

Socio-Economic Impact of MGNREGA on Rural Workers: Study of District Sambalpur, Odisha

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Abstract: *Through the provision of guaranteed work opportunities, the major social welfare program in India, MGNREGA, seeks to improve livelihood security in rural regions. In order to evaluate the complex impacts of MGNREGA implementation on the socioeconomic circumstances of rural workers in Odisha, the study makes use of an extensive research approach.*

The study examines the employment trends, income levels, and general economic well-being of rural workers taking part in MGNREGA activities using a mix of quantitative and qualitative approaches. The research examines how the program affects wage dynamics, the empowerment of underprivileged populations, and the reduction of poverty while taking gender, caste, and geography into account.

The study also explores the social ramifications of MGNREGA, looking at how education and health outcomes for rural workers and their families have changed. Through an analysis of the program's effects on gender equality, community development, and social capital, the research seeks to provide subtle insights into the larger socio-economic developments in Odisha that MGNREGA has sparked. The projected contribution of the empirical results to policy discourse is to illuminate the advantages and disadvantages of MGNREGA in tackling socio-economic issues in rural Odisha. In order to maximize the program's beneficial effects on rural workers' lives and enhance its performance, the research highlights the need of making context-specific policy modifications. This will help to build sustained socio-economic development in the area.

Keywords: MGNREGA, socio economic, Rural

I. INTRODUCTION

Impact on Poverty Alleviation in Rural Odisha

In recent decades, the development rhetoric has placed a strong emphasis on poverty reduction, particularly in the rural areas of Odisha, India. The state, which is known for its varied geography and mostly agricultural economy, has made great progress in tackling and lessening the effects of poverty. This complex process of reducing poverty may be credited to a mix of local and state-led efforts, technological advancements in education, and community-driven projects. We examine the revolutionary effects of poverty alleviation in rural Odisha in this thousand-word analysis, stressing important efforts, difficulties encountered, and bright futures.

The introduction of focused government policies and programs has been one of the main pillars of poverty reduction in rural Odisha. The National Rural Employment Guarantee Act, often known as NREGA, has been essential in helping the rural populace find work. In addition to meeting the immediate financial needs of the rural poor, the National Rural Employment Guarantee Act (NREGA) has helped to build long-lasting community assets like roads and water conservation structures by guaranteeing every household whose adult members volunteer to perform unskilled manual labor 100 days of guaranteed wage employment per financial year.

Furthermore, the Pradhan Mantri Awas Yojana (PMAY) has played a significant role in giving those who are living in substandard circumstances access to inexpensive housing. A concrete shelter not only improves the standard of living but also acts as a spur for general socioeconomic growth. Initiatives like Swachh Bharat Abhiyan, which provide access to sanitary facilities, improve the quality of life in rural regions by lowering health risks and boosting general wellbeing.

One effective strategy for ending the intergenerational cycle of poverty has been shown to be education. In rural Odisha, the Sarva Shiksha Abhiyan (SSA) and Rashtriya Madhyamik Shiksha Abhiyan (RMSA) have brought about a notable improvement in the availability of good education. These programs, which prioritize enrollment, retention, and skill development, seek to close educational disparities. Giving young people access to education improves their employability and creates a knowledge-based economy, both of which are necessary for long-term poverty reduction. Technology has also revolutionized the way that rural Odisha is connected to the outside world and has opened up economic prospects. Through the Digital India program, information, financial services, and e-governance are now accessible in rural places thanks to the expansion of the digital infrastructure. By giving rural people the means to investigate markets, get public services, and participate in e-commerce, this digital inclusion has enabled them to diversify their sources of income.

In rural Odisha, community-driven initiatives are becoming important drivers of sustainable development. Self-Help Groups (SHGs), which are supported by a number of governmental and non-governmental organizations, have given women more access to credit, financial literacy, and training. In addition to providing a network of support for women, these SHGs encourage entrepreneurship, which in turn leads to the creation of microbusinesses that boost the regional economy.

