



MGNREGA Employment in Odisha 2021-22

LibTech India

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Right to Food Campaign**

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Introduction

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) 2005 is a legal entitlement. It is a demand-driven wage employment programme aimed at reducing migration and creating resources to enhance livelihood opportunities. Under this act, every adult member of a household living in rural areas is entitled to demand a hundred days wage employment in a financial year. If the government fails to provide work on demand, the worker is entitled to an unemployment allowance. Further, if an applicant gets work, he is entitled to delay compensation if the wages are not credited to his account within fifteen days of completing a muster roll of work. These entitlements act as safeguards to ensure that workers get work on demand and their wages are paid timely.

Objectives of MGNREGA

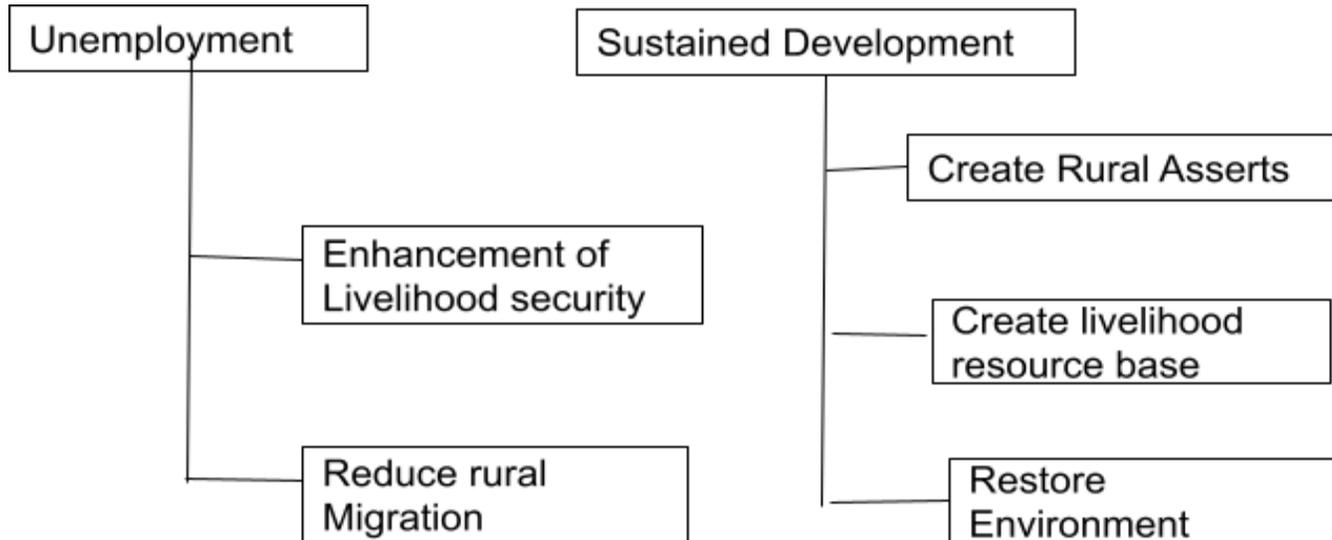


Figure 1: Objectives of MGNREGA

MGNREGA has two broad objectives – reducing unemployment and ensuring sustainable development. The first objective of the Act is to curtail unemployment by providing the opportunity to avail employment on demand. This way it provides livelihood security to the people living in rural areas and can lead to a reduction in migration from rural to urban areas by providing alternate employment opportunities in times of distress. Another aim of the Act is to ensure sustainable development for people living in rural areas by creating assets. Thus, the Act aims to provide a livelihood base for the people through construction of livelihood generating assets and restore the environment through the creation of Natural Resource Management (NRM) assets. In this report we focus on the implementation of the Act with respect to the first aim i.e., reduction in unemployment.

