.9 percent at all Odisha. On the other hand in India, the same is 6.9 percent and 2.9 percent respectively.

Despite of several initiatives and implementation

of various poverty eradication programmes by the Government, the prevailing poverty in KBK region has not reduced significantly. There are two popular strategies that have been adopted for poverty reduction - the growth mediated poverty reduction that is through agrarian transformation followed by structural transformation and the social security mediated poverty reduction that is mostly through public provisioning. The former has failed in many states of India including Odisha due to agrarian distress and the trickle down has not trickled (Ahluwalia, 1978). The later has succeeded in poverty reduction, especially in Kerala. The major factor behind the success in Kerala has been credited to her institutional efficiency (Kannan, 2001) and the welfare State.

In the State like Odisha, due to low economic growth neither the fruits of the growth percolate down to the common mass nor the State can redistribute enough among them. The rural poverty has declined in Kerala and west Bengal where land reforms have taken place and agrarian structure has improved (Kumbhar, 2006). In Odisha, despite, a better land distribution and agrarian structure, poverty remained at higher level in the initial periods (1950s) and has continued to remain higher than all other Indian States in recent time (2001). Over time, Odisha has actually experienced an increase in the landless population. Further, the bargaining power of

labour unions also played an important role in increasing the wage rate of workers in Kerala. Kerala's social welfare model might have significantly helped HHs to retain land even at times of distress. The lack of all these factors in Odisha might have handicapped the small farmers, especially at times of draught and forced them to sell or lease. As there is high incidence of poverty and unemployment in the states, there is an urgent need to reduce poverty in India in general and in Odisha in particular. In this context MGNREGA played an important role in handling the poverty issues effectively, especially in backward region of the State.

Review of Literature

There is complete abolition of contractor raj from the implementation of MGNREGA. Thereby getting rid of rampant corruption and labour exploitation (**Dreeze 2008**). It strengthened natural resources base through MGNREGA work that address the causes of chronic poverty like drought, deforestation, soil erosion and ensure sustainable development. **Kanan (2005)** linked the MGNREGA to the objective of improving human development. **De (2009)** has find out that in many districts of West Bengal, the purchasing power among the rural workers had increased.

Rai (2010) has pointed out that MGNREGA is a demand driven legal-based programme that failed to provide employment to the dalit families. Based on the study in 50 Dalit villages of Bundelkhand region (Chitrakoot, Banda, Mahoba, Jhansi and Lalitpur districts) by the Centre for Environment and Food Security (CEFS) find that, a large number of poor dalits did not receive even a single day of NREGS works in last four years or received it only for few days.

NREGA has made virtually zero impact on the livelihood security of rural people. MGNREGA needs an independence body that looks after IT, human development, evaluation, social audit and grievance redressal, without which quality outcomes will remain elusive (**Ambasta 2009**). **Shah and Pramathesh (2008)** have discussed the importance of social audit and how it played a crucial role in Andhra Pradesh on MGNREGA process. **Roy Choudhury (2011)** has discussed on the importance of RTI which is an integral part of MGNREGA. It is

meaningless without proper use of RTI. It can check corruption and leakage of public funds on MGNREGA in effective manner. The study also discussed on the successful function of the wage payment system and the use of information technology in Andhra Pradesh (AP).

Ambasta et al (2008) has pointed out that MGNREGA has the massive potential to generate employment in rural area and transforming the livelihood of the poor. To ensure quality in work, the study focused on the setting up system for continuous monitoring and evaluation at every stage of the programme. **Shah (2009)** has emphasised the enormous potential of MGNREGA and multiplier synergy in work.

