

MGNREGA: The Guaranteed Refuge for Seasonal Migrants and Rural Workers during COVID-19 Crisis in state of Odisha

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Abstract

This research note is prepared to present an overview of the effectiveness of the Government's decision to open the activities of the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) in the non-lockdown zones during the second phase of the restrictions of lockdown imposed by COVID-19 in April 2020. Providing employment opportunities to the rural workers, seasonally migrated workers from the urban areas and strengthen rural economy in the midst of COVID-19 pandemic. The matter of interest is to identify how the Government decision helped migrants to secure a share of their loss of income. Our study reveals that close to 0.75 million seasonal migrant workers are refugees under the MGNREGA for the state of Odisha.

Keywords: MGNREGA, COVID-19, lockdown, migrants, revenues

1. Introduction

This is a study about how million of people from the state of Odisha have returned back to original villages to retain a part of their lost employment under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) during the national lockdown during COVID-19 pandemic.

Re-establishing the evidence that, risk of social protection and social insecurities are emerging out from the economic volatility, life insecurities, social inequalities and macroeconomic differences (Sociology & 2021, n.d.; Work & 2021, n.d.) particularly in developing world (Development & 2021, n.d.; Rajan et al., n.d.). From the data of 2011 census, over the period from 2001 to 2011, a current estimation that there are about 2.5 million migrants, of which about 0.09 million have migrated for work / employment reasons (Dev et al., n.d.). The category of seasonal migrants enter is about 0.04 million, generally aged over 15, who migrate temporarily from rural or urban areas to the interior or exterior of the States for occasional non-agricultural work. Odisha is following the global response to the COVID-19 emergency, which considered the conclusion as the only possible solution to prevent the spread of the disease. The immediate repercussions of the lockdown strategy have been the loss of a large scale of jobs (Kumar et al., n.d.), in specific the informal sector (A. Dutta et al., n.d.) affecting the sources of daily income of occasional workers. Despite of all the efforts of the government, millions of them have chosen to return on foot in their villages of origin (Indiaforum et al., n.d.). In its response the Government has introduced many supportive measures aligned with the existing social security regimes (Narayanan et al., n.d.) and has published a directive revised consolidated on 15 April 2020 (day one of 2nd phase of lockdown (Bhatia et al., n.d.)) to establish new industries rural areas for agriculture and allied services under MGNREGA (SAHAL, 2021), offers guarantees and mandatory standard operating protocols (Atri et al., n.d.). The justification for this decision in the midst of the COVID-19 crisis was to support the rural economy (Iyengar et al., n.d.) by providing employment opportunities to both the rural people (Economics & 2020, n.d.) as well as the seasonal migrants (M. Dutta et al., n.d.) from the urban areas in to the villages. With onset of partial lockdown the state governments have launched different activities under MGNREGA to offer employment opportunities and every year, the employment program roughly exceeds 75 million rural workers (Narayanan et al., 2020). With the return of seasonal migrant workers across the country in the villages, their dependence on the program as a source of income was inevitable and, consequently, the increase in labor demand within that framework -there was early (Paliwal et al., n.d.). In view of the need, the government has allocated ₹ 40000 crore additional in the framework of the MGNREGA, in the framework of the

economic recovery of (Lokhande et al., n.d.; Practice & 2021, n.d.) ₹ 20 lakh crore following the COVID-19 pandemic.

The government of Odisha allowed the program to resume its activities, was intended to bring economic relief not only to millions of rural workers, but also to millions of seasonal migrants returning during the lockdown (Vasudevan et al., n.d.). To verify the effectiveness of this decision, this study presents a research plan that attempts to find evidence of an increase in habitual demand in the framework of the MGNREGA following the order of the Government to open it, estimate the total revenue lost by seasonal migrants and the proportion of those obtained by those who have chosen to work within the framework of the program.

2. Research design

For estimates and analyzes, we use population and migrant data for the 2001 and 2011 years and MGNREGA administrative data for the 2018-2019, 2019-2020 and 2020-2021 exercises. Odisha's administrative network comprises 30 districts, covering 314 blocks and 47,477 villages. We adopt the following stages in our analysis.