About this Report

This Report was prepared using data available in the public domain¹. The analysis is based on data from three Financial Years: 2019-20, 2020-21, and 2021-22. In this report, we are going to present the state and district level details of

1. Employment generated
2. Expenditure
3. Rejected Payments

We hope that the insights from this report will add value to improving the implementation of MGNREGA in the state of Odisha, through implementation agencies, members of Civil Society Groups, the Media, and Concerned Citizens.

Key Statistics

The following table (Table 1) displays some important statistics for Odisha in comparison to the rest of the country for the Financial Year 2021-22.

S.No.	Metric	Country	Odisha	Proportion in Odisha
1	Total Number of Districts	731	30	-
2	Total Number of Blocks	7,149	314	-
3	Total Number of Panchayats	2,69,428	6,798	-
4	Job Cards ² Issued (lakhs)	1,610	78.8	4.9%
5	Total Number of Active Job Cards ³ (lakhs)	970	46.21	4.8%
6	Total Number of Active Workers (lakhs)	1,487	73.79	5 %
7	Persondays ⁴ Generated in FY 21-22 (crores)	363.5	19.7	5.4%
8	Average Persondays per Household	50.1	56.9	-
9	% of HHs completed 100 Days of Wage Employment (lakhs)	8.2	13.2	-
10	Average Wage Rate per Day per Person	208.9	209.4	-

Table 1: Key MGNREGA statistics for the country vs. Odisha Expenditure

¹ <https://www.nrega.nic.in/> Data as on 28th April 2022

² Each household registering under MGNREGA is issued a Job Card with details of each family member.

³ Active Job Cards: In the last three financial years the job card holders have demanded work at least once.

⁴ Persondays is the number of days a person works under MGNREGA. Each Household is entitled to 100 Persondays.

* As per our report as on [28/04/2021](#),

1. Employment Provided

Loss in Employment from 20.8 crores in FY 2020-21 to 19.7 crores in FY 2021-22

19.7 crore persondays were generated in Odisha in FY 2021-22. After a massive increase of person-days from 11.1 crores in FY 2019-20 to 20.8 crore in FY 2020-21, it has declined to 19.7 crores in FY 2021-22 with a fall of 5.3%. However, persondays generated continue to remain well above the pre-pandemic levels of FY 2019-20. In addition there was a slight increase in average person days from 55.5 in 2020-21 to 56.9 in 2021-22. Persondays generated in the last three years can be seen in Figure 2.

