

**PERFORMANCE OF MAHATMA GANDHI  
NATIONAL RURAL EMPLOYMENT GUARANTEE  
ACT (MGNREGA) IN TLANGNUAM RURAL  
DEVELOPMENT BLOCK, AIZAWL DISTRICT**

**(A DISSERTATION SUBMITTED FOR THE AWARD OF THE  
DEGREE OF MASTER OF PHILOSOPHY IN ECONOMICS)**

**BY**

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**CERTIFICATE**

This is to certify that the dissertation entitled **“Performance of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) in Tlangnuam Rural Development Block, Aizawl District”** by Shri. Joseph Lalremsanga has been written under my guidance.

The dissertation is the result of his investigation into the subject. This dissertation was never submitted to any other University for any research degree.

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## II

### DECLARATION

I, Joseph Lalremsanga, do hereby declare that the M.Phil dissertation entitled **“Performance of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) in Tlangnuam Rural Development Block, Aizawl District”** being submitted to the Department of Economics, Mizoram University for the degree of Master of Philosophy in Economics, is a research work carried out by me and this dissertation has not been submitted by me for any research degree in any other University or Institution.

(JOSEPH LALREMSANGA)

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### III

## ACKNOWLEDGEMENT

At the outset, I thank the Almighty God for his countless blessings in all my endeavours. Having completed the task, I do hope that the recommendations and findings which have been formulated out of this present study by and large would not just reflect the status of the targeted segments, but also benefit the implementing agencies and emerging scholars undertaking research in the specific topic.

I am happy to have completed this study which was carried out under the able and dedicated guidance of my Supervisor, Dr Lalhriatpuii, Assistant Professor, Department of Economics, Mizoram University.

I am truly indebted to the different functionaries at Tlangnuam BDO Office Aizawl, DRDA Office Aizawl, Directorate of Census operations Mizoram and Department of Economics, Mizoram University, who have rendered their time and energy for the cause of this study. I am deeply grateful to all the respondents during the field survey who have willingly shared the required information and made this study a success.

Lastly, I want to thank my family and friends for their constant support and encouragements.

(JOSEPH LALREMSANGA)

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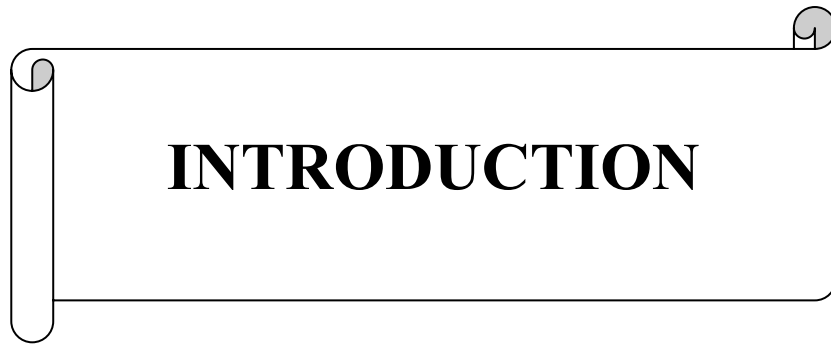
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# **CHAPTER – I**



## **INTRODUCTION**

## 1.1 INTRODUCTION

The issue of economic development is a matter of concern for both rich and poor countries of the world. Accelerating the pace of such development has become a more pressing concern for the poor countries to ensure growth and justice despite being plagued by skewed distribution and underutilization of resources leading to poverty, illiteracy, unemployment, low consumption, low investment and the likes. Unless poverty is eradicated, growth potential of an economy cannot be harnessed justifiably. The key to the redistribution of resources lies in the creation of employment opportunities for the poor. Employment induced growth has often been addressed as a demand driven approach to full employment (Nayak, S.,2012).

A considerable share of the world population still live in poverty, and income and wealth are still very unequally distributed. A recent research by Wider, the ONU economic research centre on poverty and development shows the extent of world inequality in the distribution of personal wealth. The 24 richer Organization for Economic Cooperation and Development (OECD) countries own 83% of world private wealth or 64% at Purchasing Power Parity (PPP)\$, with only 15% of world population and a per capita wealth of \$116,000 (114,000 at PPP US\$). The 64 poorest countries with 40% of world population own 2% of world personal wealth (8% at PPP US\$), with a per capita wealth of 1000 US\$ (5000 at PPP US\$). In 2000 the 1% richest adults

owned 40% of the overall private wealth (32% in PPP US\$ terms) (Davies et al. 2006a / 2006b).

While employment provides income to the employed, yields output and gives a person the recognition of being engaged in something worthwhile, there are evidence of impoverishment, malnutrition and death on account of lack of alternative sources of livelihood in developing countries. Policy induced rural work programmes can be considered as pragmatic efforts to generate non-farm employment opportunities to sustain consumption and income especially during the times of distress (Sen, A. 1981).

Unemployment breeds poverty, poverty is one of the most critical issues in India. It is conventionally measured by the income and expenditure level that can sustain a bare minimum standard of living. But measuring standard of living is a tricky issue. Income or consumption levels and access to minimum level of social amenities are the important aspects of living standards (Palanichamy A.P, 2011).

The Global Employment Trends Report 2012 states that the world faces the additional challenge of creating decent jobs for the estimated 900 million workers living with their families below the US\$ 2 a day poverty line, mostly in developing countries. It also says that 74.8 million youth aged 15-24 were unemployed in 2011, an increase of more than 4 million

since 2007. It adds that globally, young people are nearly three times as likely as adults to be unemployed. The global youth unemployment rate, at 12.7%, remains a full percentage point above the pre-crisis level. At the same time, there are nearly 29 million fewer people in the labour force now than would be expected based on pre-crisis trends. If these discouraged workers were counted as unemployed, then global unemployment would swell from the current 197 million to 225 million, and the unemployment rate would rise from 6 % to 6.9 % (International Labour Organization, 2012).

The adverse effect of the recent economic downturn continues to impact the lives of millions of poor and vulnerable globally. The number of people living on less than 1.25 US\$ per day has almost touched 2 billions. Since world wide, poverty essentially remains a rural phenomenon where nearly three-quarters of the total people living on less than 1.25 US\$ reside in rural areas. The steep increase in the food and energy prices, falling values of national currencies, decline in purchasing power due to shrinking employment opportunities, progressive disengagement of the governments in many countries from social sectors due to resource crunch etc. have precipitated the accentuation of the worsening economic conditions of poor and marginalized communities in general and rural poor in particular in most countries of the world (Ministry of Rural Development, Annual Report 2011-12).



Rural development implies both the economic betterment of people as well as greater social transformation. In order to provide the rural people with better prospects for economic development, increased participation of the people in rural development programmes, decentralization of planning, better enforcement of land reforms and greater access to credit are envisaged. Therefore it has always been an important issue in all discussions pertaining to economic development, especially developing countries, throughout the world. Over 3.5 billion people live in Asia and Pacific region and some 63 % of them in rural areas. Although millions of rural people have escaped poverty as a result of rural development in many Asian countries, a large majority of rural people continue to suffer from persistent poverty. The socio-economic disparities between rural and urban areas are widening and creating tremendous pressure on the social and economic fabric of many developing Asian countries. The policy makers of the developing economies recognized this importance and have been implementing a number of programmes and measures to achieve rural objectives. India has been a welfare state and the primary objective of all governmental endeavours has been the welfare of its millions. Rural poverty remained one of the primary objectives of the planned development in India. The Ministry of Rural Development in India is the apex body for formulating policies, regulations and acts pertaining to the development of rural sector.

As per the report on Employment & Unemployment Survey (2009-10) by the Labour Bureau, Ministry of Labour and Employment, Government of India, 32.5 % of the populations or 384 million in India are employed during the period. In the rural and urban sector, the worker population ratio (number of persons employed per 1000 persons) is estimated to be 329 and 314 respectively. The unemployment rate is estimated at 94 per 1000, which implies that 9.4 % or 40 million (approx) persons of the labour force are unemployed and looking for jobs. In the rural sector for every 1000 persons, 356 persons are in the employed category, 40 are unemployed and the rest 604 persons are not in the labour force.

At the same time, the report on Employment & Unemployment Survey (2011-12) by the Labour Bureau, Ministry of Labour and Employment, Government of India, estimates the unemployment rate to be 3.8 % at the all India level, with 3.4 % in the rural areas and 5% in urban areas. At all India level majority of the employed persons i.e. 52.9 % are engaged in the primary sector (agriculture, forestry and fishing) followed by 27.8 % in the tertiary or services sector and 19.3 % in manufacturing and construction sector i.e. the secondary sector. The report highlights that 50.8 % or majority of the households in India are found to be having self employment as the major source of income under agricultural and non-agricultural activities. In the rural areas, 11.1 % households are estimated to be having regular/wage salary

earning as major source of income. The report also indicates that the world unemployment rate in 2011 according to International Labour Organization (ILO) was 6%.

The Wage Rates in Rural India (2009 – 10) also shows that the all-India annual average daily wage rates in different agricultural occupations during the year 2009-10 varied widely from ₹62.23 for male ‘herds-keepers’ to ₹140.81 for male labourers engaged in ‘well digging’; from ₹46.66 for female ‘herds-keepers’ to ₹86.71 for female labourers engaged in ‘transplanting’ activities; and from ₹42.75 for child ‘herds-keepers’ to ₹61.72 for children employed in ‘harvesting’ occupation. On the other hand, the all-India annual average daily wage rates in non-agricultural occupations during the year 2009-10 also varied widely from ₹71.82 for male ‘sweepers’ to ₹182.92 for male ‘masons’; from ₹77.69 for female ‘unskilled labourers’ to ₹74.34 for female ‘sweepers’.

The approaches to tackling the task of unemployment have varied from time to time. In the initial years of planning in India, reliance was placed primarily on the expectations of a rapid industrial development and control of population. These expectations did not materialise and it was observed that the rate of growth of employment was generally much lower than the Gross Domestic Product (GDP) rate of growth of the economy. Seasons of severe drought and failure of monsoons exposed large sections of population to extensive deprivations. Successive plans, strategies, policies and programmes

were, therefore, re-designed to bring about a special focus on employment generation as a specific objective. The seventies and eighties saw the emergence of special schemes like National Rural Employment Programme (NREP), Rural Landless Employment Guarantee Programme (RLEGP) to provide wage employment through public works programmes and schemes to promote self-employment and entrepreneurship through provision of assets, skills and other support to the unemployed and the poor. While employment levels expanded steadily during the seventies and eighties, the rate of growth of employment continued to lag behind that of the labour force. Unemployment among the educated showed a rising trend. Another feature of the employment situation is the sizeable proportion of the employed working at low levels of the productivity and income. The eighties exposed the weakness in the then ongoing strategies of expanding public sector irrespective of competition.

Anti-poverty strategy comprises of a wide range of poverty alleviation and employment generation programmes, many of which have been in operation for several years and have been strengthened to generate more employment, create productive assets, impart technical and entrepreneurial skills and raise the income level of the poor. Under these schemes, both wage employment and self-employment are provided to the people below the poverty line. In 1998-99, various poverty alleviation and employment generation programmes are grouped under two broad categories of Self-Employment Schemes and Wage Employment Schemes. Funding and organizational

patterns are also rationalized to achieve better impact. These programmes are primarily meant for poverty alleviation and have generally not been helpful in sustainable employment generation.

In India, the problem of unemployment has become very serious and is structural in nature. While in the urban areas, unemployment is mainly industrial and educational in nature, for the rural areas, it is seasonal and disguised in nature. Various causes responsible for high incidence of unemployment in India include growing population, inappropriate technology, faulty education system and failure of growth process in generation appropriate and adequate jobs (Palanichamy A.P, 2011).

## **1.2 RURAL DEVELOPMENT IN INDIA**

Rural poverty and its eradication has been part of the discourse since independence. As has been indicated, a plethora of programmes since then have been tried in rural India to eradicate poverty, with varied impacts. It has been often argued in certain quarters how rural works programmes have become important instruments in the strategies for alleviating poverty and hunger in many developing countries. This concept has been well recognized for a long time. It has also been argued that even if land reforms are carried out successfully and the beneficiaries are provided with access to credit and modern agricultural inputs, a large fraction of the rural poor in a densely populated agrarian economy, such as India, is likely to remain

unaffected simply because there is not enough surplus land to distribute among them. Furthermore, the potential beneficiaries may find that the income from cultivation of small plots falls short of subsistence requirements. Most of those without access to land are forced to rely primarily on agricultural employment with long seasonal spells of inactivity. In such a context, rural public works have a potentially significant role in poverty alleviation. Also, given the difficulties of targeting anti-poverty interventions, there is a strong need for these programs. Specifically, through a work-requirement, these programs are expected to exclude the more affluent sections (Joshi Varsha et al., 2008).

Integrated development of rural areas is one of the abiding tasks before the Government of India. The National Common Minimum Programme (NCMP) of the Central Government reiterates the cardinal importance of villages to the overall development of the country and commits to work towards development of rural areas, which for various reasons could not keep pace with urban areas in the past.

In conformity with this commitment of the Government, the Ministry of Rural Development accords foremost priority to development in rural areas and eradication of poverty and hunger from the face of rural India. A number of initiatives have been taken in the recent years for creation of social and

economic infrastructure in rural areas to bridge the rural-urban divide as well as to provide food security and fulfill other basic needs of the rural populace.

The renewed emphasis on rural development is also visible in the commensurate progressive increase in the allocation of resources for implementation of poverty alleviation programmes. For the Tenth Five Year Plan, the allocation of funds for rural development programmes has been enhanced to ₹76,774 crore as against ₹42,874 crore in Ninth Plan.

Addressing the challenge of unemployment in the rural areas of the country is central to the development of rural sector for ameliorating the economic condition of the people. Wage employment is provided in rural areas under the Mahatma Gandhi National Rural Employment Guarantee Act (NREGA) and Sampoorna Grameen Rozgar Yojana (SGRY) whereas self-employment is provided under Swarnajayanti Gram Swarozgar Yojana (SGSY). Besides generating employment these wage employment schemes also ensure creation of durable assets in rural areas. Initiatives are also taken by the Ministry to build and upgrade the basic rural infrastructure through various schemes.

Under Pradhan Mantri Gram Sadak Yojana (PMGSY) construction and repairing of rural roads are taken up to ensure rural connectivity. It is expected under the scheme that an expanded and renovated rural road network will lead

to an increase in rural employment opportunities, better access to regulated and fair market, better access to health, education and other public services so as to accelerate the pace of economic growth in rural areas. Similarly basic amenities for housing, drinking water and toilets, etc. are provided under Indira Awaas Yojana (IAY), Accelerated Rural Water Supply Programme (ARWSP) and Total Sanitation Campaign (TSC) to enhance the welfare and well-being of the vulnerable sections of rural population. Area Development is encouraged through Watershed Programmes to check the diminishing productivity of waste land and loss of natural resources.

### **1.3 PROGRAMMES FOR DEVELOPMENT OF THE RURAL AREAS**

A brief highlight of programmes which are undertaken by the Government of India in various disciplines of activities may be underlines as under :

#### *Bharat Nirman :*

The introduction of Bharat Nirman, a project set about by the Government of India in collaboration with the State Governments and the Panchayati Raj Institutions is a major step towards the improvement of the rural sector.

The main tasks of the project were:



- Every village to be provided electricity
- Every habitation over 1000 population and above (500 in hilly and tribal areas) to be provided an all-weather road
- Every habitation to have a safe source of drinking water.
- Every village to be connected by telephone
- Promotion of irrigation capacity
- Construction of houses for the rural poor

*Pradhan Mantri Gram Sadak Yojana (PMGSY) :*

Pradhan Mantri Gram Sadak Yojana was launched on December 25, 2000 as a fully funded Centrally Sponsored Scheme to provide all weather road connectivity in rural areas of the country. The programme envisages connecting all habitations with a population of 500 persons and above in the plain areas and 250 persons and above in hill States, the tribal and the desert areas. Under the PMGSY construction and repairing of rural roads are taken up to ensure rural connectivity. It is expected under the scheme that an expanded and renovated rural road network will lead to an increase in rural employment opportunities, better access to regulated and fair market, better access to health, education and other public services so as to accelerate the pace of economic growth in rural areas.

*Swarnjayanti Gram Swarozgar Yojana (SGSY):*

SGSY is a major scheme for the self-employment of the rural poor. The basic objective of the scheme is to bring the assisted poor families (swarozgaris) above the poverty line by providing them income generating assets through a mix of bank credit and government subsidy. Credit is the critical component of the scheme whereas the subsidy is an enabling element. The scheme involves organisation of the poor into Self Help Groups (SHGs) build their capacities through a process of social mobilization, their training, selection of key activities, planning of activity clusters, creation of infrastructure, provision of technology and marketing support, etc. Under the scheme focus is on the group approach. However, individual Swarozgaris are also assisted. The SGSY is being implemented by the District Rural Development Agencies (DRDAs) with the active involvement of Panchayati Raj Institutions (PRIs), banks, line Departments and the Non-Government Organisations (NGOs). The credit mobilization under SGSY has been abysmally low. Further, a large number of SHGs are formed but fizzle out midway after availing the revolving fund. To make the scheme more effective sharper focus has been concentrated on poorest of the poor people. Suitable mechanisms are constantly being formulated to realize higher social mobilization, capacity building and institution building among the target population.

*Indira Awaas Yojana (IAY):*

The IAY is being implemented as an independent scheme since 1996. It aims to provide assistance for construction / upgradation of dwelling units to the Below Poverty Line (BPL) rural households, with special emphasis on Scheduled Castes, Scheduled Tribes and freed bonded labor categories. A maximum assistance of ₹35,000 per unit is provided for construction in plain areas and ₹38,500 per unit for hilly/difficult areas. ₹15,000 is given for upgradation of a dwelling unit for all areas. The funding of IAY is shared between the Centre and State in the ratio of 75:25. (100% in the case of UTs).

*National Social Assistance Programme (NSAP):*

The National Social Assistance Programme (NSAP) was launched with the aim to provide social assistance benefit to poor households in the case of old age, death of primary breadwinner and maternity. The programme supplements the efforts of the State Governments with the objective of ensuring minimum national levels of well being and the Central assistance is an addition to the benefit that the States are already providing on Social Protection Schemes. With a view to ensure better linkage with nutrition and national population control programmes, the Maternity Benefit Component of the NSAP was transferred to the Department of Family Welfare, Ministry of Health and Family Welfare with effect from 2001-02. The schemes of NSAP and Annapurna have been transferred to the State Plan with effect from 2002-03

with a view to provide requisite flexibility to the State / Union Territories in the choice and implementation of the schemes.