But even with these admirable efforts, there are still obstacles in the way of complete poverty eradication. The fragility of the agricultural industry, which still depends largely on the monsoons, is one of the key obstacles. Weather patterns have become more unpredictable due to climate change, which has an effect on agricultural production and puts rural populations' livelihoods at risk. Building resilience in the face of environmental difficulties requires the adoption of sustainable agriculture methods and the promotion of crops that are climate resilient.

The need for skill development and employment diversification is another significant barrier. While education is the first step, skill development programs are crucial to provide the rural workforce with the competencies that a changing labor market demands. This gap may be closed by establishing connections between local companies and industries and rural regions via skill development programs, guaranteeing that the rural populace is not only educated but also employed in a variety of fields.

The effects of government efforts, community-driven programs, and technology integration on poverty reduction in rural Odisha are complex and multifaceted. There is no question that many people's quality of life has improved as a result of the advancements achieved in industries including housing, healthcare, education, and internet communication. But the road is far from over, and further difficulties call for an all-encompassing and flexible strategy. Odisha can continue its revolutionary path towards comprehensive poverty reduction by addressing the vulnerabilities of the agriculture sector, supporting sustainable practices, and assuring skill development. This will provide a strong basis for a future that is both egalitarian and affluent. While rural Odisha acknowledges this achievement, it also looks forward to incorporating sustainability, inclusion, and resilience into its narrative of development.

II. RESEARCH METHODOLOGY

Profile of the Region

A cluster of adjoining districts of Odisha namely Kalahandi, Nuapada, Bolangir, Subapur, Sambalpur, Bragarh, Jharsuguda, Deogarh, Sundergarh Keonjhar, Boudh, Kandhamal and Athmallik (sub division) bear the nomenclature 'Western Odisha', being located in the western portion of the state. The present study covers specifically Bolangir and Sambalpur districts only. Out of the 200 districts all over India, 19 districts of Odisha inclusive of Bolangir and Sambalpur districts have been taken up for implementation of NREGS in the first phase. There are compelling reasons for choosing Bolangir and Sambalpur districts to undertake the present study in the first phase. This segment of Odisha is mostly underdeveloped and suffers from gross negligence by the state government. People here are struggling for their livelihood and even for basic amenities. Further level of illiteracy, unemployment, misery of the people below poverty line and large scale migration are alarming factors which warrant emergent measures of redressal.

Socio Economic Conditions of Bolangir and Sambalpur Districts

Total Population	SAMBALPUR
Number of Schedule Cast Population	1041099

Number of Schedule Tribe Population	191827
Male Population	355261
Female Population	526877
Literacy rate (Percentage)	514222
Population growth rate (Percentage)	76.22
GDDP (2011) at current price	11.27
Number of total workers	601076
Number of total workers(Rural)	336854
Number of total workers(Urban)	98065
Number of marginal workers	168986
Number of marginal workers(Rural)	115753
Number of marginal workers(Urban)	17233
Rate of participation in work (Percentage)	48.6

Size of the Sample

In the baseline survey the size of the sample is 1440 respondents which include both beneficiaries and non-beneficiaries.

Methods and Tools

The tools used depend upon the varied types of constraints available such as time constraints, geographical area constraints, cost and situational constraints. Accordingly, both qualitative and quantitative tools are used in the study. The study makes economic impact estimation of the program on the people. It also analyses the impact of the program on the rural development and the nutritional standard of people. Statistical packages like SPSS V.22 and STATA V.13 has been used for evaluating the impact.