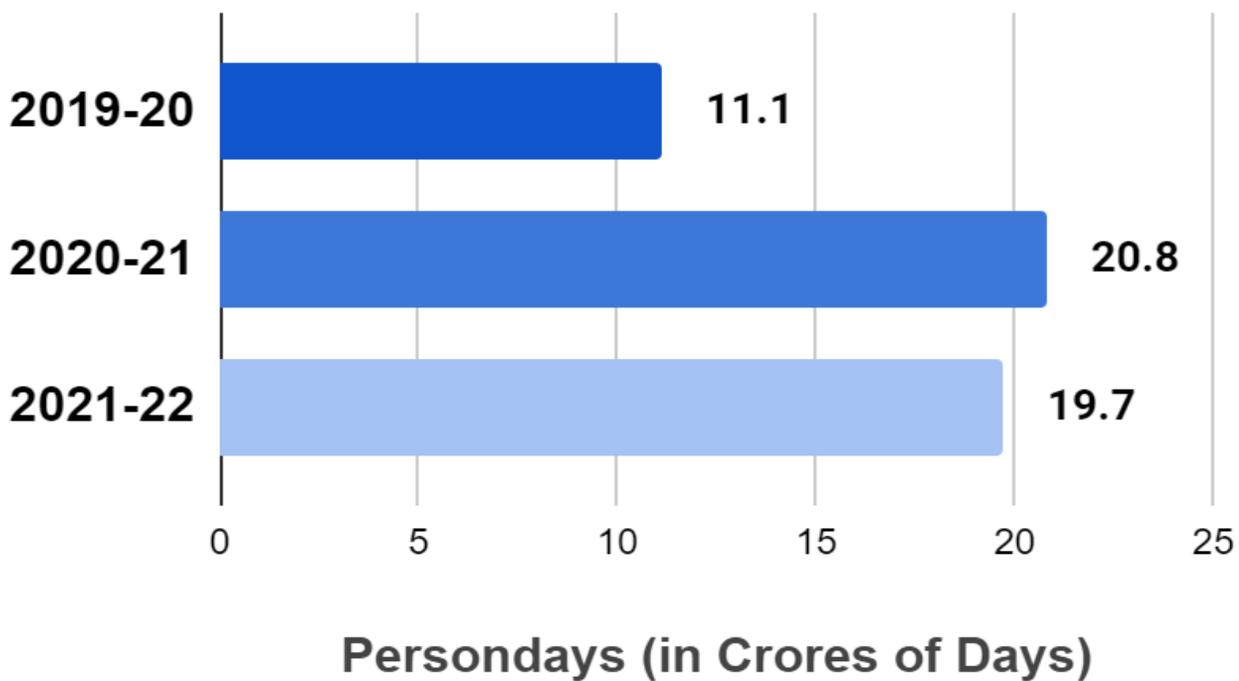


Figure 2: Total number of persondays (in crores) over the last 3 financial years

1.1. Monthly Trend

NREGA proved to be a lifeline during the COVID-19 pandemic

A closer look at the monthly trend across the last three financial years in Figure 3 reveals how NREGA proved to be a lifeline for people living in rural areas during the Covid induced lockdowns. Employment generated in the first four months of the financial year i.e., from April to July reveals an increasing trend across the years, both in absolute as well as relative terms. The share of employment generated in the first four months increased from 25% in FY 2019-20 to 36% in FY 2020-21 and 48% in FY 2021-22. The figure also depicts that, while the trend in persondays

generated was similar for the months between April and September across FYs 2020-21 and 2021-22, fewer persondays were generated in the second half of FY 2021-22 compared to FY 2020-21. The reduction in persondays generated could be a decrease in demand for work but is more likely a result of the reduction in budget allocation on wages and highlights the need for a higher budget allocation for NREGA.

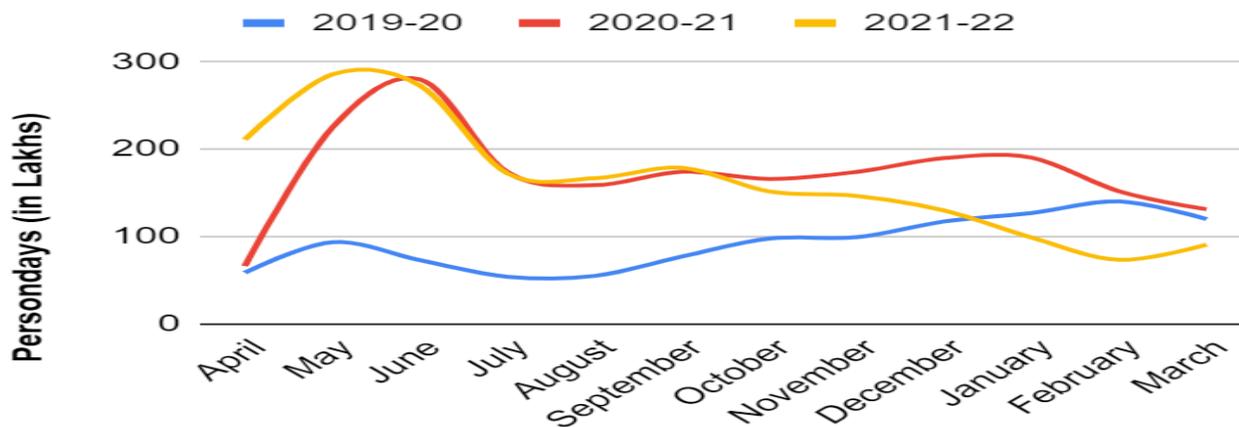


Figure 3: Monthly trends in persondays generated across the last three financial years

1.2. District Wise Trend

Fall in persondays generated in 25 out of 30 districts

Figure 4 depicts that persondays generated declined in 25 out of 30 districts in the current year (2021-22) as compared to last year (2020-21). Only five districts – Malkangiri, Angul, Kandhamal, Koraput, and Ganjam – show an increment in employment generated in the year 2021-22. Among these 5 districts, Ganjam recorded the highest increase in persondays generated with an increase of 24%. It is also the district with the highest number of persondays at 299 lakhs.