*Integrated Watershed Management Programme (IWMP):*

During the Eleventh Plan, the three area development programmes, namely, Integrated Wasteland Development Programme, Drought Prone Area Programme and Desert Development Programme were integrated and consolidated into a single programme called Integrated Watershed Management Programme (IWMP). This consolidation is for optimum use of resources, sustainable outcomes and integrated planning. The common guidelines for the Watershed Development Programme have been formulated and were effective from April 1, 2008. Under the programme, a cluster approach would be followed with a broader vision of natural hydro-geographical unit of average size of 4,000 to 10,000 hectare comprising of clusters of micro-watershed to be selected as project area. The programme has been implemented by dedicated institutional agencies at state and central level. Professional support (in the form of multidisciplinary expert team) has been provided to support these institutions with proper fund allocation. The project period is proposed in three distinct phases, i.e. Preparatory, Watershed works and Consolidation phase which includes livelihood activities, marketing, processing and value addition activities.

*National Land Records Modernization Programme (NLRMP):*

The NLRMP has been conceptualized as a major system and reform initiative that is concerned not merely with computerization, updating and maintenance of land records and validation of titles, but also as a programme that adds value and provide a comprehensive database for planning developmental, regulatory and disaster management activities by providing location-specific information, while providing citizen services based on land records data. A major focus of the Programme has been on citizen services, such as providing records of rights (RoRs) with maps; other land-based certificates such as caste certificates, income certificates (particularly in rural areas), domicile certificates; information for eligibility for development programmes; land passbooks, etc. In addition, the Programme is a means to modernize and bringing efficiency to the land revenue administration as well as offering a comprehensive tool for planning various land-based developmental, regulatory and disaster management activities needing location-specific information.

*National Rural Livelihoods Mission (NRLM):*

The NRLM was launched by the Ministry of Rural Development (MoRD), Government of India in June 2011. Aided in part through investment support by the World Bank, the Mission aims at creating

efficient and effective institutional platforms of the rural poor enabling them to increase household income through sustainable livelihood enhancements and improved access to financial services. NRLM has set out with an agenda to cover 7 crore Below Poverty Line (BPL) households, across 600 districts, 6000 blocks, 2.5 lakh Gram Panchayats and 6 lakh villages in the country through self-managed Self Help Groups (SHGs) and federated institutions and support them for livelihoods collectives in a period of 8-10 years. In addition, the poor would be facilitated to achieve increased access to their rights, entitlements and public services, diversified risk and better social indicators of empowerment. NRLM believes in harnessing the innate capabilities of the poor and complements them with capacities (information, knowledge, skills, tools, finance and collectivization) to participate in the growing economy of the country.

*PM's Rural Development Fellows:*

On September 13, 2011, the Union Minister of Rural Development announced a scheme of PM's Rural Development Fellows (PMRDF) for deploying young professionals in each of the Integrated Action Plan (IAP) districts to assist the District Collector. PMRDFs will basically function as development facilitators, assisting the Collector and his/her colleagues by actively pursuing a district programming approach that follows three key strategies given below:

- Strengthen the district resource base for programming by finding ways of resourcing all the planned activities and rational budgeting.
- Establish or strengthen systems by exploring alternative ways of delivering services to reach the most deprived communities.
- Trigger processes which would support the changes that have been envisioned in this approach (e.g. village planning).

These have been complemented by a set of supportive actions such as building the capacity of district and block officials; triggering district-wide social mobilization processes particularly among the youth; achieve a ground swell of support and build strong relationships with the Panchayats. It is envisaged that the training process and intensive development facilitation work at the village, block and district level will provide an exceptional growth potential for the Fellows and will, therefore, help to create a future network of skilled professionals that can work for the development sector as a whole.

*Council for Advancement of People's Action and Rural Technology*  
(CAPART):

The CAPART was formed in 1986, as a nodal agency for catalyzing and coordinating the emerging partnership between voluntary organizations and the Government for sustainable development of rural areas by

amalgamating two agencies - the Council for Advancement of Rural Technology (CART) and People's Action for Development India (PADI). CAPART is an autonomous body registered under the Societies Registration Act 1860, and is functioning under the aegis of the Ministry of Rural Development, Government of India. Today, this agency is a major promoter of rural development in India, assisting over 12,000 voluntary organizations across the country in implementing a wide range of development initiatives.

*Provision of Urban Amenities in Rural Areas (PURA) :*

Ministry of Rural Development (MoRD), Government of India has launched the Provision of Urban Amenities in Rural Areas (PURA) scheme as a Central Sector scheme during last period of the XI<sup>th</sup> Plan. MoRD with support from Department of Economic Affairs and the technical assistance of Asian Development Bank has undertaken the PURA scheme under a Public Private Partnership (PPP) framework between Gram Panchayat(s) and private sector partners. The scheme envisages twinning of rural infrastructure development with economic re-generation activities and is the first attempt at delivering a basket of infrastructure and amenities through PPP in the rural areas. It is an effort to provide a different framework for the implementation of rural infrastructure development schemes and harness private sector efficiencies in the management of assets and delivery of services.



### *Timeline of Wage Employment Programmes:*

A timeline for different activities undertaken is highlighted below:

- **1980:** The National Rural Employment Programme (NREP) was started in 1980.
- **1983:** The Rural Landless Employment Guarantee Programme (RLEGP) was started in 1983. These were the first initiatives towards Central Government sponsored schemes for wage employment.
- **1989:** The NREP and RLEGP were merged in April 1989 under the Jawahar Rozgar Yojana (JRY). It was meant to generate meaningful employment opportunities for the unemployed and underemployed in rural areas through the creation of economic infrastructure and community and social assets.
- **1993:** The Employment Assurance Scheme (EAS) was launched on October 2, 1993 covering 1,778 drought-prone, desert and tribal and hill area blocks. It was later extended to all the blocks in 1997-98. The EAS was designed to provide employment in the form of manual work in the lean agricultural season.
- **1999:** The Jawahar Rozgar Yojana (JRY) was revamped from April 1, 1999 as the Jawahar Gram Samridhi Yojana (JGSY). It became a programme for the creation of rural economic infrastructure with employment generation as a secondary objective. The programme is

implemented by the Village Panchayats and provides for specific benefits to Scheduled Caste/Scheduled Tribes, the disabled and the maintenance of community assets created in the past.

- **2001:** The Sampoorna Grameen Rozgar Yojana (SGRY) was launched on September 25, 2001 by merging the on-going schemes of Employment Assurance Scheme (EAS) and the Jawahar Gram Samridhi Yojana (JGSY) with the objective of providing additional wage employment and food security, alongside creation of durable community assets in rural areas. The Programme is self-targeting in nature with provisions for special emphasis on women, scheduled castes, scheduled tribes and parents of children withdrawn from hazardous occupations. The works taken up under the programme are labour-intensive and the workers are paid the minimum wages notified by the states. Payment of wages is done partly in cash and partly in kind – 5 kg of food grains and the balance in cash. The Centre and the States share the cost of the cash component of the scheme in the ratio of 75:25.
- **2004:** The National Food for Work Programme (NFWP) was started in 2000-01 as a component of the EAS in eight notified drought-affected states of Chhattisgarh, Gujarat, Himachal Pradesh, Madhya Pradesh, Orissa, Rajasthan, Maharashtra and Uttaranchal. The Programme aims at augmenting food security through wage employment. Food grains are supplied to states free of cost. This

programme has been subsumed under the NREGP. (Ullah A. Khan and M.R. Saluja, 2007).

The Table 1.1 below shows the plan outlay and released against different schemes during 11<sup>th</sup> Plan till 2010-11 (in crore).

**Table 1.1 : PLAN OUTLAY AND RELEASED DURING 11<sup>th</sup> PLAN  
TILL 2010-11 (₹ IN CRORE)**

Scheme	11 <sup>th</sup> Plan outlay	2007-08 Release Actual	2008-09 Release Actual	2009-10 Release	Total release (2007-08 to 2009-10)	2010-11 Approved outlay	Total release outlay for 2010-11
MGNREGA	100,000	12,661.22	30,000.19	32,052.69	74,714	40,100	11,481
SGSY	17,803	1,697.06	2,338	2,018.48	6,053.54	2,984	9,037.54
IAY	26,882.21	3,885.53	8,800	8,668.33	21,353.86	10,000	31,353.86
PMGSY	43,251.07	11,000	15,280	15,840	42,120	22,000	64,120
PURA	280	-	0.01	-	0.01	124	124
CAPART	250	58.54	52.20	50.00	160.74	100	260.74

Source : <http://nrega.nic.in>

## **1.4 FEATURES OF THE MAHATMA GANDHI NATIONAL RURAL EMPLOYMENT GUARANTEE ACT (MGNREGA)**

The erstwhile National Rural Employment Guarantee Act, 2005 (Act 42 of 2005) was first notified on September 7, 2005 and came into force on February 2, 2006. It was subsequently changed to Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) in October 2, 2009. The Act was notified in 200 districts in the first phase during 2006-07 and then extended to additional 130 districts in the financial year 2007-08 (113 districts were notified with effect from April 1, 2007, and 17 districts in Uttar Pradesh were notified with effect from May 15, 2007). The remaining districts have been notified under the MGNREGA with effect from April 1, 2008. Thus, the entire country was covered with the exception of districts that have a hundred percent urban population.

### **Salient Features**

The MGNREGA aims at enhancing the livelihood security of people in rural areas by providing 100 days of wage-employment in a financial year to a rural household whose adult members volunteer to do unskilled manual work. It was introduced with an aim of improving the purchasing power of the rural people, primarily semi or unskilled work to people living in rural India, whether or not they are below the poverty line. Accordingly, at least one-third of the beneficiaries (33%) shall be women who have registered and requested for work under this Act.

## **Objectives**

The basic objective of MGNREGA is to enhance livelihood security in rural areas by providing the guaranteed wage employment on demand. This work acts as a means for generating productive assets, protecting the environment, rural empowerment of women, reducing rural-urban migration and fostering social equity, development initiative, public investments for creation of durable assets, decentralized implementation and so on to strengthen the livelihood resource base of the rural poor. It aims at augmenting wage employment, strengthening natural resource management and encourages sustainable development. Strengthening grassroots processes of democracy, infusing transparency and accountability in governance. Strengthening decentralization and deepening processes of democracy by giving a pivotal role to the Panchayati Raj Institutions in planning, monitoring and implementation.

## **Type of works**

The MGNREGA envisages creation of durable and productive assets which would contribute to the economic and ecological development of the rural areas taking into account the local needs and priorities. The choice of works suggested address causes of chronic poverty like drought, deforestation, soil erosion, so that the process of employment generation is on a sustainable basis (Ministry of Rural Development, 2007). Accordingly, as per Schedule 1 of the Act, the focus of the Rural Employment Guarantee Scheme shall be on the following works:

- Water conservation and Water harvesting.
- Drought proofing (Afforestation and tree plantation).
- Irrigation canals.
- Provision of irrigation facility to land owned by SC/ST/beneficiaries under Indira Awas Yojana.
- Renovation of traditional water bodies.
- Desilting of tanks.
- Land development.
- Flood control and protection works including drainage in water logged areas.
- Rural connectivity to provide all weather access.
- Other works notified by the Central/State Government.

### **Registration for Employment & Eligibility**

The adult member of every household above the age of 18 who resides in rural area and is willing to do unskilled manual work may apply for registration of household for issuance of job card in writing or orally to the local Gram Panchayat/Village Council or the Programme Officer. The job card containing the details of adult members of household such as names, age, address and photographs should be issued within 15 days of application. Registration will be made for five years and may be renewed from time to time. The work is to be provided within a radius of 5 kilometers (Km) of the applicant's residence if possible, and in any case

within the Block. Any applicant is entitled to continuous work for a minimum of 14 days and a maximum limit of 100 days per household per year, with not more than six days in a week. If place of work is provided beyond 5 Km radius of the village, travel allowances of extra 10% of the wage are payable to meet additional transportation and living expenses. Wages to the workers are to be paid weekly or in any case not later than a fortnight and at rates as par the provisions of the Minimum Wages Act 1948. Equal wages are to be provided to both men and women. In case of any delay in the payment of wages, as per the Payment of Wages Act, 1936 labourers are entitled for compensation. If an applicant for employment under the scheme is not provided employment within 15 days of receipt of his application seeking employment, he shall be entitled to a daily unemployment allowance at one third of the wage rate for the first thirty days, and one half thereafter. Every payment of unemployment allowance shall be made or offered not later than fifteen days from the date on which it became due for payment. All payments of wages are to be made directly to the person concerned in the presence of independent persons of the community on pre-announced dates.

### **Implementing Agencies**

Works under MGNREGA are executed by “implementing agencies”. These include, first and foremost, the Gram Panchayats / Village Councils, line departments such as the Public Works Department or Forest

Department, and Non Government Organizations (NGOs). At least 50% of works are allotted to Gram Panchayats/Village Council for execution. Engaging any contractor for implementation of the project under this scheme is prohibited. Works under this scheme shall be performed by using manual labour and not by machines.

### **Cost Sharing**

A 60:40 wage and material ratio has to be maintained between the Central Government and the State Government. The Central Government will contain 100% of the cost of unskilled labour wages and 75% of the material and semi-skilled, skilled labour wages. The State Government is solely responsible for the unemployment allowance if liable and 25% of the material costs. The total administrative cost shall not exceed 4% of the annual allocation of the district.

### **Worksite Facilities**

Worksite facilities to be provided by the implementing agency include:

- Safe drinking water.
- Shade for children and periods of rest for workers.
- First-aid Box for emergency treatment and minor injuries.
- Safety equipments and measures for health hazards connected with work.



Apart from these, in order to look after the women workers' children below the age of six years, one woman worker shall be deputed for every five such children. The deputed woman shall be paid at the same wage rate.

### **Health Care**

If any person employed under the scheme or a child accompanying any such person is injured he/she shall be entitled to free of charge medical treatment which shall include accommodation, treatment and medicines. During the period of hospitalization of injured worker half of the minimum wage per day is to be paid for his upkeep. If a person employed under a scheme dies or becomes permanently disabled by the accident at site the legal heirs of the deceased or the disabled shall be paid an ex gratia payment at the rate of ₹25,000 by the Central government.

### **Grievance Redressal Mechanism**

An independent grievance redressal mechanism at district level is instituted by appointing district level Ombudsman for ensuring expeditious resolution of grievances. To ensure transparency and accountability in public expenditure at the grass-root level, the Ministry of Rural Development, Government of India has notified the MGNREG Audit of Scheme Rules, 2011 delineating process and procedures of conducting social audit under MGNREGA. The State Government shall make rules and regulations to deal with any complaint at Block and the District level. If any

dispute or complaint arises under the scheme against the Gram Panchayat/Village Council the matter shall be referred to the Programme Officer. The Programme Officer shall enter every complaint in a complaint register and shall dispose the disputes and complaints within 7 days of its receipt. Appeal against the Programme Officer will be made to the District Programme Coordinator. Appeal against the District Programme Coordinator may be made to the appropriate authority designated by the State Government. For the State of Mizoram, the Government has notified the 'Mizoram Grievance Redressal Rules, 2009' vide notification No.B.11098/96/08-RD (NREGS), June 8, 2009.

### **Social Audit**

The Act prescribes at least one social audit in each Gram Panchayat/Village Council every six months. The minimum wages paid under the scheme has been linked to Consumer Price Index for Agricultural Labour. To ensure timely wage payment to workers in Integrated Action Plan districts, cash payments have been allowed in areas where the outreaches of Banks/ Post Offices are highly inadequate. The Gram Panchayat shall make available all relevant documents; muster rolls, bills, vouchers, sanction orders and other books of accounts and papers for the purpose of social Audit.

## **Monitoring and Evaluation**

The Ministry of Rural Development, Government of India has set up a comprehensive monitoring system. For effective monitoring of the projects 100% verification of the works at the Block level, 10% at the District level and 2% at the State level inspections need to be ensured. The government has also engaged professional institutions like Indian Institute of Managements (IIMs), Indian Institute of Technology's (IITs) and Agricultural Universities to assess the implementation of the programme across the country.

## **Implementing and Monitoring Authorities**

At the center, a Central Employment Guarantee Council (CEGC) has been constituted with its headquarters at Delhi. The Central Council has the power to undertake evaluation of the various schemes made under this Act and for that purpose collect or cause to be collected statistics pertaining to the rural economy and the implementation of the Scheme. It is also responsible for performing and discharging the following functions and duties:

- Establish a central evaluation and monitoring system.
- Advise the Central Government on all matters concerning the implementation of this Act.
- Review the monitoring and redressal mechanism from time to time and recommend improvements required.

- Promote the widest possible dissemination of information about the Schemes made under this Act.
- Monitoring the implementation of this Act.
- Preparation of annual reports to be laid before Parliament by the Central Government on the implementation of this Act.
- Any other duty or function as may be assigned to it by the Central Government.

### **State Employment Guarantee Council**

State Councils have been formed which are responsible for regular monitoring and reviewing the implementations of this Act at the State level. Accordingly, the Government of Mizoram has also formed the Mizoram Rural Employment Guarantee Council, with the powers to undertake an evaluate the Schemes operating in the State and for that purpose to collect or cause to be collected statistics pertaining to the rural economy and the implementation of the Schemes and Programmes in the State. The State Council is assigned to perform and discharge the following functions and duties:

- Advising the State Government on all matters concerning the Scheme and its implementation in the State.
- Determining the preferred works.
- Reviewing the monitoring and redressal mechanism from time to time and recommending improvements.

- Promoting the widest possible dissemination of information about this Act and the Schemes under it.
- Monitoring the implementation of this Act and the Schemes in the State and coordinating such implementation with the Central Council.
- Preparing the annual report to be laid before the State Legislature by the State Government.
- Any other duty or function as may be assigned to it by the Central Council or the State Government.

### **District Employment Council (DEC)**

In Mizoram, at the District level, the Governing Body of District Rural Development Agency (DRDA) is the District Employment Council and invested with the responsibility of the District /Zila Panchayat. The DEC is the principal authority for planning and implementation of the schemes.

### **Block Employment Council (BEC)**

For the state of Mizoram, the existing Block Development Committees have been notified as the Block Development Committee (BDC) for every Block and are the principal authority for planning and implementation of the scheme. They finalized and approve block level plans. The Programme Officer is the full time block level dedicated officer with the responsibility of coordinating implementation processes at the block level.

## **Village Employment Council (VEC)**

In Mizoram, at the village level the VEC has been constituted by every village and is invested with the responsibility of Gram Sabha in so far as the scheme is concerned. At the Village level the VEC is the principal authority for planning and implementation of the Scheme. At least 50% of the works in the terms of cost has been allotted to the VEC.