III. DATA ANALYSOIS

AGE WISE SEGRIGATION OF RESPONDENTS IN BOLANGIR AND SAMBALPUR (DISTRICT LEVEL)

AGE GROUP/DISTRICT	BOLANGIR	SAMBALPUR
0-20	09	20
21-40	345	421
41-60	327	242
60 Above	39	37

SEX WISE SEGRIGATION OF RESPONDENTS IN BOLANGIR AND SAMBALPUR (DISTRICT LEVEL)

SEX/DISTRICT	BOLANGIR	SAMBALPUR
Male	527	486
Female	193	234

EDUCATION WISE SEGRIGATION OF RESPONDENTS IN SAMBALPUR DISTRICT

Education group/ district	Sambalpur
Illiterate	431
Below ssc	291
Ssc/Hsc	85
College not graduate	18
Grad. Or above	09

INCOME WISE SEGRIGATION OF RESPONDENTS IN BOLANGIR AND SAMBALPUR (DISTRICT LEVEL)

INCOME GROUP PER ANNUM	SAMBALPUR
15-20	183
21-25	559
25 ABOVE	55

IV. CONCLUSION

Sambaipur

Because of randomised assignment of the treatment, it is assumed that no external factors other than MGNREGS would explain any difference in outcome between the treatment and control group and to explain this assumption, the eligible households in the treatment and control group have been tested through t-test and it is found that control group has similar characteristics in Sambalpur district. The result shows that along with participation in the program, age, dependency ratio and primary occupation also have significant and positive effect on rural development in Bolangir district. Sambalpur Phase-2 FOLLOW UP The impact of MGNREGS in RDI is also calculated through the comparison of mean method.

It has shown that the RDI of the treatment group and control group are 0.3843 and 0.3635 respectively at the baseline. In the follow up phase the RDI of the treatment and the control group are 0.465 and 0.456 respectively. The difference in the figure has shown in the impact of the program. The impact of the program is found to be 0.09 which is both positive and significant, that means the program has a 9% positive effect on rural development. When regression method with more than one independent variable is being applied it is found that participation in the program, age, dependency ratio and primary occupation all have significant and positive effect on the rural development. The R square value is found to be significant and positive with 0.0825.

Discussion on Propensity score results of Sambaipur District

As regards the balance between treatment and comparison group at the baseline in Sambaipur it has been found that the likelihood of a household willing to participate in the program is higher if the age of the member is high, if the member is a female member, if the member is less dependent, has electricity connection in his house and have primary occupation is labor. On the other hand, the likelihood of a household's participation in the program is lower if the age of the member is less, if the member is a male member, if the member is more dependent, if the member does not have.

TABLES

Table Descriptive Statistics of RDI

Treatment	N	Mean	S.D	S.E
RDI 1.0	360	0.4877	0.1088	0.005735
0		0.4844	0.1160	0.0061142

Table Balance between Treatment and Comparison Group at the Baseline

Household Characteristics	Treatment Group	Control Group	Difference	t-stat
Age	42.581	40.567	2.0139	2.431
Dependency Ratio	0.4776	0.5314	0.05375	2.149
Primary Occupation	1.019	1.008	0.0111	1.273
Habitat Security	0.5976	0.6115	0.0138	0.667
Health Security	0.4038	0.4041	0.000308	0.012
Nutritional Security	0.5807	0.5486	0.5486 0.03210	2.892
Food Security	0.3436	0.3527	0.0090	0.761
Economic Security	0.5129	0.5052	0.0077	0.404
RDI*	0.4877	0.4844	0.4844 0.0033	0.395

Recommendations**1. Appointment of more employees**

It is noted that, for a meager contractual salary of Rs. 5,000 per month, a single GRS at the panchayat office is in charge of all program kinds, receiving directives from the Sarpanch and overseeing village activity. As a result, the majority of them lack motivation, which shows in their job. Thus, in order to lessen their workload, additional staff must be appointed. They should also get a wage increase, and incentives based on performance will encourage them to work more.

2. Increase in wage rate

This year, the MGNREGS salary rate in Odisha is Rs. 176, which is lower than the state's daily wage rate of Rs. 200. It was Rs. 174 previous year. Therefore, it is clear that individuals are hesitant to work for MGNREGS. However, they will only be effective if the community is situated in a remote area or if there isn't another option. For the program to be successful, it is crucial that the salary rate be raised.