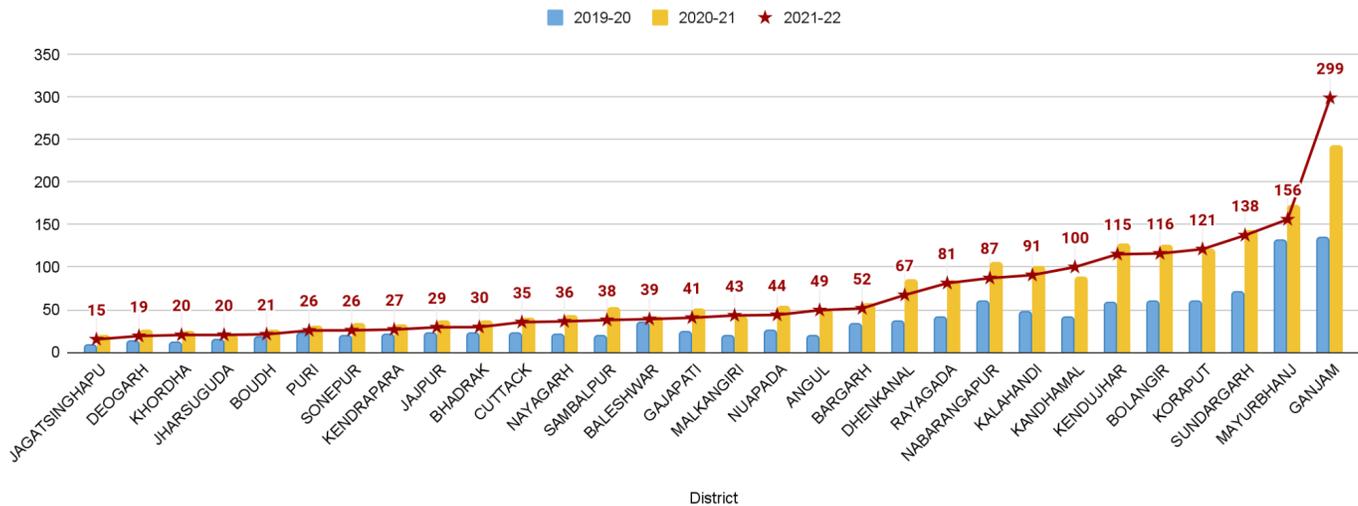


Figure 4: District-wise persondays for the last 3 financial years

Table 2 below depicts the district level variations in average persondays, percentage of households completed at least 100 days, and average wage per person per day. While Ganjam is the best performing district in terms of average persondays (75) and percentage of households completed 100 days, the average wage per day (Rs. 143) earned by the workers is the lowest in the district. There are wide variations in employment generated across the districts. While seven districts have an average employment of above 60, an equal number of districts have an average employment of less than or equal to 40.

A closer look at average wages across the districts reveals that while workers in most districts received the notified wage rate, workers in Bargarh, Bolangir, Kalahandi, and Nuapada received more than the notified wage rate. This was the result of a top-up of Rs. 71.3 for NREGA workers in 20 blocks by the state government, over and above the wage rate notified by the Centre. The top-up was aimed at combating distress migration in these districts. The state govt also announced 200 days of employment in a year in those 20 vulnerable blocks.⁵

District ⁶	No. of HH worked	Average persondays	% of HH completed at least 100 days	Average wage per day per person (Rs.)
Ganjam	3,99,754	74.8	32.3	142.9
Kandhamal	1,40,305	71.3	23.4	212

⁵ A [news report](#) suggests that the step was taken after a survey conducted by the state labour department revealed that close to 40,000 people had migrated to the neighbouring states in “one migration season” from just 30 panchayats of Bolangir and Nuapada.