Step 1: Estimation of the incidence of seasonal migrants in the population of the district

We carry out a linear extrapolation (using the declining growth rates from 2001 to 2011) on the data of the review of 2011 to estimate the figures of the population, of the total number of migrants, migrants for work / employment and seasonal migrants for the year 2021 in each of the 30 districts. We assume here that the growth rates 2001-2011 are not significant change for the current decade (2011-2021) and, consequently, the estimates are considered to be a good approximation to pursue the analysis more appropriate. For each district, the report of the number of seasonal migrants to its population gives us an estimate of the incidence of seasonal migrants in the district's population.

Step 2: Estimation of the habitual demand for work under MGNREGA before the move

We estimate the total average number of employees in the framework of the MGNREGA in 2018-2019 and 2019-2020 in each of the 30 districts. The average value for each district is the reference value of the habitual job application within the framework of the program.

Step 3: Identify the districts with an increase in habitual demand under MGNREGA after the move

In addition, we estimate the total number of employees in the framework of the program for the period of five months, from 1 April 2020 to 31 August 2020 in each of the 30 districts. These five first months of 2020-2021 were also those where the government imposed a national ban (in April and May) and unlocking (in June, July and August). We identify the districts with an increase in the habitual demand for work within the framework of the MGNREGA by supporting the value of reference from each district of their respective estimates for 2020-2021. The difference is both positive and negative. It is obvious that the neighborhoods with Negative differences are those that follow the habitual trajectory of the job application within the framework of the program. However, districts with a positive difference are those who have already exceeded the basic job demand line under MGNREGA. The value of positive difference in a particular district can be considered as a good approximation of the number of seasonal migrants who have returned to their villages of origin. We identify these neighborhoods because they did in the face of the influx of returning migrants who have chosen to work within the framework of the program during the lockdown. With distinctions, we classified 30 districts in two groups. Neighborhoods with a negative difference are placed in the "Group N" and those with a positive difference in the "Group P". We identify these districts because they face the influx of returning migrant migrants who have chosen to work within the framework of the program during the lockdown.

Step 4: Examination of the employment within the framework of the MGNREGA in the districts of the "Group N" and the "Group P" before and after the Lockdown

We are now consolidating the MGNREGA administrative data for the N and Group P districts as well as for a total of 30 districts for 2018-2019, 2019-2020 and 2020-2021 on four crucial employment indicators. We estimate the total number of employed persons within the framework of the program, the general working days, and the average number of working days provided by persons and the amount of wage mass (nominal and real) generated. The examination of each of these indicators reveals that compared to the average of the aggregates for 2018-2019 and 2019-2020, the aggregates of the quarters of the "Group P" are compared with the aggregates of the quarters of the "Group N". A further analysis of the districts of "Group P" helps us to estimate the total number of seasonal migrants who are income and are refugees within the framework of the MGNREGA to secure a portion of their income, which they would otherwise lose due to lockdown.

Step 5: Estimate Aggregate revenue per day; lost, earned and secured by seasonal migrants during the lockdown

Utilization of the national scale of salary rates for MGNREGA; we compile the data on the minimum (nominal and real) wage rate for each of the 30 districts. We assume here that in the pre-COVID-19 period, each migrant seasonal in each of these districts gains at least an equivalent journalistic income or can be higher than the minimum wage provided by the MGNREGA. Consequently, the product of the total number of seasonal migrants in a district and the minimum applicable wage rate in which we provide a gross estimate of the minimum income lost per day in that district. The aggregate for 30 districts is an approximate figure of the total revenue lost on a daily basis by seasonal migrants during the lockdown. At the same time, we now estimate the minimum total income earned by seasonal migrants who are income and worked within the framework of the MGNREGA in each of the districts of the “Group P”