Sanju & Pellissery (2011) has discussed on the regeneration of natural resources through MGNREGA and thus it generates livelihood, particularly food security, among the people. Similarly, **Narain (2008)** considered MGNREGA in India as a tool for ecological regeneration. It was the view that MGNREGA had helped to create durable community assets and improved the rural infrastructure. **Baisakh (2011)** has discussed on the poor performance of MGNREGA in poverty-stricken Orissa. With the high prevalence of poverty in Orissa, MGNREGA holds a great significance for addressing poverty and unemployment among the poor people. But no significance changes have been marked in the lives of the poor. Based on the field survey in Odisha by the students of G.B Pant Social Science Institute of Allahabad University, **Dreeze, et al (2007)** discussed on the main distortions that threatened to derail the MGNREGA in Odisha. The team covered a total of 30 GPs, 5 from each of the blocks randomly selected from three districts- Kalahandi, Bolangir and Boudh. The main distortions found out by the team include the faulty design and erratic maintenance of muster roll and job cards. No transparency in muster rolls was found by the team. Another serious loophole observed by the team was the involvement of contractor directly or indirectly. Though MGNREGA has tremendous potential in poverty stricken Odisha, but large scale incidence of corruption threatened to derail the entire programme.

Objective of the Study

1. To examine the economic impact assessment of the MGNREGA in the study area.
2. To study the socio-economic welfare of the HHs through MGNREGA in the study area.

Hypothesis

The MGNREGA increases the bargaining power of rural workers by providing additional employment opportunity in the local areas with higher wage rate and thereby it helps in poverty reduction.

Database Methodology

The study is utilised both primary and secondary sources of information. The secondary data are collected from books, journal and the data from the web site of MoRD. The primary data is collected from two districts of KBK region of Odisha namely Bolangir and Nabarangpur districts during the period 2014-15. The study is selected two blocks from each district based on their performance records in the implementation of MGNREGA. Muribahal block from Bolangir district and Chandahandi block from Nabarangpur district are selected for the study. Further, two GPs are selected from each block

based on their performance records. Haldi and Dangarpada GPs are selected from Muribahal block. Similarly, another two GPs Malgam and Gambhariguda are selected from Chandahandi block of Nabarangpur district. A sample of 75 HHs from each GP is selected through stratified random sampling without replacement. HHs are the final sampling design. The data collected from the beneficiaries are analysed by using Statistical Package for Social Sciences (SPSS). The data analysis is carried out through cross tabulation and frequencies of descriptive statistics.

Section-I

Socio-economic Characteristics of sample HHs

Family size has an important bearing in the HH's social and economic conditions. As the family size increases, employment requirement may increase and with the increase in employment, income may also increase and hence can reduce poverty. But if unemployment arises for the more family size then, there might be situation of poverty. Further the family size may be high in case of underdeveloped or rural area than the developed or urban area. Table-1 presents the profile of the Sample respondents.

Table-1: Profile of the Sample Respondents

Particulars	Bolangir		Nabarangpur	
	Haldi	Dangarpada	Malgam	Gambhariguda
Family size				
< 2 members	33 (44.0)	7 (9.3)	9 (12.0)	11 (14.7)
3-4 members	37 (49.3)	32 (42.7)	35 (46.7)	38 (50.7)
5-6 members	5 (6.7)	33 (44.0)	24 (32.0)	23 (30.7)
> 6 members	0 (0.0)	3 (4.0)	7 (9.3)	3 (4.0)
Average Family Size	3.68	3.50	3.24	3.14
Age				
18-35 years	20 (26.7)	21 (28.0)	11 (14.7)	7 (9.3)
36-50 years	38 (50.7)	38 (50.7)	40 (53.3)	38 (50.7)
51-65 years	15 (20.0)	14 (18.7)	20 (26.7)	24 (32.0)
Above 65	2 (2.7)	2 (2.7)	4 (5.3)	6 (8.0)
Sex				
Male	75 (100.0)	74 (98.7)	72 (96.0)	72 (96.0)
Female	0 (0.0)	1 (1.3)	3 (4.0)	3 (4.0)
Caste				
SC	5 (6.7)	4 (5.3)	14 (18.7)	10 (13.3)
ST	14 (18.7)	47 (62.7)	23 (30.7)	4 (5.3)
Others	56 (74.7)	24 (32.0)	38 (47.7)	61 (81.3)
Marital Status				
Married	73 (97.3)	74 (98.7)	71 (94.7)	73 (97.3)
Unmarried	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)
Widow	1 (1.3)	1 (1.3)	4 (5.3)	2 (2.7)