⁶ The table is sorted in descending order as per the average persondays.

Sundargarh	2,16,950	63.3	16	214.9
Koraput	1,93,138	62.8	14.7	214.7
Bolangir	1,86,441	62.2	19.5	244.6
Nabarangapur	1,42,903	60.9	13.3	214.9
Rayagada	1,33,909	60.6	9.7	214.5
Malkangiri	72,148	59.8	15.1	214.8
Nuapada	74,085	59.1	17.6	273.7
Jharsuguda	34,688	58.5	19.1	215
Dhenkanal	1,16,041	57.8	12.1	214.3
Kalahandi	1,57,393	57.6	14.4	252
Gajapati	70,547	57.3	7.9	212.3
Sambalpur	66,105	57.1	10.7	214.9
Kendujhar	2,03,947	56.4	10.2	215
Bargarh	91,426	56.3	14	248.9
Mayurbhanj	2,80,452	55.7	7.6	214.9
Angul	93,207	52.9	6.5	214.9
Deogarh	37,600	50.5	5.5	214.9
Nayagarh	75,584	47.8	3.1	214.9
Boudh	44,743	46.8	5.4	215
Sonepur	54,821	46.8	5	215
Khordha	44,614	45.1	6.5	214.9
Cuttack	88,098	40	2.6	214.8
Jajpur	77,003	38	2.4	214.9
Baleshwar	1,02,561	37.9	2.2	214.9
Jagatsinghapur	42,508	35.3	0.9	214.8
Kendrapara	75,937	35	2.3	214.8
Bhadrak	85,103	34.6	1.2	214.8
Puri	74,325	34.3	2.6	214.9

Table 2: District-wise variations in average persondays, households that completed at least 100 days of work and average per person per days

1.3. Gender-Based Decomposition

Share of women in persondays continue to remain below 50%

The proportion of persondays for women has been lower than that for men for three consecutive financial years from 2019-20 to 2021-22. However, the trend is positive with the highest proportion of women persondays (46%) generated in FY 2021-22. Further, the percentage of women persondays, even though lower than many other states, is above 33% as mandated by the Act. Gender-based decomposition of persondays generated across the last three financial years is presented in Figure 5.