## **National and State Employment Guarantee Funds**

The Central Government has established a National Employment Guarantee Fund for the purposes of this Act. The Central Government after due appropriation made by Parliament by law in this behalf, credit by way of grants or loans such sums of money as the Central Government may consider necessary to the National Fund. At the state level there is the State Employment Guarantee Fund for the purpose of implementing the Scheme, which includes administrative expenses of the State Council, payment of unemployment allowance, one-fourth of the material cost of the Scheme including payment of wages to skilled and semi-skilled workers subject to the provisions of Schedule II of the Act and other expenditure as prescribed by the Act and as may be determined by the State Government from time to time. The District Programme Coordinators and all implementing agencies in the District are responsible for the proper utilization and management of the funds placed at their disposal for the purpose of implementing the Scheme. The Mizoram Government has notified the

Mizoram State Employment Guarantee Fund Rules, 2009 vide Notification No.B.11018/96/08-RD (NREGP), the June 8, 2009 (The Mizoram Gazette, 2009d).

#### **1.4.1 MGNREGA towards Paradigm Shift**

According to the National Rural Employment Guarantee Act 2005 (NREGA) Operational Guidelines (2008), MGNREGA marks a paradigm shift from all precedent wage employment programmes. The significant aspects of this paradigm shift are captured below :

- i) The scheme provides a statutory guarantee of wage employment.
- ii) It provides a rights-based framework for wage employment. Employment is dependent upon the worker exercising the choice to apply for registration, obtain a job card, and seek employment for the time and duration that the worker wants.
- iii) There is a 15 day time limit for fulfilling the legal guarantee of providing employment.
- iv) The legal mandate of providing employment in a time bound manner is underpinned by the provision of Unemployment Allowance.
- v) Act is designed to offer an incentive structure to the States for providing employment as 90 % of the cost for employment provided is borne by the Centre. There is a concomitant disincentive for not providing employment as the States then bear

the double indemnity of unemployment and the cost of unemployment allowance.

- vi) Unlike the earlier wage employment programmes that were allocation based, MGNREGA is demand driven. Resource transfer under MGNREGA is based on the demand for employment and this provides another critical incentive to States to leverage the Act to meet the employment needs of the poor.
- vii) MGNREGA has extensive inbuilt transparency safeguards :
  - a. **Documents:** Job cards recording entitlements (in the custody of workers), written application for employment, muster rolls, measurement books and asset registers.
  - b. **Processes:** Acceptance of employment application, issue of dated receipts, time bound work allocation and wage payment, Citizen Information Boards at worksites, Vigilance Monitoring Committees, regular block, district and state level inspections and social audits prescribed at least once in each Gram Panchayat/Village Council every six months.
- viii) The public delivery system has been made accountable, as it envisages an Annual Report on the outcomes of the scheme to be presented by the Central Government to the Parliament and to the Legislature by the State Government. Specifically personnel responsible for implementing the Act have been made legally responsible for delivering the guarantee under the Act.



Therefore, under the MGNREGA, adult members of rural households, willing to do unskilled manual work, are required to make registration in writing or orally to the local Gram Panchayat /Village Council. The Gram Panchayat /Village Council after due verification will then issue a job card free of cost which will bear the photograph of all adult members of the household willing to work under MGNREGA issued within 15 days of the application. A job card holder may submit a written application for employment to the Gram Panchayat / Village Council, stating the time and duration for which work is sought. The minimum days of employment have been set at 14. Employment will be given within 15 days of application for work. If it is not, a daily unemployment allowance as per the Act has to be paid to the applicant. Liability of payment of unemployment allowance is of the States Government. The work should ordinarily be provided within 5 km radius of the village. In case work is provided beyond 5 km, extra wages of 10% are payable to meet additional transportation and living expenses.

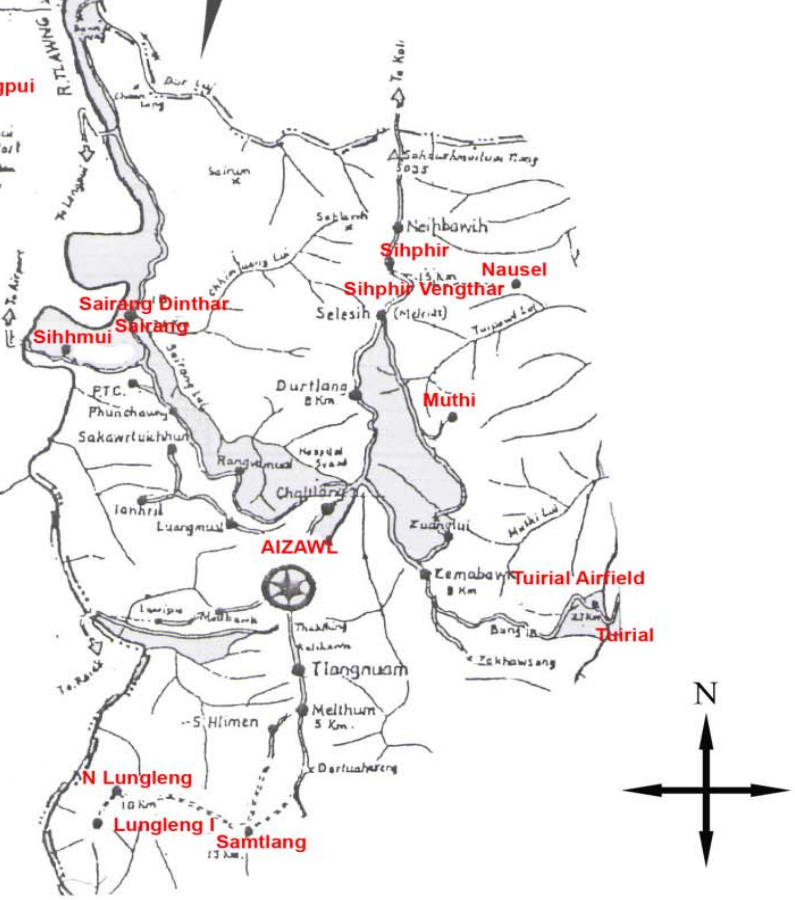
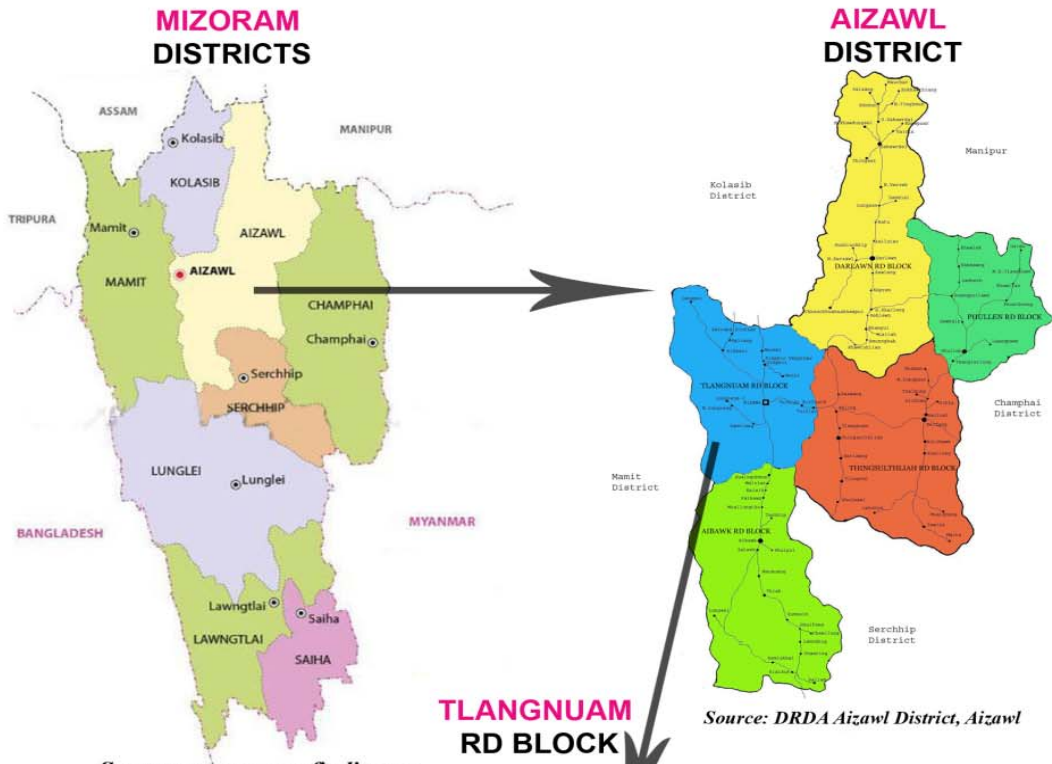
This programme is different from all other such schemes that have been implemented in the country so far. Any individual from the rural household can register under this act irrespective of the economic status of the family. *Participatory Planning* and *Decentralized Implementation* are the special features of the Act.

## 1.5 AREA OF STUDY

Presently Aizawl District has 5 Rural Development (R.D) Blocks. The present area of study is Tlangnuam R.D. Block which is one of the R.D. Blocks of Aizawl District. Tlangnuam R.D. Block has a population of 3,21,326 out of which 23,579 are from the rural areas (Census of India 2011) spread over 13 villages listed in the Table-2 below. According to the Statistical Handbook of Mizoram (2010), Tlangnuam Block of Aizawl District has 60,146 household as on March 31, 2009. The Below Poverty Line (BPL) population within the Block was also as much as 1,055 consisting of 839 from rural areas.

A three layer maps of Mizoram showing all the 8 districts of the state ([www.mapsofindia.com](http://www.mapsofindia.com)) highlighting Tlangnuam R.D. Block within the Aizawl District is presented below. The map of Aizawl district collected from the DRDA Office, Aizawl (DRDA Aizawl, 2011) shows all the five Rural Development Blocks within the district. The map of Tlangnuam R.D. Block is also presented which shows the location of all the 13 villages within the block (Land Revenue and Settlement Department, 2002). Towards the north, the village of Lengpui can be seen. N.Lungleng, Lungleng-I and Samtlang are situated at the southern tip, while Tuirial and Tuirial Airfield are at the south eastern belt. The location of Nausel is at the north eastern region while Sihhmui is at the north western part.

# 1.1 : Three Layer Maps of Mizoram



## **1.6 OBJECTIVES OF THE STUDY**

The objective of the study is to observe and examine the impact of MGNREGA on income, expenditure and rural-urban migration incidents if any within Tlangnuam R.D. Block of Aizawl District, Mizoram on the following lines:

1. Income levels before and after the scheme in vogue.
2. Distribution of means of income of beneficiaries e.g., agriculture, daily wage, petty business etc.
3. Expenditure pattern on food and non-food items after income generation through the scheme.

## **1.7 RESEARCH QUESTIONS**

The study will focus on certain observations which are influenced by the characteristics and nature of scheme on one hand and the consequence it has on the beneficiaries. Accordingly, research questions have been formulated as under:

1. Does the MGNREGA help to increase the level of income of the beneficiaries?
2. How far has the MGNREGA been able to help the poor in making a paradigm shift in their consumption and expenditure pattern?
3. Has the MGNREGA been able to bring about any change in the occupational pattern of the beneficiaries?

## **1.8 METHODOLOGY**

As per the record from the Office of Block Divisional Officer, Tlangnuam R.D. Block, Aizawl, there are only 13 Villages with independent Village Councils within Tlangnuam R.D. Block although the population of Aizawl district being the highest compared to all the districts in Mizoram. The present study comprises of all these 13 villages and the field survey have also been carried out within these villages.

Samples of 195 households were selected from the 13 villages using a stratified random sampling method. The total number of job card holders in Tlangnuam R.D. Block as on July, 2012 was 4732. Sample households have been visited and surveyed based on 29 numbers of questions in a form of closed ended questionnaires and 1 in the form of suggestion (Annexure).

The present study highlights not only the contribution of MGNREGA in uplifting the condition of the beneficiaries within the area of study, but also offers an in-depth analysis which will help to contemplate the actual status and formulate future activities accordingly.

## **CHAPTER – II**



### **REVIEW OF LITERATURE**

This chapter attempts to draw relevant literatures in support of the present study. Focuses have been given on the phenomena which deal with the research objectives and the research questions. Unfortunately due to limited resources on the specific area of study in the region, adequate literature could not be presented with region specific. However the literature reviews presented have provided deep insight into the subject matter relaying the need of the study and the relevance in its present nature.

According to J. Dereze and Khera Reetika (2009) NREGA helps in making a difference to the lives of the poor by raising wages, slowing down migration, and creation of productive assets.

Odekon, M. (2006) writes that poverty is deprivation from basic capabilities, rights, and freedoms that provide individuals the necessary choices and opportunities they need to lead a life they value. A successful fight against poverty calls for engagement from governments, civil society organizations, and individual people, to improve the coordination, collaboration, and implementation of antipoverty policies. There is evidence that in countries where local organizations and people assumed the ownership of antipoverty programs, success has been significantly higher. Accordingly, there is a good deal of consensus on the value of using consumption as a summary measure of living standards. In recent years, researchers at the World Bank have used consumption-based measures constructed from survey data to measure poverty,

to analyze changes in living standards, and to assess the distributional impacts of antipoverty policies. Consumption can provide a better picture of actual standards of living when income fluctuates significantly. In particular, consumption takes into account whether households can access credit markets or household savings at times when current income is low because of, for instance, seasonal variations. In India, the service sector accounted for 48 % of the US\$ 3.319 trillion GDP; industrial production, 28.4 %; and agriculture, 23.6 %. Of the 482.2 million workforce, 60 % were employed in agriculture, 23% in services, and 17 % in industry.

Karen Secombe (2000) states that poverty can impede adults' and children's social, emotional, biological, and intellectual growth and development. Despite a strong economy, a low rate of unemployment and relatively low inflation, the percentage of individuals, families, and children in poverty at the end of the decade has been reduced by only 1% (or less) since 1990. This can be traced to several reasons including, changing labor market conditions, erosion of a safety net for poor families, and the increase in the number of single-parent families. Children living in poverty have more socio-emotional and behavioral problems than do more affluent children. They are more likely to suffer from depression and social withdrawal, to have peer relationship difficulties, to have low self-esteem, to have behavioral and conduct disorders, and to do poorly in school.



Fan, Shenggen, et al. (2000) wrote that improvements in agricultural productivity, higher agricultural wages, and increased non-agricultural employment opportunities have all contributed significantly to reducing poverty.

Odekon, M. (2006) indicated in the Encyclopedia of World poverty that one of the immediate responses of people to poverty is to move to find better opportunities. Within countries, people tend to move from rural areas to urban areas since these are believed to be more effective in generating cash-paying jobs. Since large-scale migration can lead to many social problems, ranging from intense pressure on local services, such as housing and sewage, to family breakdowns and substance abuse, this is an undesirable phenomenon.

According to Agarwal, A.K. (1998), the huge army of unemployed and underemployed people is continually strengthened by the rapid growth of population. Bulk of unemployment in India manifests itself in rural areas.

Chakrabarty, P., (2007) mentioned that according to the 11<sup>th</sup> Planning Commission's (2007-12) estimate, 27.5% of the total population of India live below the poverty line, and about 73% of these poor live in rural areas and are primarily small and marginal farmers. A number of studies indicate that over the past few decades the capacity of the agricultural sector to absorb labour has gone down due to sharp decline in public investment in rural infrastructure

such as irrigation. Consequently, there has been a steady decrease in the per capita output of agriculture, which necessitates a massive increase in public investment in rural India. The annual rate of growth of rural employment was around 0.5% per annum between 1993-94 to 1999-2000 as compared to 1.7% per annum between 1983-84 and 1993-94. Also the current daily status unemployment rate in rural areas increased from 5.63% in 1993-94 to 7.21% in 1999-00.

According to the World Bank (2011), in the two decades between 1983 and 2004–05 the poverty rate - the percentage of people whose overall consumption is too low to purchase a basket of goods as measured by the poverty line - in both rural and urban India has come down. In 2004–05, 28 % of people in rural areas and 26 % of people in urban areas lived below the poverty line, down from 47 % and 42 % in 1983.

The Planning Commission Report (2008a) mentions that the main reason for the great poverty in rural areas lies in the still largely agrarian economy. Of the rural poor, 41% are informal agricultural laborers and 22% are self-employed farmers. This also affects urban poverty as most poor households in the cities are distress migrants from rural areas with stagnating farming incomes. Meanwhile, the hiring of the agricultural sector has slowed down considerably, from 1.8% annually between 1983 and 1994 to 0.4% between 1994 and 2005 (Planning Commission, 2008b).

According to Vroman, Wayne (1999), employment is considered as an international problem challenging the developing as well as the developed world alike, though there may be some differences in the way the problem looks or is taken into consideration for its severity and consecutive treatment.

B. Bimal Singh and C. Birman Prasad (2007) stated that employment is the major route out of poverty. For the growth to effectively reduce poverty, policy relating to employment and labour market conditions, including human resource development has to play an important role.

L. Krishna Veni (2008) also wrote that, the Indian unemployment is structural and is the result of deficiency of capital and inherent structure of agriculture. As the population pressure is more on land in rural areas, more illiteracy and lack of alternative employment opportunities, the disguised unemployment have become common problems. Growing unemployment, declining growth in agriculture has been leading to distress in the sector and jeopardizing the lives of some poor farmers in India. The growing debt burden and decline in domestic food security are often leading to suicides.

Das, Pinaki (2009) cites that by generating employment opportunities through infrastructure development projects, the National Rural Employment Guarantee Act (NREGA) has helped people in rural areas of Mizoram. Mizoram Government has sent proposals to the Centre for other developmental

schemes related to agriculture, forest, water resources, land resources and rural roads that will help in increasing the productivity of assets and resources under NREGA.

Anish Vanaik (2008) describes the status provided by the MGNREGA in that, to be assured of work at decent wages near home would be a combination that seemed wonderful to the point of being an illusion.

S. Ravi, Monika Engler (2009) conducted two consecutive household surveys in the years 2007 and 2008 in Medak district of Andhra Pradesh, and their results indicate that, taking India's official poverty line of a monthly per capita consumption of ₹356 or 9 US\$ in rural and ₹593 in urban areas as a benchmark, the MGNREGA improves food security and reduces anxiety levels amongst participating households. They have looked at various sub-categories of monthly per capita consumption expenditure. They also found that MGNREGA significantly increases monthly per capita expenditure on non-food consumables (₹11.4) and clothing (₹11.2) but our results are strongest for food with a significant increase in monthly per capita expenditure of ₹35.4. Their result also indicates that the participation in the MGNREGA increased total consumption by ₹25 or 6% of the pre-intervention income. The breakdown into subcategories shows that the increase was most distinctive with the non-food consumables in which the expenditures rose by 40%. They were followed by the increase in clothing

purchases (+11%) and food expenditures (+7%). The results suggest that the scheme has a significant impact in alleviating rural poverty. First of all, the MGNREGA appears to have a substantial effect on the food security of the participating households. The food expenditures, which generally account for about 60% of the total consumption shows an increase by 15% if the weaker section of the population is focused on. Besides food, the scheme raises the probability of saving as well as the expenditures in other categories. Spending in non-food consumables and clothing increases by impressive 40 to 50% among the less well off participants.