3. Proper monitoring mechanism

The program includes appropriate provisions, guidelines, rules, and regulations, but how well they are implemented will determine how successful they are. The program in Odisha performs mediocly because, while lower level staff get instructions, there is no enough monitoring mechanism in place to determine how they are being carried out.

4. Centre state coordination

Since two parties are engaged in this process, center-state cooperation is essential to the program's successful execution. In the event of a disagreement, both sides try to claim the glory or place the blame elsewhere. When the central and the state, like in the case of Odisha, have distinct political affiliations, the issue becomes worse. The program's performance is negatively impacted by this conflict of interest.

5. Inter program coordination

Numerous programs are being implemented concurrently in the districts, panchayats, and villages. It is the responsibility of the relevant authorities, including the district collector, P.D. DRDA, Sarpanch, and others, to implement all of the programs in a way that promotes rather than hinders one another.

6. Reward for high performing block/panchayat / village/personnel

Because there is no incentive system in place for excellent work, performing villages, panchayats, blocks, and employees are discouraged. Appreciation of all the involved parties is necessary, whether it be in the form of money or not, since it motivates them and others to do better.

7. Punishment for corrupt practices

Furthermore, there is no penalty for the unethical behavior. To finally minimize corruption, the government should encourage people to reveal the identities of the dishonest employees.

8. Expedite wage payment

The delay in MGNREGS payment is one of the main complaints across the sample region. People would thus rather find other employment than wait fifteen to thirty days for their money. There have been a few instances when payments have been delayed for many months. It is important for us to recognize that the individuals we work with are those who need to make a living every day. When payments were delayed for many months at a time, these individuals were unable to support themselves.

9. Awareness drive for villagers

It is a common case in all the respondents that they are unaware of the basic provisions in the program. They did not know about the unemployment allowance, the process of registration, facilities they should be provided in the work place. Few of them only knew about the amount of wage they are going to receive. "Therefore, regular awareness drive is very much essential for the proper functioning of the program".

10. Intergroup competition

If the responders are appropriately led and encouraged to compete among themselves in the groups, they will be able to execute the assignment more effectively. Additionally, it instills in them a feeling of seriousness about the necessary job.

11. Proper grievance redressal mechanism

Issues are regularly acknowledged, acknowledged, and heard by the panchayat office; nevertheless, appropriate measures to address the issues are not being implemented. There is no genuine intention to address the problem, nor are there any appropriate procedures to do so. In order for the program to work properly, this problem has to be handled extremely seriously.

12. Employee training for better service

Customers are treated like gods everywhere, but in this instance, the program's beneficiaries are not being handled fairly. Thus, frequent staff service skill training is a crucial program necessity.

13. Financial literacy

Every employment card has a bank account connection that enables the villagers to transact via their bank accounts and provides information about the banking system, goods, and services. For a better life, every villager has to possess a minimal level of financial literacy.

14. Proper availability of work place facilities

It should be mentioned that even though the workplace has a number of services for employees, such as a creche. A major factor in the demoralization of workers is their actual lack of access to first aid supplies, drinking water facilities, shade, break times, and other requirements. "Therefore, the authority has to guarantee that the facilities at work are available."

15. Upper ceiling limit on age

There should be a maximum age restriction for employees since elderly individuals are known to undertake physical labor, which may not be as productive and may be harmful to their health.

16. Ensuring better quality

Since the laborers' work is of uncertain quality and the buildings are not long-lasting, the goal of generating durable assets has been entirely unsuccessful. Additionally, the same job is done several times, defeating the scheme's main goal.

Ethical Consideration

The initiative is massive, and its success or failure directly affects the lives of a great number of people. It also requires a significant investment of public funds, which practically makes it a need for prompt ethical review. The program may be made more successful by appropriate impact assessment and improved suggestions, and in the event of inconsistencies, it assists the government in taking remedial action. Since program benefits are never withheld or delayed for the purpose of evaluation, this research has always adhered to ethical standards.