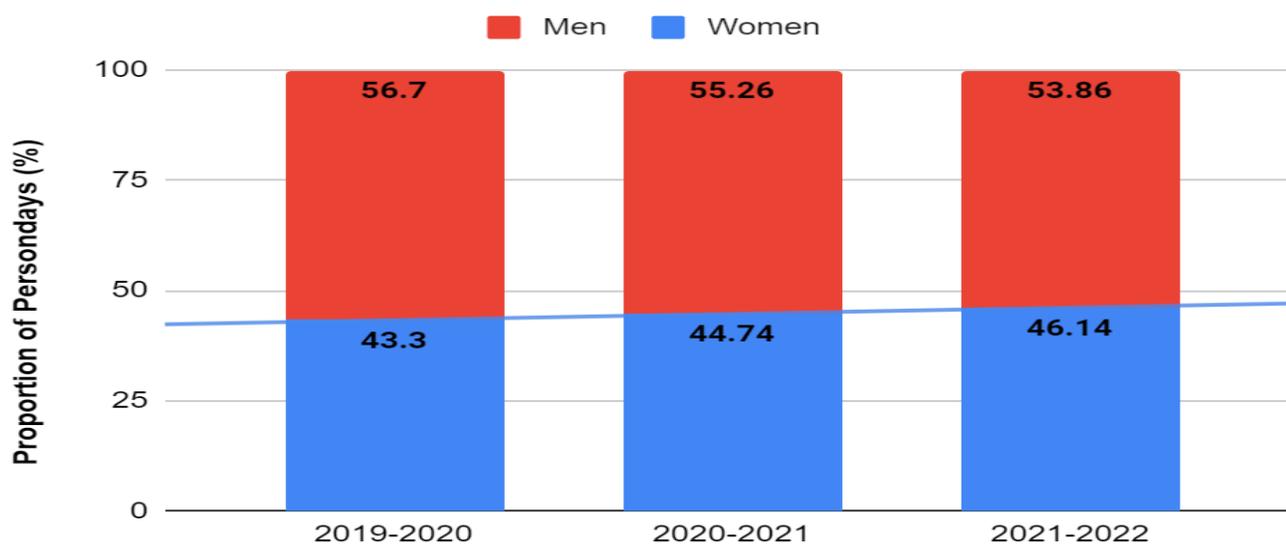


Figure 5: Gender based decomposition of participation in NREGA across the last 3 financial years

2. Expenditure

11.9% decrease in wage expenditure despite a 2.5% increase in total expenditure

MGNREGA is predominantly a centrally funded program, with only 10% of the expenditure met from state funding. Expenditure over the last 3 years shows that it was highest in the year 2021-22 i.e., Rs. 5,984 crore in the state - a little higher than in 2020-21 (Rs. 5,836 crore) but much higher than in 2019-20 (Rs. 2,837 crore). The increase in expenditure was mainly due to a 73% increase in expenditure on material and skilled wages. Wage expenditure, on the other hand, fell from Rs. 4,680 crore in 2020-21 to Rs. 4,123 crore in 2021-22, a fall of 11.9%. The decline is probably a result of a reduction in persondays as well as the number of districts where the state provided a top-up in addition to the notified wage rate. While in 2020-21, nine districts had a state top-up, the number of such districts reduced to four in 2021-22.

The increase in expenditure on material and skilled wages coupled with a reduction in expenditure on wages of unskilled workers resulted in an increase in the share of expenditure on material and skilled wages from 18% to 30%. However, the share continues to remain below the mandated level of 40%.⁷ The amount spent on wages, material and skilled wages, and administration expenditure in the last three years under MGNREGA in the state of Odisha can be seen in Table 3.

S. No	Expenditure	2019-20	2020-21	2021-22
1	Wages (in Rs. crores)	1,948.2	4,679.5	4,122.5
2	Material & Skilled Wages (in Rs. crores)	782.2	1,020.4	1,766.5
3	Administrative expenditure (in Rs. crores)	106.5	135.6	95
4	Total Expenditure (in Rs. crores)	2836.9	5,835.5	5,984

Table 3: MGNREGA expenditure in Odisha in the last three years

3. Rejected Payment

Rs. 30.54 crores rejected for 2.9 lakh transactions

Rejected payments are those that are initiated by the Centre but get rejected due to technical errors and also lack of administrative monitoring. Workers are often not aware that their wages have been rejected and often discontinue NREGA work. As on 28/04/2022 a total of Rs. 30.54 crores were rejected for FY 2021-22. There are wide variations across the districts in terms of the amount rejected. While Koraput (Rs. 284 lakhs) and Kalahandi (Rs. Rs. 298.3 lakhs) have close to Rs. 3 crores rejected payments, Deoghar (Rs. 4.4 lakhs), Khordha (Rs. 4.4 lakhs) and Jharsuguda (Rs. 7.9 lakhs) have rejected payments of less than Rs. 10 lakhs. The amount of rejected payments across the districts is presented in Figure 6.

⁷ As per the Act the ratio of expenditure on material and skilled wages to the sum of expenditure on material and skilled and unskilled wages should be below 40%.