According to the Ministry of Rural Development (2008a) with a budget of almost 4 billion US\$ (₹160 billion on April 1, 2008, the beginning of the Indian financial year) or 2.3 % of total central government spending, the MGNREGS program is by far the best endowed anti-poverty program in India. The Ministry of Rural Development (2008b) states that the headcount of the program is thus impressive: Between April 2007 and March 2008, 33.7 million households - every fourth household in rural India - worked under the program and completed 1.4 billion working days. Given this scale, the scheme ranks among the major workfare initiatives worldwide. The increase in food expenditure amounts to 7 % of pre-intervention expenditure level for all participants combined and 15 % for the most poor group.

According to Bacon Goodman et al. (2008) MGNREGA bears comparison with the major American workfare program, the Earned Income Tax Credit (EITC) scheme which, although equipped with the tenfold budget of 40 billion US\$, reaches not more than two thirds of MGNREGA's coverage in terms of participating households.

The Institute of Applied Manpower Research (2008), in a study of twenty districts of the first 200 districts which were initially selected for the implementation of MGNREGA (2006-07), indicated that one of the major objectives of the scheme is to improve the income levels and enhance the quality of life of village folks who are thus far eking out with meager income, constraints of low wages, frequent interruptions in wage earnings etc. by providing 100 days of wage employment at prescribed minimum wages applicable in the region.

J. Anshuman and Paulomee Mistry (2007) in their study of MGNREGA in ten districts across Gujarat, Madhya Pradesh, Rajasthan and Maharashtra presented the benefit of the scheme in several cases relating to creation of new ponds and deepening or cleaning of existing ones, work related to road construction and maintenance, check-dam related work, canal maintenance and mud-work (digging and carrying). Hence, it is clear that the emphasis is on creation of assets which form a part of the basic infrastructure for the community.

According to Mihir Shah Committee (2012), nearly 5.50 crore families were provided over 250 crore persondays of work under the programme. Over the last six years, MGNREGA has generated more than 1,100 crore person-days of work at a total expenditure of over ₹150,000 crore. The share of SC/ST families in the work provided under MGNREGA has been 55 % and 45 % of workers are women. Average wages of workers have gone up by 54 % over the last five years and wages have now been so indexed that workers will be protected from the ravages of inflation.

The Indian Economic Survey (2010-11) states that the progress under the MGNREGA that guarantees wage employment on an unprecedented scale has been satisfactory. During 2009-10, 5.26 crore households were provided employment under this scheme as against more than 4.51 crore during 2008-09. During 2010-11 about 4.10 crore households have been provided till December, 2010. Out of the 145 crore person days created under the scheme during the period, 23 % and 17 % accounted for SC and ST population respectively and 50 % by women.

According to Hanumantha et al. (1980), ownership of fewer assets (such as land, irrigation and other inputs) or lesser access to them is another constraining factor that has adversely affected the economic and social position

of the scheduled population. Unless their asset position improves there may not be much improvement in their living and working condition.

According to Von Braun, J. (1995), a legally-binding rights-based programme of this kind is expected to bring about a turnaround in the rural economy by eradicating the social menace. MGNREGA can improve sustainable rural livelihoods through spillover effects thereby enabling the poor manage their risks and opportunities effectively. There is no denying of the importance of policy and programme action for employment generation to ensure food security amongst poor than direct food subsidy strategies.

The Statistical Abstracts of Mizoram (2009) shows that average annual rate of growth of employment during 1998 to 2005 was 4.68 with the rural growth rate at 5.45.

Narayana, D.L., B. Nagarjuna (2005), wrote that the ratio of the urban population is likely to increase from 28% in 1991 to 30% in 1996 and 33% in 2000 as per the estimates of the Planning Commission. Rapid urbanization in India is but a spill over of rural poverty, which is driving the rural poor for opportunities in towns and cities. Rapid growth of urban population in the world is emerging as a significant phenomenon. Only 10% of the world population was urban by 1900, whereas the figure rose to 30% by 1950 and it is estimated that by 2010 one half of world's population may be living in cities.



They also stated that the difficulty of earning livelihood in the villages with increasing numbers, economic vicissitudes and incidence of social tensions on the one hand and increasing educational progress on the other is expediting the exodus of rural work force to urban centers in India as in the underdeveloped countries.

The Planning Commission reports on Labour and Employment (2002) states that the rate of unemployment, as measured by the NSS surveys appears to have increased in the 1990's with unemployment on the basis of current daily status increasing from 6.03% in 1993-94 to 7.32% in 1999-00. The NSS data shows that the growth of employment has dropped from about 2.0 % per year in the period of 1983 to 1993-94 to less than 1% in the period 1993-94 to 1999-00.

According to the study conducted by S. Prasant (2010) which was based on the National Sample Survey (NSS) data on consumption expenditure collected by the National Sample Survey Organization (NSSO) during 27<sup>th</sup> to 55<sup>th</sup> (1972-73 to 1999-00) and National Accounts Statistics (1950-51 to 2000-01) collected by the Central Statistical Organization. From the sectoral analysis, it is evident that rural elasticities are greater than urban elasticities for the food items like cereal, pulses and its products, edible oil, meat, fish and egg also food item taken as whole and the reverse in the case of other food items like milk and milk products and vegetable. But for the non-food items like

clothing, durables, fuel and light and pan, tobacco and intoxicants urban elasticities are greater than rural elasticities.

According to the Planning Commission (2011a) the Eleventh Plan saw an unprecedented injection of resources from the Union Budget to the rural and farm sector. This thrust forms the substance of the Bharat Nirman Programme and the Mahatma Gandhi National Employment Guarantee Act has provided a major foundational support. Over the past five years it has provided nearly 9,000 million persondays of work at a total expenditure of more than ₹110,000 crore. MGNREGA has been highly inclusive, as is evident from the fact that the share of SC/ST families amongst beneficiaries has ranged between 51–56% and 41–50 % of workers have been women. It has also promoted financial inclusion since over 100 million bank/post office accounts have been opened for the poorest segments of our population who comprise of the MGNREGA workforce.

From the empirical investigation of district Yamunanagar of Haryana by S.Neeraj and Dalip S.Thakur (2009), the percentage increase in the value of assets has been worked out at 7.28%, 8.69%, 11.43% and 13.93 % among landless, marginal, small and medium-size of holding groups respectively, whereas the percentage increase in household income accounted for 11.42%, 17.51%, 22.39% and 32.18% on the household group respectively. Furthermore, due to the implementation of the Poverty Alleviation Programme

the percentage increase in the household consumption expenditure on food items has been worked out 33.03%, 32.86%, 34.99% and 36.41% among landless, marginal, small and medium size of holdings respectively. Whereas the percentage increase in household consumption expenditure on non-food items come out 33.28%, 34.98%, 41.42% and 44.43% among the landless marginal, small and medium size of holdings respectively. In order to reduce the incidents of poverty and to raise the levels of living of the poor households through increased availability of productive assets, skill formation and gainful employment opportunities, the planning strategy for development should be judicious mix of beneficiary oriented programme, human resource development and infrastructure development.

In the study conducted in district Mandi of Himachal Pradesh using Lorenz curve technique by Ramna and Kumar S. (2008), the bottom 40 % of the population is sharing about 16 % of the total income at the one end and at the other end 19 % of the total income is shared by 5 % of the population. Income of the poorest poor among the poor is very low due to their small size of holdings and lack of regular non-farm employment opportunities. The percentage expenditure on food and non-food items shows that the poor households spend most of their income on food items and very little is left for meeting out the non-food requirement. Given the average level of income, a higher level of inequality will tend to be associated with a higher level of poverty.

Dandekar et al. (1971), have defined poverty as an adequate level of employment in terms of its capacity to provide minimum living to the population.

Adhikary et al. (2010), in their study of income Inequality and Poverty among Scheduled caste and Scheduled Tribes in selected States, found that household income is only an indispensable indicator of material well-being. An adequate household income is necessary though not sufficient to guarantee a reasonable quality of life. Higher the household income greater is the possibility of leading a decent life, implying a higher level of well-being. In rural Andhra Pradesh a typical poor Scheduled Tribe can afford to purchase only 74% of the minimum basket of goods and services necessary to keep him exactly on the line of poverty. The same figure is 59 % in Orissa and 55% in West Bengal.

According to Gandhigram Rural Institute (2010) which analyzed the functioning of MGNREGA in 4 districts of Kerala encompassing all its essential aspects, MGNREGA has contributed substantial change in the household income after the implementation, and also impacted on the expenditure of households. Majority of the respondents reported that their family income has increased and the family expenses also increased in proportion to the increase in family income. There has also been an increase in the livestock population after the implementation the scheme. In general, the

NREGS has brought in several benefits to the households. Important among them as perceived by the households are: improved family income (23.2%); improved household expenses (24.5%), guaranteed employment (10.8%), payment of children education fee (11.6%), improved family status (9.4%).

As per R. Kalarani and S.B. Kumar (2011), MGNREGA has immense potential to provide social security to the masses only if its implementation is efficient and its synergies are optimally exploited. India should not miss another opportunity to demonstrate that the world's largest democracy also cares for its people, especially the deprived and the vulnerable, and that it is truly marching ahead in its quest to become a welfare state.

Krishnamurthy J.(2006), has suggested some signifying highlights on the scheme during emergency and unforeseen circumstances. The possibility of using special employment programmes or public works to provide work and income in the aftermath of a disaster is not a new one. For several reasons when responding to a crisis one should try to take advantage of existing programmes before trying to set up totally new ones. It is important to note that once some immediate steps to provide food and shelter have been taken, those who have lost their means of livelihood require work which is vital for their survival, for their human dignity and to help to revive the local economy. Speed is of the essence, especially after such sudden onset of disasters as earthquakes, tsunamis, floods, tropical storms, volcanic eruptions, landslides or

even sharp and sudden down-turns in local economic activity. During such periods, many households which are normally above poverty find their assets have disappeared or income sources have dried up. It is therefore essential provide work at earliest.

The Panda, B., et al. (2009) from Rajiv Gandhi Indian Institute of Management, Shillong have studied the MGNREGA in 5 districts of Meghalaya and 3 districts of Sikkim. Accordingly, more than 84% of the workers in Sikkim and 62% in Meghalaya agreed that, MGNREGA has given them additional income, as result of which, their primary (farming, agricultural labour, small business, etc) and secondary activities (other activities that add to the income) have improved. About 91.3 % workers in Sikkim and 67 % in Meghalaya who worked/working in MGNREGA opined that they have been able to arrange their households' daily food requirements after working in MGNREGA. And 86 % of the workers in Sikkim and 67 % in Meghalaya feel that they are comfortable in having sufficient food after working in MGNREGA. More than 90% of the third-party stakeholders in Sikkim reported that there has been significant development in the standard of living of the people in the rural areas during 2006-2008. They also agreed that MGNREGA is a boon to the society and it has been able to change the socio-economic status of people in the villages as well as improve the life of women folk in the rural areas. When the Third-party stakeholders were asked a question whether the scheme has curbed

migration of people from rural to urban area in search of employment; more than 90% of them in East and North agreed to it, however, only 28% of the Third-party stakeholders in South district of Sikkim agreed.

Chandra, N.Nayak et al. from the Indian Institute of Technology, Kharagpur in their study of MGNREGA in Mayurbhanj and Balasore district reported that on an average, about 69% of the respondents have reported that there has been acceleration in employment opportunities on account of the scheme and about 54% have said that migration has come down in the aftermath of implementation of the scheme. This clearly indicates that before the introduction of MGNREGA, people in Mayurbhanj had limited livelihood opportunities forcing them to migrate outside in a large scale and the scheme has been able to solve these problems considerably.

Haberfeld, Y., et al.(1999), in their study of Dungarpur district, of Rajasthan found that most workers migrating from the district of Dungarpur are seasonal migrants. They leave their villages usually during October- November after harvesting rain crops and, in a case of irrigated land, sowing winter crops, and return home before the next summer season. In between, immigrants visit their homes intermittently for family and local obligations. The average duration of an immigrant away from home is approximately 5.6 months. The variation on this average is relatively small and stands at 3.1 months. The large majority of migrant workers (88%) head for neighboring, more affluent

districts. About 91% of the seasonal migrants are men. 89% of the immigrants belong to Scheduled Tribes. Only 9% belong to the non-scheduled social system. About 60% percent of migrant households' annual income is accumulated through wages for migrant labor, while the main source of income for non-migrant households are local salaries paid to its members.

K. Samar Datta et al. (2009), from The Indian Institute of Management, Ahmadabad in its study of MGNREGA in four selected Gram Panchayats from Dangs in Gujarat and Jalpaiguri in West Bengal mentioned that migration of labor from one area to another within a country or across the globe is always a welcome feature of a free world, as long as it is not distress migration, i.e., migration under compulsion. Unless such distress migration is operationally distinguished from induced migration to take advantage of better economic opportunities in a new region, one would tend to overplay the disadvantages of migration. So, the aim of MGNREGA should not be or should never be stoppage of all kinds of migration, but only distress migration. The Maharashtra Employment Guarantee Scheme (MEGS), the largest state sponsored public works program to alleviate poverty, which came into effect from January 1979, acted as a prelude to the MGNREGA.

The Indian Institute of Management, Kolkata (2009) in the draft report of their study of MGNREGA in 4 districts in West Bengal found that employment is generated for many of the unemployed, resulting in helping



many poor households earn a living for their families. In West Bengal the scheme has helped in stopping the local people from migrating to other states and cities in search of jobs by providing them 100 days employment right at their doorstep.

According to K. Shampa and Debesh Chakraborty (2010), the in-migration from Eastern to Western region of India for rural to Urban was 56.28% during 1991-2001 as against 47.40 % during 1981-1991. The urban – rural migration declined from 4.74% in 1981-1991 to merely 3.41 % during 1991-2001. The study of the reasons for in-migration (rural to Urban) from Eastern to Northern region revealed that economic factor accounts for 57.09% during 1981-1991 and 57.47% during 1991-2001. As the per capita income of the western region (state domestic product at constant prices over the period of 1990-91 and 2000-01) is the highest, compared to other regions of the country, people are induced to move from other regions.

S. Muhammad et al. (2010) wrote that urbanization is reducing poverty but its impact is quite negligible. In fact, this poverty reduction effect of urbanization appears more in the short span of time as compared to the long run. Unplanned and rapid urban growth creates institutional and market failure which are usually associated with a wide range of social, economic and environmental problems related to unemployment, poverty, poor housing, poor

sanitation, food shorting, rising crimes, etc, thereby translating into poor quality of life for the city dwellers.

According to the Ministry of Rural Development (2012), MGNREGA has reduced migration by providing work closer to home and decent working conditions. A study conducted in Anantpur, Andhra Pradesh observed that the scheme brought down the migration levels from about 27 % to 7 % in the sample villages due to availability of work. Another case study from Bastar notes that in one block the number of people migrating declined from 4500 to 500 as a result of employment being provided close to home by MGNREGA. A survey of 240 households in the district of Sidhi in Madhya Pradesh also confirmed these findings; migration had reduced in sample areas by 60 % due to the availability of work.

In the mean time, according to Singh, D.P. (2005), people move from one place to another for a variety of reasons – in search of employment, for education, female moved to the husband's residence after marriage, children and others move with the earning member, and when natural calamities/disaster occurs.

According to G. Placid (2009) if implemented properly, the MGNREGA will make considerable impacts on the social, economic and political arena of the rural community. It would protect rural households from poverty and

hunger. The availability of employment at the local area would also lead to a reduction of migration. It ensures gender equality and social justice by offering job to all adult irrespective of their caste and creed, age, economic status /position and equal wage to all for the same work. Every rupee paid under wages is reached directly to the hands of the workers. The availability of money and its circulation at the local level will boost up the local economy.

According to the Economic Survey (2011-12), for every 1000 people employed in rural and urban India, 679 and 75 people are employed in the agriculture sector, 241 and 683 in services sector (including construction), and 80 and 242 in the industrial sector, respectively. State-wise employment in different sectors in rural and urban India in 2009-10 shows that in Mizoram for every 1000 employed people, 806 are engaged in agriculture and allied activities, 14 in industry and the remaining in services. At national level, the average wage paid under the MGNREGA has increased from ₹65 in Financial Year (FY) 2006-7 to ₹120 in FY 2011-12 (up to November 2011). This has led to substantial increase in purchasing power leading to strengthening of the livelihood resource base of the rural poor in India. The MGNREGA has successfully raised the bargaining power of agricultural labour, resulting in higher agricultural wages, improved economic outcomes, and reduction in distress migration. While the overall performance of the MGNREGA has been good, there is scope for improvements like focused planning, shifting to permanent asset and

infrastructure building activities, skill upgradation for enhanced employability, reducing transaction costs, better monitoring, avoiding peak seasons in agriculture, and extension to urban areas.

According to Lalit Mathur (2008) the NREGA has impacted the poor – large numbers of unlettered households have made the effort to come forward to register; migration has reduced in several villages in Andhra Pradesh, Chhatisgarh, Orissa and Rajasthan; wages less than the minimum wage were raised in many states; the participation of women increased significantly even in the districts of Rajasthan and eastern Uttar Pradesh; unemployment allowances were sought and actually paid in Madhya Pradesh and Orissa; the maintenance of muster rolls has become a feature in several districts.

While the scheme has no doubt contributed towards development of the beneficiaries in many ways, serious thoughts are also in the minds of the local political leaders about its adverse impact and the influence it can have on the local work culture if the scheme is unharnessed in the process of its execution. The Member of Parliament (Lok Sabha) for Mizoram during a press statement at Serchhip town, Mizoram on September 17, 2012 mentioned that, many labourers undertake their work with no seriousness which results in destruction of work culture and decline in the quantity of labourers worthy to be employed (Vanglaini, 2012). Likewise the findings of the study conducted by the Mizoram Presbyterian Church Synod Social

Front reveal that out of the 300 respondents, 128 disclosed to have received wages without any work. It was further revealed that 106 respondents worked for 6 hours a day and 44 others worked for 7 hours a day, while the daily working hours for the remaining workers ranges from 1 to 5 hours (Newslink, 2012).

From the literature review, it can be understood that the scheme has been an important instrument of the Government indicating its spheres of influence across the country over the years. The magnitude of the programme and the impact it has on the beneficiaries is no doubt a signifying factor to suggest the need and the significance of this present study.