Due to the fact that every qualified villager has an equal opportunity of participating in the program and reaping its advantages, the responders are chosen in an impartial and fair manner using random techniques. The respondents voluntarily engaged in this review process and there are no dangers associated with it. Their answers are kept completely private, and sensitive inquiries are purposefully omitted from the program.

Scope For Future Research

This study aims to provide a realistic picture of how the MGNREGS is being implemented in rural western Odisha, offer suggestions for corrective action to the government, and encourage more research by the researchers. There are many prospects for further research on the program's impact on a broad variety of other facets of rural development, including child care, rural consumers' purchasing habits, women's empowerment, and rural migration.

The impact of the program may also be evaluated using other impact assessment methods, such as the difference in difference approach, regression discontinuity design, or a combination of methods. In places of severe poverty such as the districts of Bolangir, Koraput, and Kalahandi in Odisha, further study is required. A well-executed program may serve as an example of how other programs can be built more skillfully. A big step in the right direction toward connecting rural development with job creation is MGNREGS.

More research is required to find methods to increase its efficacy all year round. It's also important to examine other aspects of poor execution, such as party resistance, corruption, and a lack of collaboration between the federal and state

governments. Finding the various strategies for tackling these problems is essential. Future research should concentrate more on doable tactics and how these public policies might be implemented more effectively.

Supporting academics, lawmakers, planners, and implementing agencies in their endeavors to appropriately provide public goods which will ultimately help the disadvantaged and impoverished is a major objective of this study. It also seeks to provide new research opportunities in the fields of public policy, rural development, and developmental economics.

The government has enacted a number of policies, but more research is required to ascertain whether or not these policies achieve their objectives and what measures are necessary to guarantee that they do. By establishing causal inferences and counterfactuals as the central concept, it demonstrates causality and empirically determines the amount that the MGNREGS alone contribute to rural development in the districts of Bolangir (10%) and Sambalpur (9%). The investigation's findings support the conclusion that the program continues to have serious implementation problems.

Issues include employees' unwillingness to work during peak hours, the incompetence of local authorities, the government's unpreparedness, the irregular and late pay transfers, the incorrect division of labor between skilled and unskilled workers, the middleman's profit, poor performance, etc. It's also critical to keep in mind that, in spite of these flaws, the MGNREGS has shown very positive results.

This makes it abundantly evident that the MGNREGS have a very positive effect on a variety of areas, such as the empowerment of women and other marginalized groups as well as the creation of jobs, consumption, migration, education, social security, food security, economic security, health security, and nutritional security. It improves the living standards of those living in rural poverty.

It protects the environment and advances equality and social justice. When agricultural productivity is poor, it acts as a fallback to provide the destitute in rural regions work. Thus, in spite of shortcomings like serious corruption, late payments, inadequate coordination between the federal and state administrations, etc., the MGNREGS has shown to be an effective social safety net in a short period of time. It will certainly help with tackling enduring concerns like poverty and other indicators of overall rural development, such as food, economic, health, and nutritional security, even if it won't solve every problem the rural poor face.

Considering this, a certain level of sustainable rural development has been accomplished by the MGNREGS. Merely accomplishing the objectives will not satisfy the overall purpose of this study. The findings on the impact of MGNREGS on rural development will surely fulfill the inquiry's ultimate purpose, but will these findings ultimately help the impoverished in rural areas? Will the ideas be implemented by the government? Will it encourage more participation in the program?

Will it help provide the beneficiaries with competitive and timely wages? Will the state and the center be able to close the coordination gap with success? Will it reduce poverty and provide work for the destitute in rural regions, improving their quality of life? If the answers to all of these questions are affirmative and if this study contributes in any way to the solutions of these issues, then the ultimate aim of the research will surely be achieved. Correct implementation of the program would provide significant benefits for people, which is why it was created in the first place and why this particular study was carried out.

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