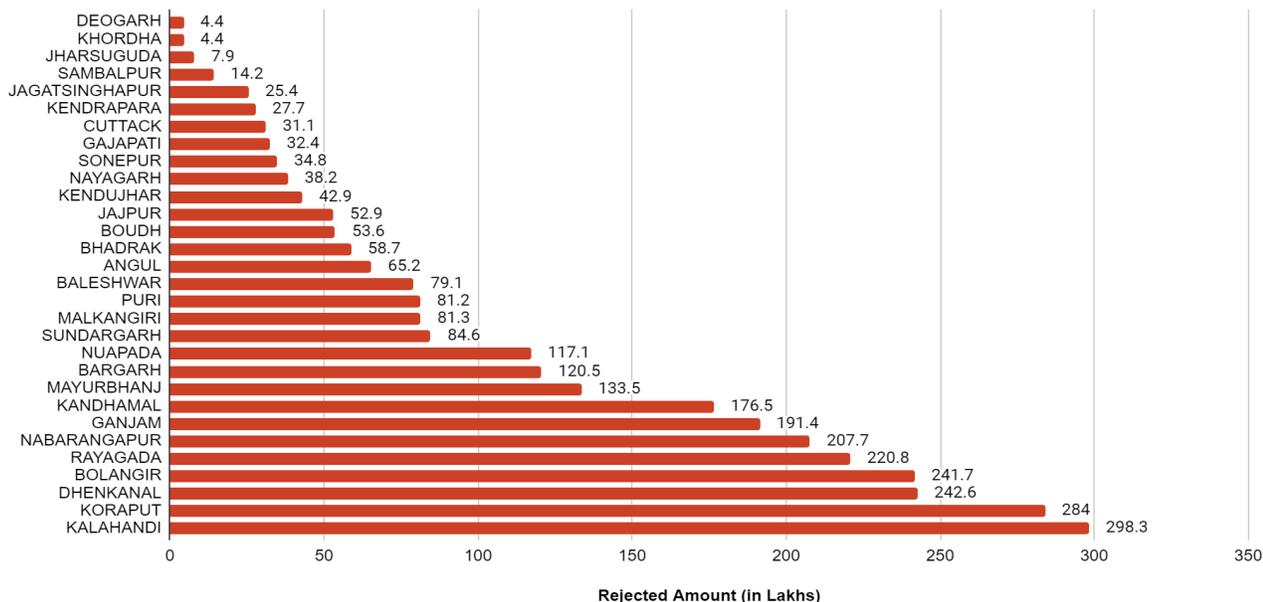


Figure 6: Amount of rejected payments across districts

4. Conclusion

With the pandemic and reverse migration caused by the lockdown, MGNREGA acted as a lifeline and helped thousands of workers to earn a livelihood. The top-up provided by the state government in certain districts further augmented the wages earned by the workers. Further, while there was a fall in average persondays for most states between FY 2020-21 and FY 2021-22, average persondays increased in Odisha. However, a drop in the number of districts receiving the top-up led to a reduction in wage expenditure. On the other hand, there has been an increase in material expenditure, which has led to an increase in the overall expenditure. Rejected payments are a major challenge in Odisha, happening mostly due to technical errors and a lack of administrative monitoring.

Based on our work in multiple states along with Odisha, we conclude that the budget cuts and delay in wage payments by the union government have become an impediment to workers realizing their rights as mandated by the NREGA.

It's the responsibility of the union government to make sure the promise given by the parliament to the citizens of the country on the Employment guarantee is fulfilled.

About ‘Right to Food Campaign-Odisha’

Odisha chapter of the National Right to Food Campaign. An informal network of individuals and organizations committed to the realization of the right to food, especially on right to food issues.

About ‘Foundation For Ecological security’

FES works toward creating resilient livelihoods while focusing on improved ecological health across different states of the country including Odisha.

About ‘LibTech India’

We are a team of engineers, social workers, and social scientists who are interested in improving public service delivery in India. We have been working as a team in Odisha with Foundation for Ecological Security (FES) for more than a year and with Right to Food (RTF) for the past year, though individually some of us have been involved for more than a decade.

Team Behind This Report:

**Anuradha De, Chakradhar Buddha, Diwakar Mantri,
Naveen Gajjalgari, Parul Saboo, Sameet Panda, Sonalimayee Sahu**