## **CHAPTER – III**



### **MGNREGA: AN OVERVIEW OF INDIA**

### **3.1 INTRODUCTION**

The main objective of economic planning in India is the achievement of high rates of economic growth and sustained improvement in the standards of living of people. A rapid growth in employment opportunities for all sections of the society, associated with rising Gross Domestic Product (GDP) growth is essential to realize this objective as also to achieve the goal of inclusive growth. However, despite impressive economic growth over the years, the situation on employment front is still a big challenge. Historically, Indian economy has been characterized as agrarian economy with a small manufacturing sector and hence an overwhelming share of agricultural employment in the total workforce. The critical and emergent nature of the problems of unemployment and poverty called for state interventions to create employment generation through a host of policy planning initiatives.

According to Census of India 2011, India has a total population of 1,210.2 million out of which 68.83% are in rural areas. Though rural India is at the centre-stage of all growth in the future, it continues to suffer from lack of basic infrastructure. Caught in the vicious poverty-cycle, rural India, in absence of adequate infrastructure, finds it difficult to undertake activities that can accelerate economic growth. Home to about 833 millions of India's total population, rural India faces the herculean task of providing sustainable income and employment opportunities to a major section of the population,

especially the lower-income households. In the absence of infrastructure facilities, there is lack of market-access to rural population, slow growth in organized retail, limited livelihood opportunities, stagnation in agriculture and aggravation of rural poverty-levels. Two-thirds of India's consumers live in rural areas therefore it is not surprising that that rural markets form an important part of the Indian market.

Direct provision of wage employment is obviously an attractive instrument for poverty alleviation wherever the poor depend heavily upon wage employment for their income and also suffer from considerable unemployment and underemployment. Wage employment programmes have sought to achieve multiple objectives. They not only provide employment opportunities during lean agricultural seasons but also in times of floods, droughts and other natural calamities. They create rural infrastructure which supports further economic activity. These programmes also put an upward pressure on market wage rates by attracting people to public works programmes, thereby reducing labour supply and pushing up demand for labour. While public works programmes for providing employment in times of distress have a long history, major thrust to wage employment programmes in the country was provided only after the attainment of self-sufficiency in food grains in the 1970's (Ullah A. Khan and M.R. Saluja, 2007).



In the mean time, alleviation of rural poverty has been one of the primary objectives of planned development in India. Rural poverty is inextricably linked with low rural productivity and unemployment including underemployment. Hence, it is imperative to improve productivity and increase employment in rural areas. Wage employment programmes have been important elements of public policy in India to provide unskilled workers with short term employment on public works. They provide income transfers to poor households during periods when they suffer on account of absence of opportunities of employment. In areas with high unemployment rates and underemployment, transfer benefits from these programmes prevent poverty from worsening, especially during lean periods. Durable assets that these programmes create have the potential to generate second round employment benefits as requisite infrastructure is developed (Shekhar, C.Prasad, 2010).

### **3.2 THE MAHATMA GANDHI NATIONAL RURAL EMPLOYMENT GUARANTEE ACT (MGNREGA)**

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is a flagship programme of the Government of India executed by the Ministry of Rural Development. The scheme was the first time a country had passed a law of this nature and scale, guaranteeing livelihood security to rural households. The rationale for such legislation

was based on the need to provide a social safety net to rural households as well as to create assets that rejuvenate the natural resource base of their livelihood. In an economy where 60% of the people depend on agriculture for livelihood, a major share of the rural population is vulnerable to the vagaries of monsoon as an overwhelming share of the gross cropped area is rain-fed. Income transfer to poor households during these critical times becomes necessary (Ministry of Rural Development Report, 2006-08). Majority of the poor in rural areas in India depend mainly on the wages they earn through unskilled, casual, manual labour. The programmes provide income transfers to poor households during critical times and also enable consumption smoothing, especially during slack agricultural seasons or years. In countries with high unemployment rates, transfer benefits from workfare programmes can prevent poverty from worsening, particularly during lean periods.

Over the last six years, the MGNREGA had delivered the largest employment programme in human history, which is unlike any other in its scale, architecture and thrust. Its bottom-up, people-centered, demand-driven, self-selecting, rights-based design is new and unprecedented. Never have in such a short period so many crore of poor people benefited from a government programme (Mihir Shah Committee, 2012)

During the first year of its implementation in India, ₹11,300 crore was allocated for assistance to Rural Employment Guarantee Schemes (Union Budget 2006-07). It was increased to ₹40,000 crore for the period 2011-12 (Union Budget 2011-12), for the present fiscal period i.e 2012-13, the outlay has been earmarked at ₹33,000 crore (Union Budget 2012-13). During the first year of its implementation (2006-07) in 200 districts, 2.10 crore households were employed and 90.5 crore person days generated. In 2007-08, 3.39 crore households were provided employment and 143.5 person days were generated in 330 districts. In 2008-09, 4.51 crore households have been provided employment and 216.32 crore person days have been generated. For the period 2012-13, 113 crore persondays employments have been generated upto December, 2012. At the national level, overseas wage paid under the programme has increased from ₹65 (2006-09) to ₹99 (2010-11). The enhanced wage earnings have led to strengthening of the livelihood resource base of the rural poor in India. Self sustaining in nature, the programme has high works participation of marginalized groups. Upto December 2010, the SC/ST participation was 40% and that of women was 50% (Ministry of information and Broadcasting, 2012). In 2008-09, 4.51 crore households were provided employment and 216.32 crore persondays of employment were generated (NREGA Annual Report April 2008 - March 2009). The national report on the performance of the scheme for the period 2012-13 till November, 2012 is presented in the Table 3.1 below:

**Table 3.1 MGNREGA NATIONAL REPORTS (2012-2013)**

Employment provided to Households	3.67[Crore]
Persondays [in Crore]	
Total	113.45
SCs	25.87 [22.8%]
STs	17.36 [15.3%]
Women	61.13 [53.88%]
Others	70.23 [61.9%]
Total works taken up	67.94 Lakhs.
Work Completed	7.59 Lakhs.
Works in progress	60.35 Lakhs.

Source : <http://nrega.nic.in>

As seen from the table above, for the period 2012-2013 till November, 2012 the MGNREGA had provided employment to 3.67 crore households throughout the country. Of the total persondays created, 53.88 % accounts for the women labourers. Similarly, 22.8 % are created by SC members and 15.3% by persons form the ST community.

The MGNREGA Sameeksha, an Anthology of Research Studies on the Mahatma Gandhi National Rural Employment Guarantee Act, 2005 for the periods 2006–2012 shows the following quantitative achievements of the scheme:

- i. Since its inception in 2006, around ₹1,10,000 crore has gone directly as wage payment to rural households and over 1200 crore persondays of employment has been generated. On an average, 5 crore households have been provided employment every year since 2008.
- ii. 8% of households are being paid directly through bank/post office accounts, and 10 crore new bank/post office accounts have been opened.
- iii. Average wage per personday has gone up by 81% since the inception of the Scheme, with state-level variations. The notified wage today varies from a minimum of ₹122 in Bihar, Jharkhand to ₹191 in Haryana.
- iv. Of all the works that have been taken up :
  - 19 % relate to rural connectivity (e.g. village roads)
  - 25 % relate to water conservation and water harvesting
  - 14 % relate to irrigation canals and renovation of traditional water bodies
  - 13 % relate to flood protection and drought proofing
  - 13 % relate to land development
  - 14 % relate to work done on private lands [lands belonging to small and marginal farmers / SCs / STs / Below Poverty Line (BPL) households / Indira Awas Yojana (IAY) and land reform beneficiaries].
- v. 12 crore job cards have been given and these along with the 9 crore muster rolls have been uploaded on the Management Information

System (MIS), available for public scrutiny. Since 2010–11, all details with regard to the expenditure of the MGNREGA are available on the Management Information System (MIS) in the public domain.

While implementation remains uneven and patchy across States and districts, there is evidence to suggest that MGNREGA has contributed to:

- (a) Increased rural wages everywhere.
- (b) Reduced distress migration from traditionally migration-intensive areas.
- (c) Usage of barren areas for cultivation and
- (d) Empowerment of the weaker sections and giving them a new sense of identity and bargaining power.

The MGNREGA marks a paradigm shift from previous wage employment programmes either planned or implemented in India's history. MGNREGA is unlike any other in its scale, architecture and thrust. It has an integrated natural resource management and livelihoods generation perspective. The transparency and accountability mechanisms under MGNREGA create unprecedented accountability of performance, especially towards immediate stakeholders.

### **3.3 AN OVERVIEW OF MGNREGA**

An overview of the performance of MGNREGA over the last 6 years (since its inception) is provided in Table 3.2 below:

**Table 3.2 : AN OVERVIEW OF THE PERFORMANCE OF MGNREGA  
DURING 2006-2007 to 2012-2013**

<b>Financial Year</b>	<b>2006-2007</b>	<b>2007-2008</b>	<b>2008-2009</b>	<b>2009-2010</b>	<b>2010-2011</b>	<b>2011-2012</b>	<b>2012-2013*</b>	<b>TOTAL 2006-2007 to 2012-2013*</b>
<b>No of districts</b>	200	330	All rural districts	All rural districts	All rural districts	All rural districts	All rural districts	All rural districts
<b>No of households provided employment (crore)</b>	2.1	3.4	4.5	5.3	5.5	4.99	3.67	29.46
<b>Total persondays (crore)</b>	<b>90.5</b>	<b>143.59</b>	<b>216.3</b>	<b>283.6</b>	<b>257.2</b>	<b>211.42</b>	<b>113.45</b>	<b>1316</b>
<b>Average persondays per employed household (days)</b>	43	42	48	54	47	42	31	44
<b>Financial details (₹in crore)</b>								
<b>Budget outlay</b>	11,300	12,000	30,000	39,100	40,100	40,000	33,000	205,500
<b>Expenditure</b>	8,824	15,857	27,250	37,905	39,377	37,549	19,272	186,034
<b>Works (lakhs)</b>								
<b>Works taken up</b>	8.4	17.9	27.8	46.2	51	74.13	67.94	293.4
<b>Works completed</b>	3.9	8.2	12.1	22.6	25.9	15	7.59	95

Source: <http://nrega.nic.in>

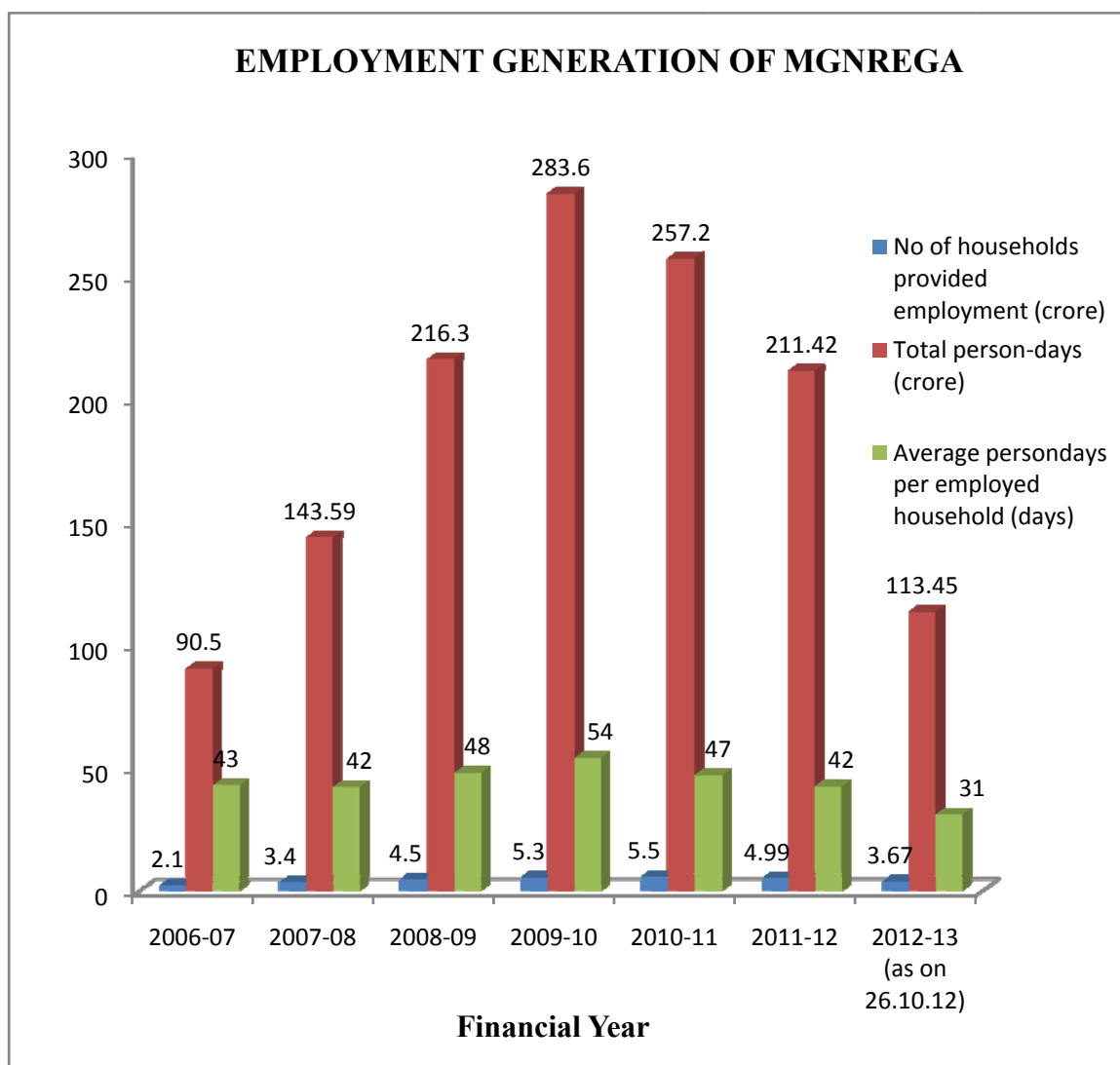
\*Provisional date: Report retrieved from the website on November 20, 2012

The table shows that, till November, 2012 the total number of households provided employment was 29.46 crore and 1316 crore persondays. The highest persondays for all the periods was during 2009-10 at 283.6 crore. The gross budget outlay for all the periods till date is ₹ 2,05,500 with a gross

expenditure of ₹1,86,034 crore till November, 2012. Against a total of 293.4 lakhs works taken up 95 lakhs have been completed.

As highlighted in the above table, the Graph 3.1 below shows the employment generation by the scheme during 2006-07 to 2012-13 where the highest was during 2009-10.

**Graph 3.1**

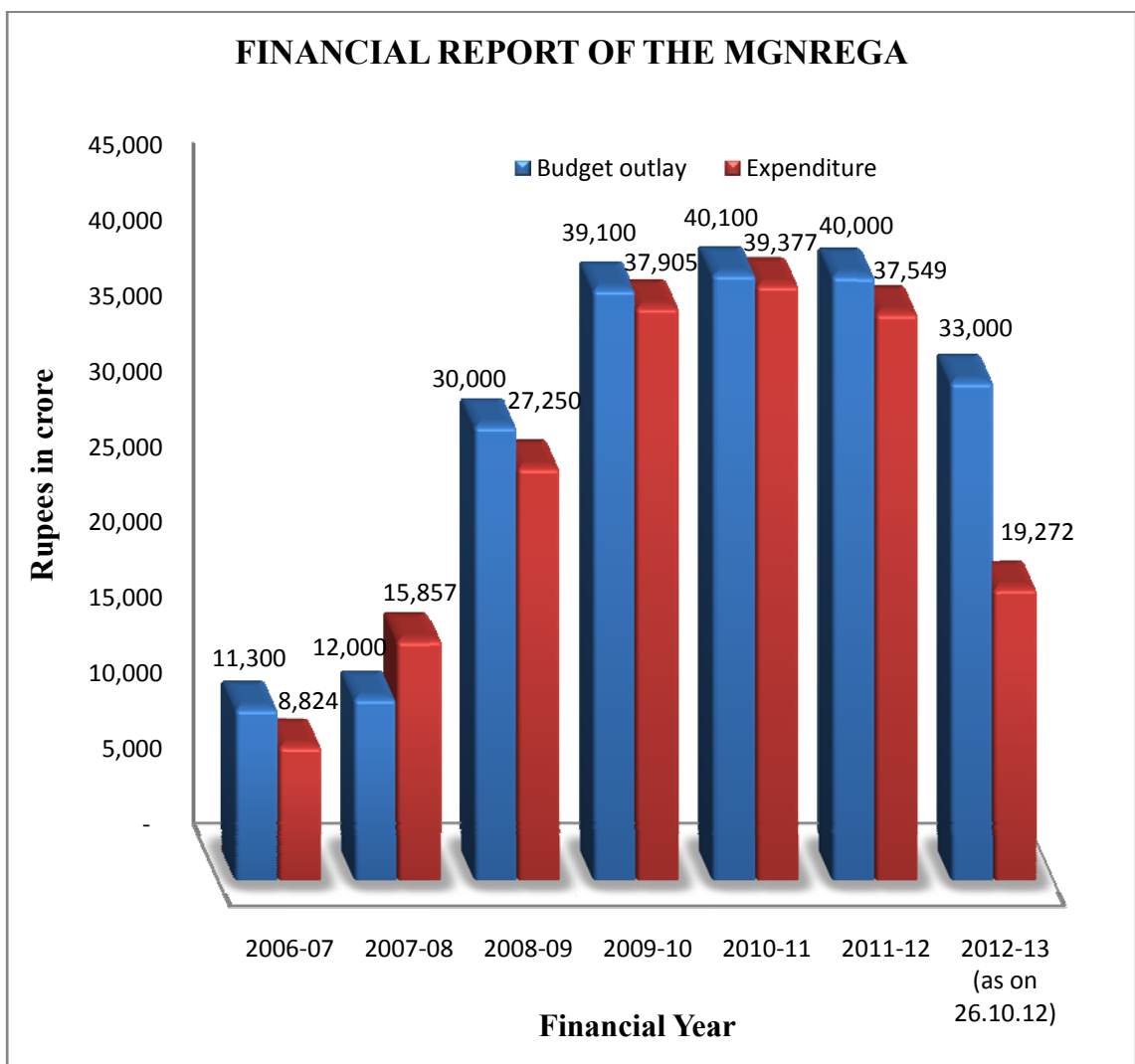


In the mean time financial details of the scheme as depicted in the table is plotted as a graphical representation in Graph 3.2. It can be seen from this



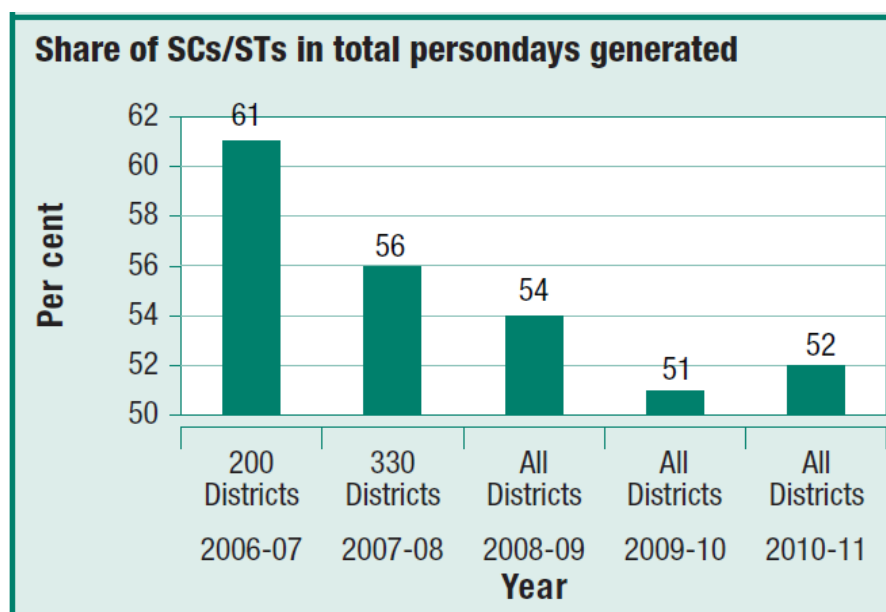
graph that the expenditure was the highest for the period 2010-11 at ₹39,377, though the budget outlays have been kept at ₹40,100 and ₹40,000 for the periods of 2010-2011 and 2011-2012 respectively. The budget outlay for 2012-2013 has been reduced ₹33,000, with a total expenditure of ₹19,272 till November, 2012.