3. Results and discussion

3.1. Incidence of seasonal migrants by district

More than 2.5 million seasonal migrants are distributed in 30 districts in Odisha. Nearly half of the districts, about 14 districts, there is a very low incidence of migrants in their population and are probably those where there is a strong emigration every year. This is evident from the fact that these districts are characterized by a high level of backwardness and the aggravated agricultural crisis since the mid-1990s (NSSO, 2011). They are mainly concentrated in the districts of KBK namely; Koraput, Malkangiri, Nabarangpur, Rayagada, Balangir, Sambalpur, Kalahandi and Nuapada. The remaining 16 districts assist these migrants in offering them the opportunity to work and gain their graceful life from non-agricultural activities. The majority of them have about 1% to 5% of the incidence of migrants in their population.

3.2. Suspension at the district level in relation to the habitual demand for work within the framework of the MGNREGA

It was anticipated that the relocation of seasonal migrants as a result of the lockdown would have created pressure on MGNREGA's capacity to absorb the increase in labor demand given the limits of its pre-planned annual work budget. Our analysis of official data reveals that MGNREGA responded in part to the additional work request and supported the defenseless seasonal migrants who were returned to their villages of origin during the lockdown period. Only five months (from 1 April 2020 to 31 August 2020), near 37% of the districts (11 out of 30) exceeded the annual level of reference of the job application within the framework of the MGNREGA.

3.3. Examine the employment under MGNREGA

On average, each year, close to 7.9 million people are employed under the MGNREGA in 30 districts. However, in 2020-2021, the annual work budget was saturated during the first five months. A further examination reveals that the districts of the P group have exceeded their 20% environmental work budget, accommodating close to 0.7 million additional people who are most likely seasonal migrants who are recovering during the lockdown and chose to work within the program. In relation to the districts of group N, the districts of group P generated 37% of working days in addition and provided 10% of additional working days, which is around 23 days for each person. Even the wage mass generated in the group P has increased around 40%. During that period the analysis of the wage, they generated a salary mass of ₹19.32 crores so, which is about 90% of the habitual annual salary mass of ₹ 21.45 crores.

3.4. Estimates of the income of seasonal migrants

Following this decision, the decision to open MGNREGA's works secured the revenues of millions of rural workers (close to 8 million) and a portion of the revenues of seasonal migrants that are revenues and worked within this framework. As seen in the previous section, the program has supported 0.7 million seasonal migrants, up from 35% of the total 0.24 million. Suppose that each of them has earned an income equivalent to at least the minimum wage prescribed for MGNREGA in the State in which he works. Subsequently, 0.24 million seasonal migrants lost a minimum nominal income of ₹50 crores (that is to say ₹30 crores of real income) per day during the lockdown. The same, 0.75 million seasonal workers have earned a nominal income of at least ₹14 crores (i.e. ₹ 9 crores of real income) per day working under the program. During five months of cruising, MGNREGA supported each of them on a minimum of 23 working days. The ratios suggest that the program provides for a refugee near 35% of seasonal migrants who can secure about 28% of their daily income, which they would otherwise lose due to economic inactivity due to lockdown.

4. Findings and Conclusion

One of the strategies for adapting to the risk of income adopted by the population of rural regions of the country consists in migrating temporarily towards an economically developed zone in search of occasional work remunerated during the day. The lockdown imposed due to the covid-19 pandemic has severely affected those who followed this strategy and trained an exodus of migrants to return to them. During this crisis, our study revealed that close to 0.75 million seasonal migrant workers were refugees within the framework of the MGNREGA during the conflict, the work was carried out for about 23 days and about 28% of the income they received was daily payment during the pre-COVID-19 period. Of course, there are still no measures to generate opportunities for adequate non-agricultural jobs during the agricultural counter-season for their rural population. Excessive dependence on MGNREGA in these regions during the current crisis is a symptom of the economic downturn that persists in them and, consequently, must be corrected by human policy interventions on human capacity development. While the approach of the research in this study is exploratory and the estimates are approximate, it provides a small sample of the great importance that the MGNREGA holds in the discourse of Odisha's development policy.

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