Divorcee	1 (1.3)	0 (0.0)	0 (0.0)	0 (0.0)
Education				
Illiterate	41 (54.7)	42 (56.0)	48 (64.0)	48 (64.0)
Primary	17 (22.7)	15 (20.0)	13 (17.3)	17 (22.7)
Secondary	11 (14.7)	7 (9.3)	7 (9.3)	7 (9.3)
HSC	4 (5.3)	9 (12.0)	5 (6.7)	3 (4.0)
Higher Secondary	1 (1.3)	2 (2.7)	2 (2.7)	0 (0.0)
Graduate	1 (1.3)	0 (0.0)	0 (0.0)	0 (0.0)

Source: Field Survey

// Note: Figures in the brackets are percentages

The comparative picture shows that, the share of HHs between 18-50 years is remaining high in Dangarpada, then Haldi, then Malgam and then Gambhariguda GPs. Whereas, the share of HHs above 65 years age group is high in Gambhariguda, then Malgam, then Haldi and then Dangarpada GPs. The male headed HHs are prominently dominated in the entire four sample GPs. Though MGNREGS is associated with unskilled labour, the education of the sample HHs bears significant role in the implementation of the programme. Education is expected to have a positive impact on the participation of the HHs. A high proportion of illiterate HHs is found almost in four GPs. About 54.7 percent HHs belong to Haldi GP

working under MGNREGA are illiterate and 56 percent are illiterate in Dangarpada GP. Similarly 64 percent HHs belongs to each Malgam and Gambhariguda GPs are found as illiterate.

Land Holding of Sample HHs

Land holding status is an important variable to ascertain the economic condition of the respondents. Whole of the landless HHs and marginal farmer essentially need MGNREGA work, the small farmer also need MGNREGA assistance in the renovation of water bodies, SC/ST land development and Mo-Pokhari. Table-2 presents the land holding of the sample HHs across the selected GPs.

Table-2: Land Holding of the Sample HHs across the Sample GPs

Particulars	Bolangir		Nabarangpur	
	Haldi	Dangarpada	Malgam	Gambhariguda
Ownership of land				
Own land	45 (60.0)	53 (70.7)	58 (77.3)	62 (82.7)
Landless	30 (40.0)	22 (29.3)	17 (22.7)	13 (17.3)
Area of land				
Landless	30 (40.0)	22 (29.3)	17 (22.7)	13 (17.3)
1 hectares or < 2.5 acre	32 (42.7)	36 (48.0)	39 (52.0)	48 (64.0)
2 hectares or < 5 acre	13 (17.3)	17 (22.7)	19 (25.3)	14 (18.7)
> 2 hectares or ≤ 5 acre	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)
Total	75 (100)	75 (100)	75 (100)	75 (100)

Source: Field Survey

// Note: Figures in the brackets are percentages

No HHs have land more than 2 hectares in the four sample GPs. It is hypothesised that MGNREGA may do better in landless GP Haldi and Dangarpada of Muribahal block.

Section-II

Economic Assessment of MGNREGA

This section discusses the economic impact of MGNREGA. The economic impact has been assessed considering two important variables- the number of days of employment and the

income earned through MGNREGA. These variables are analysed across the land holding groups. The land holding categories in the sample districts are Landless class, Marginal farmer and Small farmer. The number of days of employment is classified into three groups for the statistical analysis purpose i.e. 1-50 days, 51-100 days and 101-150 days. Then the analysis is carried on for district wise as well as combining of both the districts together.