**Graph 3.2**



The Graph 3.3 below also shows the share of Scheduled Caste (SC)/ Scheduled Tribe (ST) in total persondays under MGNREGA at the national level (National Overview) from 2006-07 to 2010-11.

**Graph 3.3 SHARE OF SC/ST IN TOTAL PERSONDAYS UNDER MGNREGA (NATIONAL OVERVIEW) FROM 2006-07 TO 2010-11**



Source: Economic Survey of India 2011-12

During 2011- 12 (upto December 16, 2011), expenditure on wages was ₹13,012.82 crore (73 % of the total expenditure). The Programme had a high workforce participation of marginalized groups like SC/ST (52%) during the Financial Year of 2010-11. Women workforce participation has also surpassed the statutory minimum requirement of one third participation. In 2010-11, women participation was 48% against 50% in the Financial Year 2011-12 (upto December 16, 2011). Financial inclusion of the poor and marginalized has also increased manifold. Up to Financial Year 2010-11, 9.88 crore banks and post

office accounts have been opened to disburse wages directly to the workers' accounts. In Financial Year 2011-12 (upto December, 2011), 61.61 lakhs works were undertaken, of which 53% constituted water conservation, 22% rural connectivity, 9% land development, 0.37% Rajiv Gandhi Sewa Kendra. Provision of irrigation facility to individual beneficiaries constituted around 12% of total work. The remaining 4% works were other activities specific to the local needs of the respective rural areas.

For a nation like India which is influenced by the characteristics of underdevelopment, the problem of poverty and its influence is still overwhelming. The implementation of the MGNREGA by the Government has by and large benefitted the socio-economic status of different segments of the rural poor, which has been reflected in this chapter.

## **CHAPTER – IV**

### **MGNREGA:**

**AN OVERVIEW OF MIZORAM  
WITH SPECIAL REFERENCE  
TO PERFORMANCE IN  
TLANGNUAM R.D. BLOCK,  
AIZAWL DISTRICT**

## 4.1 INTRODUCTION

Mizoram is one of the North Eastern states of India. Northeast India is the eastern-most region of India connected to East India via a narrow corridor squeezed between Nepal and Bangladesh. It comprises of the contiguous Seven Sister States of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland and Tripura and the Himalayan state of Sikkim which was recognized as a part of North East states in the 1990s. These states are grouped under the Ministry of Development of North Eastern Region (DONER) of the Government of India. The economy in all of Northeast India is agrarian in nature. The inaccessible terrain has made rapid industrialization difficult in the region. Along with settled agriculture, jhum (shifting cultivation) is still practiced by a few indigenous groups of people ([www.wikipedia.org](http://www.wikipedia.org)).

The North Eastern Region is still troubled by different factors relating to cultural, political and socio-economic developments, some of these problems which are faced in the process of rural development can be highlighted as follows (Lalneihzovi, 2011):

1. Raise productivity in rural areas.
2. Ensuring equality and income distribution.
3. Providing of adequate employment opportunities.

4. Improving the social, economic and physical infrastructure in rural areas and enhancing the participation of rural people in such improvements.
5. The institutionalization of an adequate political and administrative capacity for rural areas that promotes the participation of the people in decision making relevant to rural development activities implement efficiently the various rural development programme at the villages, district, regional and national level.

During 2006-07, the total number of rural households in the North-East region were 10,65,007 out of which 4,26,427 were from BPL families. In all, 9,42,385 MGNREGA job cards were issued, and 5,96,336 households provided employment. A total 3.66 crore mandays of employment was provided in the region with the number of days of employment provided to women at 1.06 crore mandays, which is 29% of the total employment provided (<http://pib.nic.in/>)

Mizoram lies in the southernmost outpost of North Eastern India with Latitude 21° 58' & 24° 35' N and Longitude 92° 15' & 93 ° 29' E. The three North Eastern states of Manipur, Assam and Tripura bordered the northern end of the state. Mizoram is a mountainous region which became the 23<sup>rd</sup> state of the Indian Union in February 1987. It was one of the districts of Assam till 1972 when it became a Union Territory. After being

annexed by the British in 1891, for the first few years, Lushai Hills in the north remained under Assam while the southern half remained under Bengal. Both these parts were amalgamated in 1898 into one district called Lushai Hills District under the Chief Commissioner of Assam. With the implementation of the North-Eastern Reorganisation Act in 1972, Mizoram became a Union Territory and as a sequel to the signing of the historic memorandum of settlement between the Government of India and the Mizo National Front in 1986, it was granted statehood on February 20, 1987. Sandwiched between Myanmar in the east and the south and Bangladesh in the west, Mizoram occupies an area of great strategic importance in the North Eastern corner of India.

About 80 % of the people of Mizoram are engaged in agricultural pursuits. The main pattern of agriculture followed is Jhum or Shifting cultivation. Mizoram has an area of 21,081 Sq Km, with 91.58 % literacy in 2011 census. Administratively, Mizoram currently has 8 districts with 26 Rural Development Blocks and 23 sub-divisions.

#### **4.1.1 Demography of Mizoram**

The 8 Districts of Mizoram with their area, population and headquarters are as given in the following Table 4.1:

**Table 4.1 : AREA, POPULATION OF THE HEADQUARTER OF  
THE EIGHT DISTRICTS IN MIZORAM**

Sl. No.	District	Area in 000' sq. km	Population as per 2011 Census (Provisional Data)	Headquarters
1	Aizawl	3,576	404,054	Aizawl
2	Champhai	3,185	125,370	Champhai
3	Kolasib	1,382	83,054	Kolasib
4	Lawngtlai	2,557	117,444	Lawngtlai
5	Lunglei	4,538	154,094	Lunglei
6	Mamit	3,025	85,757	Mamit
7	Saiha	1,399	56,366	Saiha
8	Serchhip	1,421	64,875	Serchhip

*Source: Census of India 2011*

Census of India 2011 shows that India has a total population of 1,210.2 million, out of which 68.83% are in rural areas. The population of Mizoram in 2011 stood at 10,91,014, as against 8,88,573 in the previous decade (2001). The rural population in Mizoram is 48.49%. Aizawl District has a population of 4,04,054, comprising of 22.58% in the rural and 77.42% in the urban areas. Among the 35 states and UT's in India, Mizoram stood 7<sup>th</sup> position in the urban population at 51.51% as against 49.63 % in 2001 census. Among the districts of Mizoram, Aizawl has reported the highest percentage of urban population i.e 3,12,837 (77.42%). Aizawl, is the capital



of Mizoram, and the largest city in the state with a population of 2,91,822 (26.75% of Mizoram). It is located at 3,715 feet from the sea level, and is a religious and cultural center of Mizo. Aizawl lies just north of Tropic of cancer.

#### **4.1.2 Workforce in Mizoram**

As per the Economic Survey of Mizoram 2008–09, out of the total workers in the state, 33,314 (31.22 %) were employed in rural areas and 73,392 (68.78 %) were employed in urban areas. In all, there were 64,276 hired workers in both agricultural and non-agricultural enterprises. Out of 64,276 hired workers in both agricultural and non-agricultural enterprises, 44,801 worked in the urban areas and the remaining 19,475 worked in rural area. Agriculture still occupies a very important place in the economy of Mizoram. As per Economic Classification of Workers, 2001 Census, 60.6 % of the total workers are engaged in agricultural activities mostly by practicing Jhum (shifting) cultivation. Meanwhile, the share of agriculture alone in Gross State Domestic Product (NSDP) is projected to be hardly 7% at current price during 2008-09. As on 2004, about 37,384 households in the rural areas are estimated to be poverty household (Below Poverty Line household).

Statistical Handbook Mizoram 2010 shows 427 number of registered Small Scale Industries (SSI) units in Mizoram with an employment generation for only 3,977 persons during 2009-2010. District-Wise Employment statistics

as on March 2010 as per the Employment Exchange is shown in the Table 4.2 below:

**Table 4.2 : EMPLOYMENT STATISTICS ON DISTRICT-WISE EMPLOYMENT EXCHANGE AS ON MARCH 2010**

<b>District</b>	<b>Persons</b>	<b>Unskilled</b>
Aizawl District	30,540	325
Saiha	8,875	58
Lunglei	6,361	4
Champhai	4,049	27

*Source : Statistical Handbook Mizoram 2010*

#### **4.1.3 Income and Assets**

The Budget Mizoram, 2012–13 estimated the per capita income of Mizoram for the year 2010-11 at ₹48,591 as against the previous year's estimate of ₹43,467. Per capita income of Mizoram as per Economic Survey reports 2011-12 during 2007-08, 2008-09, 2009-10 (Provisional), 2010-11 (Quick Estimates) and 2011-12 (Advance Estimates) were ₹32488/-, ₹38,582, ₹43,467, ₹48,591 and ₹54,689 respectively.

According to the data provided in the household amenities and assets in Mizoram (Census of India 2011), 34.4% of rural population have Television, as against 73.3% in urban. While 2.8% in rural areas have bicycle, 7.2% have scooter/motor cycle/moped. 17.9 % of the rural

inhabitants use LPG/PNG gas for cooking, whereas 80.8% still depend on firewood. Surprisingly, while just 1.4 % possesses only landline telephone connections, 48.4 % used only mobile phones.

#### **4.1.4 MGNREGA Implementation in Mizoram**

Since 2006-07, the MGNREGA was extended to the state of Mizoram. The phase wise implementation in different districts of Mizoram is given as under:

- 1<sup>st</sup> Phase : Lawngtlai & Saiha
- 2<sup>nd</sup> Phase : Champhai & Lunglei
- 3<sup>rd</sup> Phase : Mamit, Serchhip, Kolasib & Aizawl

The Government of Mizoram has also accordingly made the following rules as per the provisions of the Act, 2005:

- 1) The Mizoram Rural Employment Guarantee Rules, 2007 vide notification No. B.11018/23/2005-RD(NREGP) dated September 17, 2007 (The Mizoram Gazette, 2008)
- 2) The Mizoram Rural Employment Guarantee Scheme, 2009 vide notification No. B.11018/23/2005-RD(NREGP) dated April 28, 2009.( The Mizoram Gazette, 2009b)

- 3) The Mizoram State Employment Guarantee Fund Rules, 2009 vide notification No. B.11018/90/08-RD(NREGP) dated April 28, 2009 (The Mizoram Gazette , 2009c).
- 4) The Mizoram Grievance Redressal Rules, 2009 vide notification No. B.11018/96/08-RD(NREGP) dated June 8, 2009 (The Mizoram Gazette, 2009a).

The non-negotiation principles in MGNREGA implementation is the multilayered responsibilities and accountability and yet focal point being the Village Employment Councils (VEC). The activities and implementation of the scheme are centered at the Village and Block level i.e by the Village Employment Councils (VEC) and Block Employment Council (BEC), while coordination of activities is vested at the Block and District Level i.e by the Block Employment Council (BEC) and District Employment Council (DEC).

The implementing agency at the district level is the District Rural Development Agency (DRDA), at the Block level the Block Development Officer (BDO) is the Programme Officer and at the village level the Village Council/Courts (VC) is the implementing agency. The job of monitoring and vigilance are done at the Village, Block, District and state level.

#### 4.1.5 Performance of MGNREGA in Mizoram

The performance of the scheme in Mizoram as on November, 2012 is briefly shown in Table 4.3 where the total employment provided to households stood as high as 1.707 lakhs. The numbers of works taken up during the same period was 11,835.

**Table: 4.3 : MGNREGA STATISTICS IN MIZORAM**

Employment provided to households	1.70728 Lakhs
Persondays [in Lakh]	
Total	76.77
SCs	0.01 [0.01%]
STs	76.61 [99.8%]
Women	17.61 [22.94%]
Others	0.15 [0.19%]
Total works taken up:	11,835

Source : <http://nrega.nic.in>

The total fund released for Mizoram under MGNREGA by the Central Government since inception of the programme till 2010-2011 was ₹70,973.41 lakhs, where the share of Aizawl district alone stood at ₹10,199.15 lakhs (<http://nrega.mizoram.gov.in>). The financial performance of Aizawl district under MGNREGA during the last three years as

indicated by the District Rural Development Agency (DRDA) Aizawl District Office, Aizawl is presented below:

**Table 4.4 : FINANCIAL PERFORMANCE OF AIZAWL DISTRICT  
UNDER MGNREGA (₹ in lakh)**

Financial year	Total Fund Available from all sources	Cumulative expenditure				
		On Wages	On semi skilled & skilled wages	On material	Administrative Expenses	Total
2009-10	5235.177	3595.706	215.742	982.826	180.471	<b>4974.75</b>
2010-11	4364.892	2772.99	251.705	984.995	208.08	<b>4217.77</b>
2011-12	4739.577	3157.533	757.298	504.866	284.38	<b>4704.08</b>

*Source : DRDA Aizawl District Office, Aizawl*

## 4.2 OVERVIEW OF AIZAWL DISTRICT

Aizawl District is one of the 8 districts of Mizoram. Currently Aizawl District has 5 R.D Blocks viz. Aibawk, Darlawn, Phullen, Thingsulthliah and Tlangnuam. The Census of India 2011 showed an increasing population density of 113 per sq.km in Aizawl as compared to 91 per sq.km in 2001. Total area under Aizawl district is about 3,576 sq. km with the population constituting 37.03 % of total Mizoram population. The table below shows the block wise BPL population in Aizawl district during 2008.

**Table 4.5 : BLOCK WISE BPL POPULATION IN AIZAWL DISTRICT (2008)**

<b>Name of R.D.Block</b>	<b>Rural</b>	<b>Urban</b>	<b>Total</b>
Tlangnuam	839	216	1,055
Thingsulthliah	2,493	446	2,939
Darlawn	1,392	305	1,697
Aibawk	297	-	297
Phullen	810	-	810
<b>Mizoram</b>	<b>33,713</b>	<b>6,219</b>	<b>39,932</b>

*Source : Statistical Handbook Mizoram 2010*

MGNREGA became operational in Aizawl District during the 3<sup>rd</sup> phase of implementation i.e from April 1, 2008. Presently it is implemented in every village within Aizawl District. With the implementation of the scheme the district has been enlarging its canvas of development activities every year and also has been successful in making the scheme more need based and focused. The results could be seen reflecting in the financial and physical achievements. Using the scheme numerous assets have been created in the district, some noticeable among them are construction of roads, land development and water harvesting.

As majority of the households in rural areas are engaged in jhumming cultivation, they experience a lean period. Unfortunately such prospects for other mode of employment are non-existent in the rural areas. Amidst such circumstance, the MGNREGA had come to the rescue. (DRDA, Aizawl, 2011).

The Table 4.6 below is a report on MGNREGA in Aizawl District as on November, 2012. The total employment provided to households was 18,735 with a total persondays of 6.79 lakhs. The total works taken up also stood at 2237 :

**Table 4.6 : MGNREGA STATISTICS OF AIZAWL DISTRICT**

Employment provided to households	0.18735 Lakh
Persondays [in Lakh]	
Total	6.97
SCs	0 [0.01%]
STs	6.93 [99.48%]
Women	1.2 [17.25%]
Others	0.04 [0.52%]
Total works taken up	2237

*Source: <http://nrega.nic.in/>*

### 4.3 OVERVIEW OF TLANGNUAM R.D. BLOCK

According to the Census of India 2011 Tlangnuam R.D. Block has a total population of 3,15,928. The Statistical Handbook of Mizoram (2010) also shows that, as on 31.03.2009, there were total of 2,14,705 households in the state of Mizoram, out of which 78,606 were from Aizawl District and Tlangnuam R.D. Block alone accounted for 60,146 households. The Households and Population data in Mizoram as per the Statistical Handbook of Mizoram (2010) is shown in Table 4.7 below:



**Table : 4.7 HOUSEHOLDS AND POPULATION IN MIZORAM  
(As on 31.03.2009)**

Location	Household	Population
Tlangnuam R.D.Block	60,146	2,90,709
Aizawl	78,606	3,98,604
Mizoram	<b>2,14,705</b>	<b>10,98,827</b>

*Source : Statistical Handbook Mizoram 2010*

Furthermore, the population of Tlangnuam R.D. Block with household and population are shown in Table 4.8. From the table it can be seen that, while there were 2,90,709 persons during 2009, the Census of India 2011 shows an increase by as much as 25,219 to a figure of 3,15,928. This is shown below.

**Table 4.8 : TLANGNUAM R.D. BLOCK HOUSEHOLD & POPULATION**

Year	Household	Male	Female	Total
2009*	60,146	1,43,658	1,47,051	2,90,709
2011**	-	1,56,244	1,59,684	3,15,928

*Source : \* Mizoram Statistical Handbook 2010*

*\*\* Census of India 2011*

The primary census of all the villages within Tlangnuam R.D. Block based on 2001 is also compiled in the Table 4.9 below. It may be noted that for simplicity only the villages which are currently under the jurisdiction of

the Block are presented. Since the data for the census 2011 have not been published, the data for 2001 is given.

**Table : 4.9 TLANGNUAM R.D.BLOCK PRIMARY CENSUS ABSTRACT  
BASED ON 2001 CENSUS**

Name of the Village	Illiterates	Total Workers	Main Workers	Cultivators	Agriculture Labour	Household Industry Workers	Other Workers
Sihphir	993	3023	2312	1463	176	24	649
Muthi	107	381	356	324	2	-	30
Nausel	43	91	91	88	2	-	1
Tuirial Airfield	116	245	178	40	117	-	21
Tuirial	86	339	327	136	44	3	144
Lungleng-I	104	357	248	227	-	-	21
N.Lungleng	89	361	312	287	3	-	22
Samtlang	143	490	358	269	38	-	51
Sairang	536	1690	1115	377	283	26	429
Sihhmui	137	241	184	121	41	2	20
Sairang Dinthar	173	605	242	178	54	15	195
Lengpui	519	1428	1015	432	180	6	397

*Source : Census of India 2001*

A Village Level Statistical Index exhibits the status of a region. The Village Level Statistical Index of Tlangnuam R.D. Block as on March 31, 2012 is presented in the Table 4.10 below. The total numbers of houses and households, total population and number of banks available within the villages is shown below:

**Table 4.10 : VILLAGE LEVEL STATISTICAL INDEX OF TLANGNUAM R.D.BLOCK**

Sl No	Villages	Number of houses	Number of households	Population	No of banks
1	Sihphir	1057	957	4925	2
2	Sihphir Vengthar	612	617	3034	-
3	Lengpui	927	845	3228	4
4	Sairang	703	826	6258	1
5	Sairang Dinthar	370	384	1502	-
6	Lungleng-I	160	168	878	-
7	Muthi	185	170	907	-
8	N.Lungleng	173	162	840	-
9	Nausel	59	62	278	-
10	Samtlang	163	162	922	-
11	Sihhmui	169	156	731	-
12	Tuirial	227	209	837	-
13	Tuirial Airfield	210	198	784	-
<b>TOTAL</b>		<b>5,015</b>	<b>4,916</b>	<b>25,124</b>	<b>7</b>

*Source: Office of the Block Divisional Officer, Tlangnuam R.D. Block, Aizawl*

The Table 4.10 has been tabulated based on the information received from the Office of the Block Divisional Officer, Tlangnuam R.D. Block, Aizawl. It shows a total number of 5,015 houses within Tlangnuam R.D. Block as on 31.03.2012 and total of 4,916 households with a population of 25,124 during the same period. It also shows that Sihphir, Lengpui and Sairang are the only villages where banks operate.

#### **4.3.1 Employment Generated and Unskilled Work Report Under MGNREGA**

The MGNREGA has greatly contributed in uplifting the status of the rural poor by generating employment opportunities. The Table 4.11 below shows the employment generated under MGNREGA during the year 2011-2012. It also shows the total number of registered households and persons, job card issued, employment demanded, employment offered and employment provided within Tlangnuam R.D. Block. During the period there were 5511 households and 13,489 persons who have been issued job cards, against which 4901 households and 4902 persons demanded jobs. A total of 4900 households and 4901 persons were offered employments during the period. A total of 4661 households and 4662 persons were provided employments with a total persondays of 78,290 for the same period. The employment generated during 2011-12 is shown in Table 4.11 below.

Table 4.11 :

**EMPLOYMENT GENERATED DURING THE YEAR 2011-2012**

State : MIZORAM District : AIZAWL Block : TLANGNUAM													
Panchayat/ Village	No. of Registered		Job Card Issued	Employment demanded		Employment offered		Employment Provided			No. of filled Muster Roll	No. of Families Completed 100 days	On Going works
	House -hold	Persons		House -hold	Persons	House- hold	Persons	House -hold	Persons	Person- days			
Lengpui	858	2048	858	843	843	843	843	825	825	15113	28	0	17
Lungleng-I	209	512	209	170	170	170	170	170	170	2557	6	0	19
Muthi	209	589	209	174	174	174	174	174	174	2534	6	0	21
N.Lungleng	210	478	210	173	173	173	173	172	172	2660	6	0	16
Nausel	75	213	75	63	63	63	63	63	63	931	3	0	17
Sairang	868	2353	868	824	824	824	824	732	732	13909	28	0	26
Sairang Dinthar	395	992	395	390	390	390	390	358	358	5152	13	0	19
Samtlang	197	578	197	161	161	161	161	161	161	2464	6	0	14
Sihhmui	190	423	190	176	176	176	176	176	176	2870	6	0	22
Sihphir	914	2622	914	892	892	891	891	843	843	12810	30	0	28
Sihphir Vengthar	653	1703	653	621	622	621	622	575	576	10213	21	0	24
Tuirial	500	531	500	214	214	214	214	214	214	3920	7	0	20
Tuirial Airfield	233	447	233	200	200	200	200	198	198	3157	7	0	17
<b>TOTAL (manual sum)</b>	<b>5511</b>	<b>13489</b>	<b>5511</b>	<b>4901</b>	<b>4902</b>	<b>4900</b>	<b>4901</b>	<b>4661</b>	<b>4662</b>	<b>78290</b>	<b>167</b>	<b>0</b>	<b>260</b>

Source : <http://nrega.nic.in>

Based on the information received from Office of the Block Divisional Officer, Tlangnuam R.D. Block, Aizawl the unskilled work under MGNREGA in Tlangnuam R.D. Block along with financial implications and total mandays for the periods 2010-11 and 2011-12 are presented in the tables below:

**TABLE 4.12 : MGNREGA UNSKILLED WORK REPORT 2010-11**

SI No	Name of the Village	No of days	Amount (Rs)	Mandays
1	Sihphir	100	1,00,89,844	89,100
2	Sihphir Vengthar	100	71,08,547	62,828
3	Nausel	100	6,92,009	6,106
4	Lungleng-I	100	18,50,847	16,359
5	N.Lungleng	100	19,35,636	17,121
6	Samtlang	100	18,00,935	15,917
7	Tuirial Airfield	100	22,25,091	19,679
8	Tuirial	100	24,39,657	21,565
9	Muthi	100	21,42,686	18,967
10	Sairang Dinthar	100	42,55,280	37,591
11	Sairang	100	91,38,307	80,700
12	Sihhmui	100	19,09,538	16,872
13	Lengpui	100	90,74,593	80,146

*Source : Office of the Block Divisional Officer, Tlangnuam R.D. Block, Aizawl*

From the above Table 4.12 and the following Table 4.13 it is remarkable to note that in both the cases all the households have been provided 100 days of works. During the period of 2010-11, against the total fund of ₹5.46 crore, 4.82

lakhs mandays were realized while the succeeding year 2011-12 saw a total fund of ₹6.04 crore with an output of 4.68 lakhs mandays.

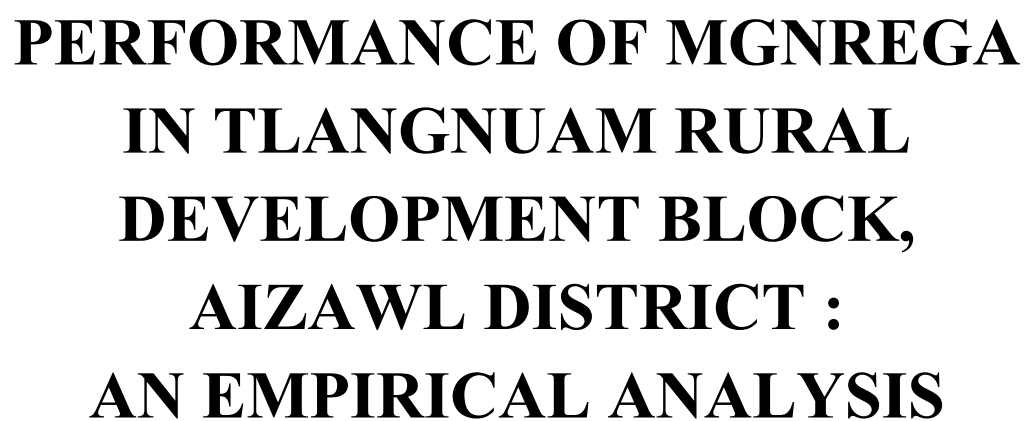
**TABLE 4.13 : MGNREGA UNSKILLED WORK REPORT 2011-12**

SI No	Name of the Village	No of days	Amount (Rs)	Mandays
1	Sihphir	100	1,14,13,017	88,473
2	Sihphir Vengthar	100	77,28,390	59,910
3	Nausel	100	7,91,415	6,135
4	Lungleng-I	100	20,99,733	16,277
5	N.Lungleng	100	21,04,248	16,312
6	Samtlang	100	20,15,883	15,627
7	Tuirial Airfield	100	24,66,996	19,124
8	Tuirial	100	24,41,454	18,926
9	Muthi	100	22,26,282	17,258
10	Sairang Dinthar	100	48,91,035	37,915
11	Sairang	100	97,45,563	75,547
12	Sihhmui	100	21,54,300	16,700
13	Lengpui	100	1,03,35,351	80,119

*Source : Office of the Block Divisional Officer, Tlangnuam R.D. Block, Aizawl*

Overall, the scheme has been instrumental in enhancing the status of the targeted segment, which can be seen from the discussions and data presented in this chapter. While significance of the scheme in contributing towards development of rural poor has been an important aspect of this present study, the level of sustenance it can uphold for future endeavour is yet another challenge all together.

## **CHAPTER –V**



### **PERFORMANCE OF MGNREGA IN TLANGNUAM RURAL DEVELOPMENT BLOCK, AIZAWL DISTRICT : AN EMPIRICAL ANALYSIS**



## 5.1 INTRODUCTION

As indicated in the preceding chapter, in the state of Mizoram, the MGNREGA was first implemented only in the two districts of Lawngtlai and Saiha during 2006-07. The district of Aizawl was subsequently included during the third phase in 2008. The Aizawl Municipal Council (AMC) came into being by the end of 2008, prior to which Aizawl city was within the jurisdiction of Tlangnuam R.D. Block. Therefore, it may not be surprising to learn that some of the localities within the city of Aizawl have been incorporated under the scheme during the initial period of its implementation in Aizawl district. However, with the birth of the Aizawl Municipal Council (AMC) and demarcation of the XIX AMC wards, implementation of the scheme in all such areas within the AMC jurisdiction have been discontinued.

Tlangnuam R.D. Block of Aizawl District presently comprises of 13 villages, each having a village council of its own. All these villages have been included in the present study as shown in Table 5.1 below:

**Table 5.1 VILLAGE COUNCILS IN TLANGNUAM R.D. BLOCK**

Sl No	Name of Village Councils	Sl No	Name of Village Councils
1	Lengpui	8	Samtlang
2	Lungleng-I	9	Sihhmui
3	Muthi	10	Sihphir
4	N.Lungleng	11	Sihphir Vengthar
5	Nausel	12	Tuirial
6	Sairang	13	Tuirial Airfield
7	Sairang Dinthar		

*Source: Office of the Block Divisional Officer, Tlangnuam R.D. Block, Aizawl*

By the method of stratified random sampling, samples of 195 households were selected from the 13 villages. In the first stage, the villages were distributed into four strata viz. A, B, C and D and each stratum is then assigned sample size which is determined on the basis of the strength of job card holders it represents. In this way, bunch of villages with comparable numbers of job card holders are grouped in a strata. This exercise is done to minimize the chances of biased representation as the population of the job card holders in the area of study differ significantly between villages.

**Table 5.2: POPULATION STRATA OF JOB CARD HOLDERS AND SAMPLE SIZE**

<b>Strata</b>	<b>Number of job card holders</b>	<b>Sample size</b>
A	1-200	10
B	200-400	15
C	400-600	20
D	600-above	25

*Source: Field Survey 2012*

As presented in Table 5.2, villages with household size of 1-200 are assigned a sample size of 10, while villages with household size of 200-400 are assigned a sample size of 15 and so on. Based on the Table 5.2, the sample sizes for each of the 13 villages in Tlangnuam R.D. Block is then determined and listed in Table 5.3 below.

**Table 5.3: VILLAGES WITH TOTAL NUMBERS OF JOB CARD HOLDERS AND SAMPLE SIZE**

<b>Sl No</b>	<b>Name of Village Councils</b>	<b>Total number of job card holders *</b>	<b>Number of sample Household**</b>
1	Sihphir	904	25
2	Sihphir Vengthar	608	25
3	Lengpui	822	25
4	Sairang	759	25
5	Sairang Dinthar	376	15
6	Lungleng-I	169	10
7	Muthi	171	10
8	N.Lungleng	172	10
9	Nausel	61	10
10	Samtlang	159	10
11	Sihhmui	170	10
12	Tuirial	189	10
13	Tuirial Airfield	178	10
<b>TOTAL</b>		<b>4732</b>	<b>195</b>

\* *Source : Office of the Block Divisional Officer, Tlangnuam R.D. Block, Aizawl as on July, 2012*

\*\* *Source : Field Survey 2012*

The selected samples in all the 13 villages of Tlangnuam R.D. Block have been visited and surveyed based on 29 numbers of questions in a form of closed ended questionnaires and 1 in the form of suggestion. Further analyses were formulated based on the responses to these questionnaires.

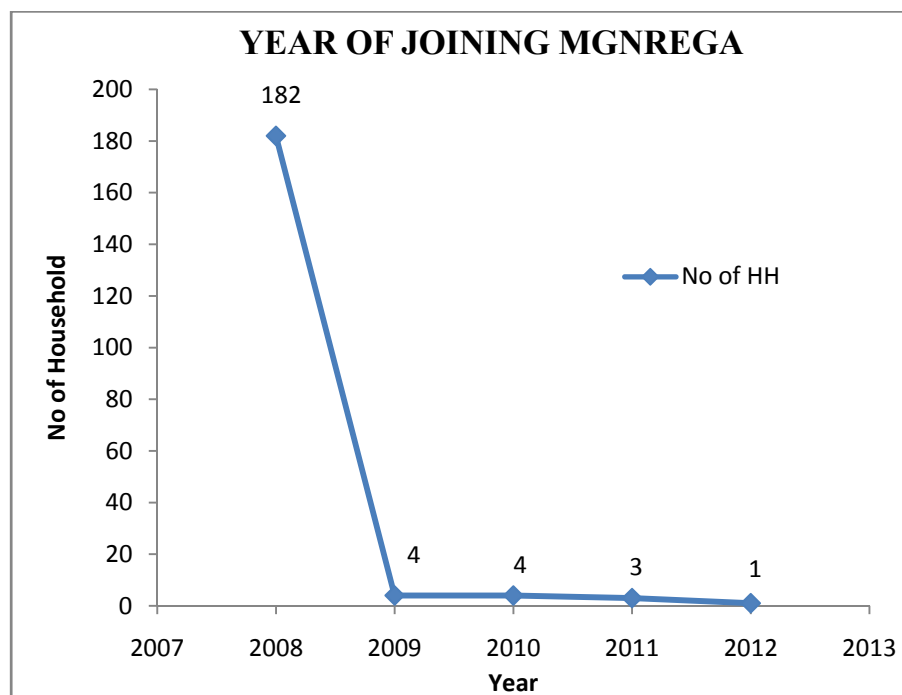
The study as can be seen in Table 5.4 shows a very high level (93.81%) of respondents joining the scheme during the year 2008 within the R.D. Block, this is mainly because it happens to be the year in which the scheme was first introduced in Aizawl district. Among the respondents only a single household was observed to have joint the scheme during 2012. In the corresponding Graph 5.1, where the X axis indicates the year of implementation of the scheme and the Y axis represents the number of households, it can be seen that there is a sharp drop in the number of households newly joining the scheme during 2009 and the subsequent years. Therefore the magnitude of the overall survey result is no doubt, highly influenced by those that have joint during 2008.

**Table 5.4: YEAR OF JOINING MGNREGA**

<b>Year</b>	<b>Number of Household</b>	<b>Percentage (%)</b>
2008	182	93.81%
2009	4	2.09%
2010	4	2.06%
2011	3	1.55%
2012	1	0.52%

*Source: Field Survey 2012*

**Graph 5.1**



In the mean time, it follows that, majority of the respondents joining the scheme in 2008, and a sharp drop in the figure for the subsequent years, is undoubtedly an indication that, against the normal population growth trend in the region, there is an insignificant population growth of the segment which requires an assistance or scheme to uplift their status like that of the MGNREGA. This is evident from the 8.67% growth of population of Tlangnuam R.D. Block during 2009 and 2011 i.e 3,15,928 in 2011 (Census 2011) as against 2,90,709 in 2009 (Mizoram Statistical Hand Book, 2010).

Table 5.5 shows the status of job opportunities available to the beneficiaries as a result of implementation of the scheme within the R.D. Block. An increase in job prospects would indicate choices being provided to the household by virtue of which the economic sustainability improves. A total

of 160 respondents stated that the MGNREGA has increased their job opportunities, while 22 of them experience no change, with the remaining 13 being indifferent.

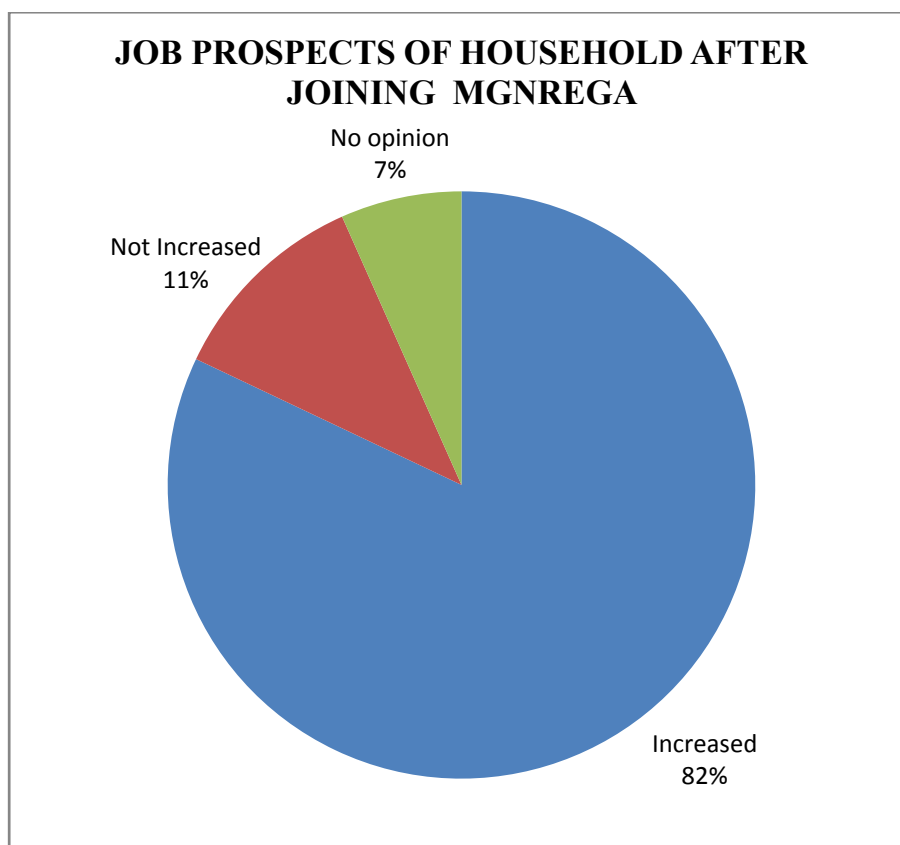
**Table 5.5 : JOB OPPORTUNITIES FOR HOUSEHOLD AFTER JOINING MGNREGA**

Status	Number of households	Percentage (%)
Increased	160	82.05%
Not Increased	22	11.28%
No opinion	13	6.67%

*Source: Field Survey 2012*

The Table 5.5 is represented graphically at Graph 5.2 below:

**Graph 5.2**



From the pie chart constructed at Graph 5.2, it can be seen that, for majority of the respondents i.e 82.05 %, the MGNREGA has increased their job prospects, while 11.22% claimed to have no increase, with the remaining 6.67% being neutral. Therefore it can be stated that the scheme helps to provide more employment opportunities to the households within the area of study. This aspect further justifies the research question on consumption pattern and increase in the level of income of the beneficiaries. This is because, with better job opportunities there are better prospects for higher income, which will have either a directly or an indirectly impact on the expenditure pattern of the beneficiaries.