Table-3: Number of days of Employment across Land Holding Classes in Bolangir District

Name of Districts	Land holding pattern	Number of days of employment			
		1-50 days	51-100 days	101-150 days	Total N (%)
Bolangir	Landless	8 (15.4)	14 (26.9)	30 (57.7)	52 (100)
	Marginal	10 (14.7)	9 (13.20)	49 (72.1)	68 (100)
	Small	5 (16.7)	7 (23.3)	18 (60.0)	30 (100)
Total N (%)		23 (15.3)	30 (20.0)	97 (64.7)	150 (100)

Source: Field Survey

// Note: Figures in the brackets are percentages

It is inferred from the above table that good percentages (64.7 percent) of HHs have received 101-150 days of employment, i.e. in case of landless class it is less (57.7 percent), marginal farmer 72 percent and small farmers 60 percent. Hence, it is observed that marginal and small farmers' benefited relatively more than the landless category from MGNREGA work in Bolangir district. This is due to migration of some of the landless classes in search of work to other area. They depends their livelihood on a daily wage basis, but sometimes in MGNREGA work the wage payment is not getting in proper timing.

Number of days of Employment across Land Holding Classes in Nabarangpur district

Table-4 presents the number of days of employment across the land holding classes in Nabarangpur district. The people of Nabarangpur district are unable to get more number of days of employment through MGNREGA work although they have job cards with them and they demanded work. In Nabarangpur district considering the nature of data and for the statistical analysis purpose the number of days of employment have classified into two groups for i.e. 0 days of employment and 1-50 days of employment.

Table-4: Number of days of Employment across Land Holding Classes in Nabarangpur Dist.

Name of Districts	Land holding pattern	Number of days of employment		
		0 days	1-50 days	Total N (%)
Nabarangpur	Landless	9 (30.0)	21 (70.0)	30 (100)
	Marginal	23 (26.4)	64 (73.6)	87 (100)
	Small	9 (27.3)	24 (72.7)	33 (100)
Total N (%)		41 (27.3)	109 (72.7)	150 (100)

Source: Field Survey

// Note: Figures in the brackets are percentages

As far as the number of days of employment of landless category is concerned, 30 percent of them did not receive MGNREGA work and rest 70 percent have received less than 50 days of works, i.e. no landless HHs received more than 50 days of work. Similarly as the marginal land holding class is concerned, 26.4 percent have not received MGNREGA work and 73.6 percent have received 1-50 days of work. As far as the small land holding class is concerned, 27.3 percent have not received MGNREGA work and 72.7 percent have received 1-50 days of work.

Number of days of Employment across Land Holding Classes in all districts

Table-5 presents the number of days of employment across the land holding classes in both the districts together during 2013-14. As far as the number of days of employment of the landless category is concerned about 11 percent, 35.4 percent, 17.1 percent and 36.6 percent respectively have received zero days of employment, 1-50 days of employment, 51-100 days of employment and 101-150 days of employment respectively.

Table-5: Number of days of Employment across Land Holding Classes in all Districts

Name of Districts	Land holding pattern	Number of days of employment				Total N (%)
		0 days	1-50 days	51-100 days	101-150 days	
All	Landless	9 (11.0)	29 (35.4)	14 (17.1)	30 (36.6)	82 (100)
	Marginal	23 (14.8)	74 (47.7)	9 (5.8)	49 (31.6)	155(100)
	Small	9 (14.3)	29 (46.0)	7 (11.1)	18 (28.6)	63 (100)
Total N (%)		41 (13.7)	132 (44.0)	30 (10.0)	97 (32.3)	300(100)

Source: Field Survey

// Note: Figures in the brackets are percentages

It is observed from the table that 44 percent land holding classes have received less than 50 days of wage employment, followed by 32.3 percent land holding classes have received 101-150 days, about 13.7 percent land holding

classes have not received wage employment and 10 percent land holding classes have received 51-100 days of wage employment through MGNREGA in all the districts.

Table-6: Chi-square (χ^2) test between Land Holding Classes and Number of days of Employment.

Name of Districts	N	Df	Calculated value	Tabulated value	P value	Sig.Level
Bolangir	150	4	4.088	9.49	.394	0.05
Nabarangpur	150	2	0.143	5.99	.931	0.05
All classes	300	6	10.215	12.6	.116	0.05

Source: Calculated by the author from field survey

A statistical relationship has been checked between the variable groups of land holding classes and number of days of employment. It is hypothesised that, there do not exist any statistically significant associations between both the variables. The Chi Square test shows that, the calculated value of Bolangir district is 4.088 which is less than the tabulated value 9.49 at 0.05 percent level of significance. The calculated value of Nabarangpur district is 0.143 which is also less than the tabulated value 5.99 at 0.05 percent level of significance. In case of all land holding classes the calculated value is 10.215 which is also less than the

tabulated value 12.6 at 0.05 percent level of significance. Hence, we have concluded that there is no association between the land holding classes and number of days of employment.

Income Earning across Land Holding Classes

The impact assessment of the programme on the life of the people of sample HHs has been judged by measuring their income earning in a financial year. The higher the rate of income by the HHs through MGNREGA the higher will be their financial stability and the positive impact on their life.

Table-7: Income earning across Land Holding Classes in Bolangir District

Name of District	Land holding pattern	Less than 5000	5001-15000	More than 15000	Total N (%)
Bolangir	Landless	3 (5.8)	19 (36.5)	30 (57.7)	52 (100)
	Marginal	5 (7.4)	18 (26.5)	45 (66.2)	68 (100)
	Small	3 (10.0)	7 (23.3)	20 (66.7)	30 (100)
Total		11 (7.3)	44 (29.3)	95 (63.3)	150 (100)

Source: Field Survey

// Note: Figures in the brackets are percentages

The amount of wages earned from MGNREGA has been divided into four categories such as zero earning (those who have not received any MGNREGA work), 1-5000 earnings, 5001 to 15000 earning and more than 15000 earnings. It seen from the above table that the share of landless HHs 57.7 percent is more than 50 percent of income earning, whereas the same in case of marginal and small land holding classes it is around 66.2 percent and 66.7 percent respectively. This is due to less availability of MGNREGA work to the landless HHs. Hence, it is observed that the small farmers benefited more than the marginal farmers, and the landless HHs benefited less in MGNREGA work in Bolangir district.

Income Earning across Land Holding Classes in Nabarangpur District

As far as the income earning of the landless HHs is concerned about 70 percent HHs have earned less than 5000 rupees in MGNREGA work. Whereas, 30 percent landless HHs have received zero payment in the same work. When the income earning of the marginal land holding class is concerned about 73.6 percent land holding classes have earned less than 5000 in MGNREGA work. Whereas 26.4 percent have zero payment in the same work. The income earning of the small land holding class is concerned that about 72.7 percent have earned less than 5000 in MGNREGA work, whereas 27.3 percent small land holding class have zero payment in the same work.

Table-8: Income Earning across Land Holding Classes in Nabarangpur District

Name of District	Land holding pattern	Income earning		
		0 payment	Less than 5000	Total N (%)
Nabarangpur	Landless	9 (30.0)	21 (70.0)	30 (100)
	Marginal	23 (26.4)	64 (73.6)	87 (100)
	Small	9 (27.3)	24 (72.7)	33 (100)
Total N (%)		41 (27.3)	108 (72.0)	150 (100)

Source: Field Survey

// Note: Figures in the brackets are percentages

It seen from the analysis that about 26 percent to 30 percent of the HHs have received zero payment of MGNREGA and the remaining HHs have received less than 5000 earning per year. This is due to the poor allocation of MGNREGA work among the land holding classes in Nabarangpur district. Hence, it seen that remote district has less advantage from MGNREGA compare to the better district.

Income earning across the Land holding classes in both the Districts

Table-9 presents income earning across the land holding classes in all Districts. As the income earning of the landless, marginal and small land holding classes, it is observed that HHs belongs to marginal class have benefitted more MGNREGA wage as compared to land less and small land holding classes.

Table-9: Income earning across the Land holding classes in all Districts

Districts	Land holding pattern	Income earning				Total N (%)
		0 payment	Less than 5000	5001-15000	More than 15000	
All	Landless	9 (11.0)	24 (29.3)	19 (23.2)	30 (36.3)	82 (100)
	Marginal	23 (14.8)	69 (44.5)	18 (11.6)	45 (29.0)	155 (100)
	Small	9 (14.3)	26 (41.3)	8 (12.7)	20 (31.7)	63 (100)
Total N (%)		41 (13.7)	119 (39.7)	45 (15.0)	95 (31.7)	300 (100)

Source: Field Survey

// Note: Figures in the brackets are percentages

Table- 10: Chi-square (χ^2) test between land holdings class and amount of wage earnings.

Name of Districts	N	Df	Calculated value	Tabulated value	P value	Sig.Level
Bolangir	150	4	2.344	9.49	0.171	0.05
Nabarangpur	150	2	0.143	5.99	0.931	0.05
All	300	6	9.827	12.6	0.132	0.05

Source: Calculated by the author from field survey

A statistical relationship has been checked between the variable- land holding classes and income earning. It is hypothesised that, there do not exist any statistically significant associations between both the variables. The Chi Square test shows that, the calculated value of Bolangir district is 2.344 which is less than the tabulated value 9.49 at 0.05 percent level of significance. The calculated value of

Nabarangpur district is 0.143 which is less than the tabulated value 5.99. The calculated value of all classes is 9.827 which is also less than the tabulated value 12.6. Hence, we have concluded that there is no association between the land holding classes and amount of income earning, which might be due to that 11 percent of the landless (job card holders) do not have any wage earnings from MGNREGA.

Section-III

Socio Economic Welfare of Sample HHs

The socio-economic welfare of the sample HHs through MGNREGA includes the wage utilisation by the HHs and other socio-economic aspects. The wages earned from MGNREGA has a variety of uses by the beneficiaries of the sample GPs. They have

reported – they spent their MGNREGA wages for purchase of food grains, for medical treatment, to meet the children's educational expenditure, saving, clothing for their family members, purchase of land, purchase of gold and celebrating the social ceremony like marriage.

Table: 11: Expenditure of MGNREGA Wages by the HHs across Sample GPs

Expenditure Indicators	Gram Panchayat				
	Haldi	Dangarpada	Malgam	Gambhariguda	ALL
Food	64 (85.30)	61 (81.3)	27 (36.0)	25 (33.3)	177 (59.0)
Health	29 (38.7)	24 (32.0)	12 (16.0)	9 (12.0)	74 (24.7)
Education	39 (52.0)	32 (42.7)	6 (8.0)	0 (0.0)	77 (25.7)
Saving	6 (8.0)	9 (12.0)	0 (0.0)	0 (0.0)	15 (5.0)
Debt repayment	14 (18.7)	18 (24.0)	0 (0.0)	0 (0.0)	32 (10.7)
Clothing	65 (86.7)	46 (61.3)	6 (8.0)	7 (9.3)	124 (41.3)
Renovation of house	7 (9.3)	31 (41.3)	1 (1.3)	1 (1.3)	40 (13.3)
Purchase of land	4 (5.30)	2 (2.7)	0 (0.0)	0 (0.0)	6 (2.0)
Purchase of gold	2 (2.7)	3 (4.0)	0 (0.0)	0 (0.0)	5 (1.7)
Social ceremony	60 (80.0)	48 (64.0)	11 (14.7)	7 (9.3)	126 (42.0)
Others expenditure	4 (5.3)	5 (6.7)	0 (0.0)	3 (4.0)	12 (4.0)

Source: Field Survey//Notes: Figures in the brackets are percentages and percentage will not add upto 100 as the same household is spending on multiple items.

The aggregate picture shows that, about 59 percent of total HHs in all the GPs have spent wages in food items, about 24.7 percent HHs have spent their wages in medical purpose, about 25.7 percent HHs have spent their wages in education purpose, about 41.3 percent HHs have spent their wages in clothing and 42 percent HHs have spend their wages in social ceremony like marriage, birthday party etc. From the above analysis, it is found that in some extent MGNREGA helped the HHs of Haldi and Dangarpada GPs to improve the quality of life and human development issues, but in case of other two sample GPs i.e. Malgam and Gambhariguda MGNREGA could not help to improve their livelihood.

Economic Impact of MGNREGA on Social and Economic Conditions

MGNREGA has been designed to provide

sustainable livelihood through assets creation in the rural area. The Act has become a powerful instrument for inclusive growth in rural India. This could be possible through its social protection, livelihood security and democratic governance. The purchasing power of the HHs belongs to Haldi and Dangarpada GPs has increased in some extent. Whereas it is negligible in Malgam and Gambhariguda GPs. The social life of the HHs belongs to Haldi and Dangarpada GPs have improved through the implementation of MGNREGA. Whereas there is negligible effect of MGNREGA on social life among the HHs belongs to Malgam and Gambhariguda GPs. In case of food security, about 85.3 percent and 68 percent HHs in Haldi and Dangarpada GPs told that MGNREGA work helped them for their food security in the family.

Table-12: Economic Impact of MGNREGA on the Social and Economic conditions

Indicators	Gram Panchayat				
	Haldi	Dangarpada	Malgam	Gambhariguda	ALL
Increased Purchasing power	44 (58.7)	47 (62.7)	5 (6.7)	6 (8.0)	102 (34.0)
Improved social life	50 (66.7)	40 (53.3)	8 (10.7)	7 (9.3)	105 (35.0)
Food security	64 (85.3)	51 (68.0)	8 (10.7)	9 (12.0)	132 (44.0)
Reduced poverty	36 (48.0)	32 (40.70)	0 (0.0)	0 (0.0)	68 (22.66)
Improved education	47 (62.7)	42 (56.0)	6 (8.0)	4 (5.3)	99 (33.0)
Improved health	50 (66.7)	43 (57.3)	7 (9.3)	3 (4.0)	103(34.33)
Increased bargaining power	58 (77.3)	36 (48.0)	0 (0.0)	1 (1.3)	95 (31.66)

Source: Field survey // Notes: Figures in the brackets are percentages and percentage will not add up to 100 as the same HHs is spending on multiple items.

But it has negligible effect in terms of food securities among the HHs in Malgam (10

percent) and Gambhariguda (12 percent) GPs. About 62.7 percent, 56 percent, 8 percent and

5.3 percent HHs in the four sample GPs respectively said that they also bear the educational expenditure from the earning from MGNREGA. The MGNREGA work has also enhanced the bargaining power of the rural HHs in negotiating their wages in the open market. The MGNREGA has helped the rural HHs to address the poverty in some extent in Haldi and Dangarpada GPs. But no significant impacts in terms of improve in purchasing power, social life, food security, education and health is noticed in Malgam and Gambhariguda GPs.

Section-IV

Summary

The study focused mainly on the social and economic impact of MGNREGA on the rural HHs. The study inferred that the effective implementation of the programme helped in reducing unemployment, poverty and halting out-migration. The scheme bears the significant importance to handle the human development issues like income, education and health of the rural people working under MGNREGA through wage earning. While the HHs belongs to Haldi and Dangarpada GPs have taken the advantage through employment generation from MGNREGA work in Bolangir district, in Nabarangpur district the Malgam and Gambhariguda GPs failed to generate employment opportunity and to provide livelihood security to the rural HHs through

MGNREGA, where the middlemen have hijacked the programme and has no significant socio-economic impact through income earning. The distress migration in this area is still continued and people are migrating to different places to eek out their livelihood. The MGNREGA work has also enhanced the bargaining power of the rural HHs in negotiating their wages in the open market. The biggest beneficiaries in terms of bargaining power is noticed in Haldi GP (77.3 percent) followed by Dangarpada GP (48 percent). Where as it is zero percent in Malgam GP and 1.3 percent in Gambhariguda GP. The MGNREGA has helped the rural HHs to address the poverty in some extent in Haldi and Dangarpada GPs. But no significant impact in terms of purchasing power improved in their social life, food security. The present study indicated that the HHs across the social groups have taken advantage of the scheme. The scheme helped the people to increase their livelihood security. But it is found to be false for the people of Nabarangpur district. While analysing the primary data collected from the HHs, it is observed that the Government money is inappropriate by the Sarapanch, GRS and contractors in Nabarangpur district. This leads to poor performance of MGNREGA and failed to handle poverty issues effectively in Nabarangpur district.

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