**Table 5.6 : OCCUPATIONAL PATTERN**

<b>Occupation</b>	<b>Pre-MGNREGA</b>	<b>Post-MGNREGA</b>	<b>Percentage change (%)</b>
Cultivation	92	88	-4.35%
Daily Labour	60	61	1.67%
Petty shop/ business	38	41	7.89%
Livestock	9	10	11.11%
Govt. servant	12	12	0.00%
Other services	6	6	0.00%
Extraneous	2	4	100.00%

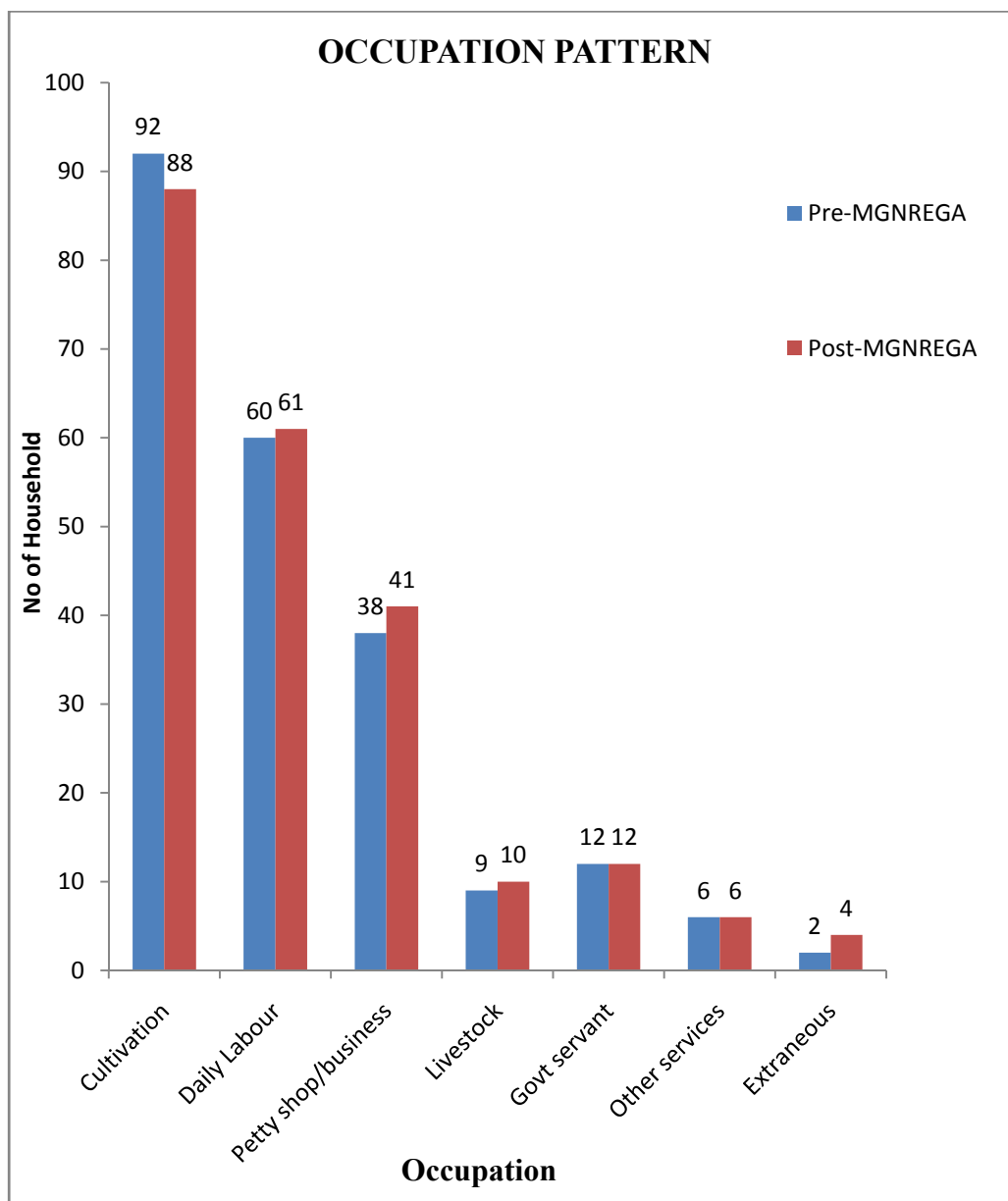
*Source : Field Survey 2012*

Upon examination of the above Table 5.6, it is found that the occupational pattern of the respondents remains more or less unaltered for both the pre and post MGNREGA periods. Cultivation has been the major occupation, followed by daily labour and petty shop/business for both the periods. The study also reveals that as much as 12 numbers or 6.15% of the respondents are found to be government servants, for whom the MGNREGA has no effect on the occupational pattern. The job categories are classified into seven for simplicity and to avoid tabulation complications. The Table 5.6 shows the occupational pattern within the area of study.

The graphical representation of the occupation pattern of the respondents and the change in the occupation pattern after joining the scheme is shown in Graph 5.3, where the occupation is kept at the X axis and the number of households at the Y axis. Here, an increase of up to 7.89% has been observed for engagement in petty shop/business after joining the scheme. Contrarily, a decrease as small as 4.35% has also been seen for households engaged in cultivation after having joint the scheme. Therefore, in the light of the analysis, it can be seen that while the changes are still marginal, the occupational pattern has slowly shifted from cultivation to those oriented towards petty shop/ business as a result of the scheme.



**Graph 5.3**



The significance of the present study can be witnessed from analysis of the changes that have occurred in the income pattern as a result of MGNREGA implementation. Different income brackets have been made for the purpose of easy tabulation and categorization of the households are based on such criteria. A cross examination of Table 5.7 shows a sharp decline in the total number of households whose monthly income are

below ₹5000. At the same time a remarkable increase by 51.52% has been observed for those monthly income brackets of ₹10,000-15,000. This is true even for those with monthly income above ₹15,000 reaching as high as 22.58%.

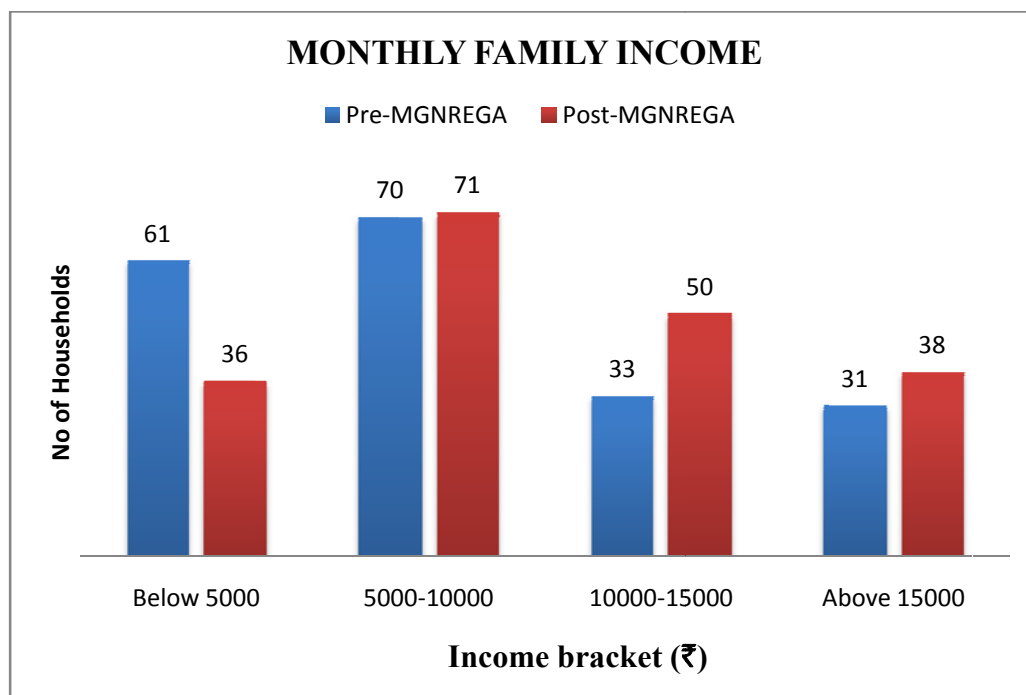
**Table 5.7 : MONTHLY FAMILY INCOME**

<b>Income bracket (₹)</b>	<b>Pre- MGNREGA</b>	<b>Post- MGNREGA</b>	<b>Percentage change (%)</b>
Below 5000	61	36	-40.98%
5000-10,000	70	71	1.43%
10000-15,000	33	50	51.52%
Above 15,000	31	38	22.58%

*Source: Field Survey 2012*

For the Graph 5.4, the total number of household is represented at Y axis and the X axis represents different predetermined income brackets. The graph shows gradual improvement in overall income levels as the family joins the scheme. While, the income bracket of ₹5000–10,000 has more or less remained unchanged, the other groups undergo significant changes towards positive ends. This also indicates that the respondents not only experienced transformation in their income pattern as they join the scheme, but they also benefit from it by way of higher income levels.

**Graph 5.4**



There is a decrease in the total households whose monthly income lies below ₹5000 while all the other income brackets experienced an increase. This finding has also established the postulated research question that, the MGNREGA has helped to increase the level of income of the beneficiaries.

In Table 5.8, the general pattern of household expenditure of the respondents after joining MGNREGA is presented. A total of 12.44% of the respondents are with the view that their annual household expenditure has actually increased after joining MGNREGA, but majority of the respondents (87.56%) are still with the view that their annual household expenditure has not changed even after they have joint the MGNREGA. In other words, while 169 respondents claim to have no change in their household expenses at post

MGNREGA, the remaining 24 respondents indicate a growth in their total expenditure after joining the scheme.

**Table 5.8: OVERALL HOUSEHOLD EXPENDITURE AFTER JOINING MGNREGA**

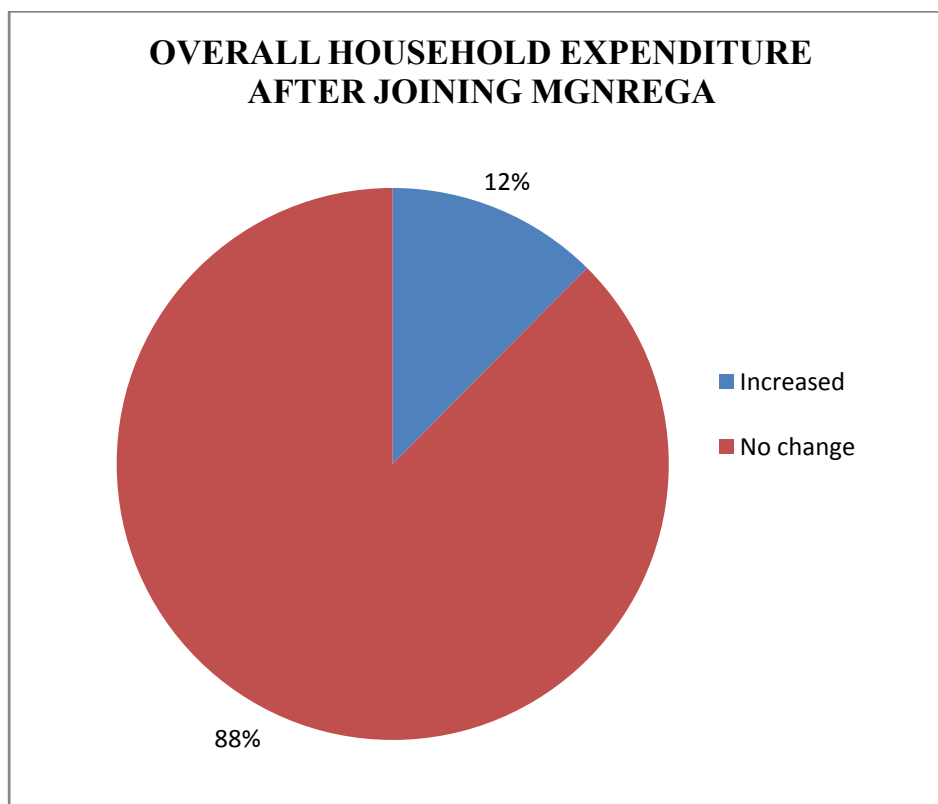
<b>Pattern</b>	<b>Number of Household</b>	<b>Percentage (%)</b>
Increased	24	12.44%
No change	169	87.56%

*Source: Field Survey 2012*

Nevertheless, from the analysis of the findings, it can be stated that, as the income increases, there is also a tendency of the households to increase the expenditure on different heads of expenses. Such argument can be supported from the tabulation of the databases presented in the Tables 5.11, 5.12, 5.13 and 5.14 constructed for the subsequent observations that follow. These tables show that the post MGNREGA period witnessed increase in the consumption and expenditure on different household items like food, non-food items and other assets.

The graphical representation of Table 5.8 can be seen in the form of a pie chart at Graph 5.5, where the red colour represents the respondents who have not experienced increase in the household expenditure, and the blue portion represents the size of the respondents who are of the view that the scheme had actually increased their expenditure.

**Graph 5.5**



Though majority of the respondents (88%) reported to have no change in their expenditure pattern after joining the scheme, yet, there are no reports however on any household experiencing a decline in their expenditure. Therefore, the fact that 12% of the respondents experience increase in their household expenditure would indicate an overall increase in household expenditure of the area by as much as 12%. The result is again another indication in support of the research question that the MGNREGA scheme helps the poor in making a paradigm shift in their expenditure pattern.

The status of possessing more livestock by the household can be an indicator of better economic situation. The Table 5.9 shows such status of the respondents in this regard, where the total quantity of livestock are grouped

into different categories like, below 10, 10-20, 20-30, above 30 numbers and no response/no livestock. Upon careful examination, it can be seen that there is an upward increase of 7.77% among respondents who own livestock below 10 numbers at the post MGNREGA. At the same time, a remarkable increase of 40% has been witnessed for the household with livestock of quantity above 30 in numbers. It is worthy to note that as against a total number of 74 respondents without livestock at the pre MGNREGA period, the post MGNREGA shows a reduction of the household to as low as 63. This would be a decrease by 14.86% from the pre MGNREGA.

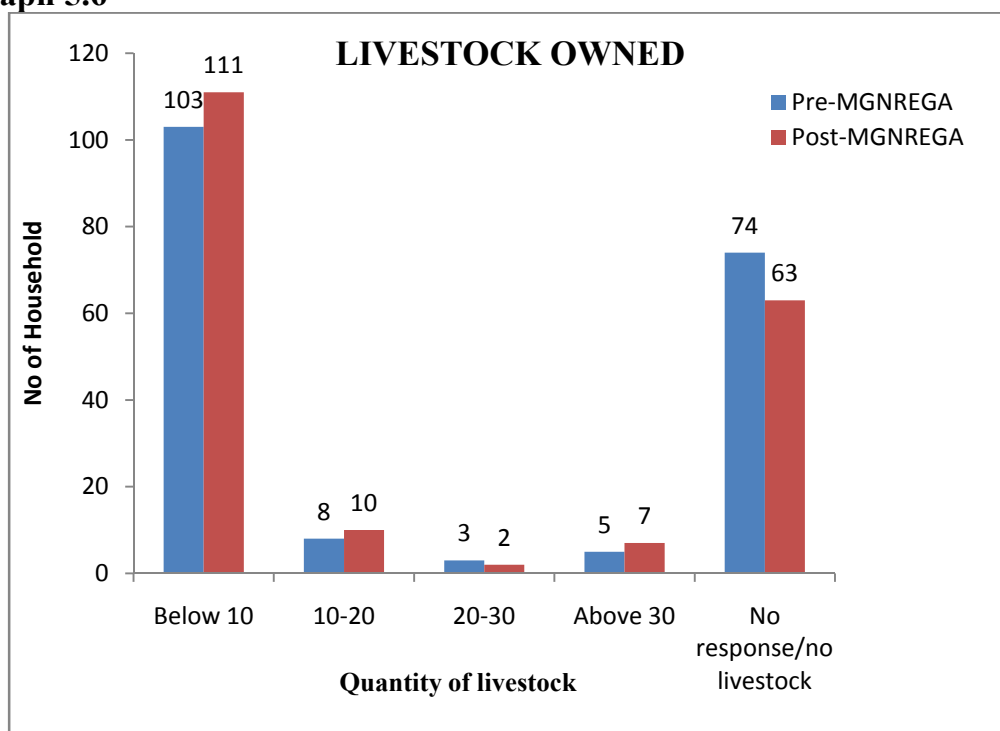
From this analysis it can clearly be seen that, within the area of study the MGNREGA has helped the beneficiaries to own more livestock, which is an indication of better economic status as the family joins the MGNREGA.

**Table 5.9 : QUANTITY OF LIVESTOCK OWNED**

<b>Quantity</b>	<b>Pre-MGNREGA</b>	<b>Post-MGNREGA</b>	<b>Percentage change (%)</b>
Below 10	103	111	7.77%
10-20	8	10	25.00%
20-30	3	2	-33.33%
Above 30	5	7	40.00%
No response/ no livestock	74	63	-14.86%

*Source: Field Survey 2012*

**Graph 5.6**



The Table 5.9 is represented in a bar graph at Graph 5.6 where the X axis shows the quantity of livestock grouped into different predetermined quantity intervals, and the Y axis shows the number of households. Accordingly, majority of the respondents possess livestock of quantity 10 and below, while major chunk of the remaining either did not respond or does not own any livestock. However it is evident from the analysis that there is but a slow pace of increase in the quantity of livestock owned as households joins the MGNREGA.

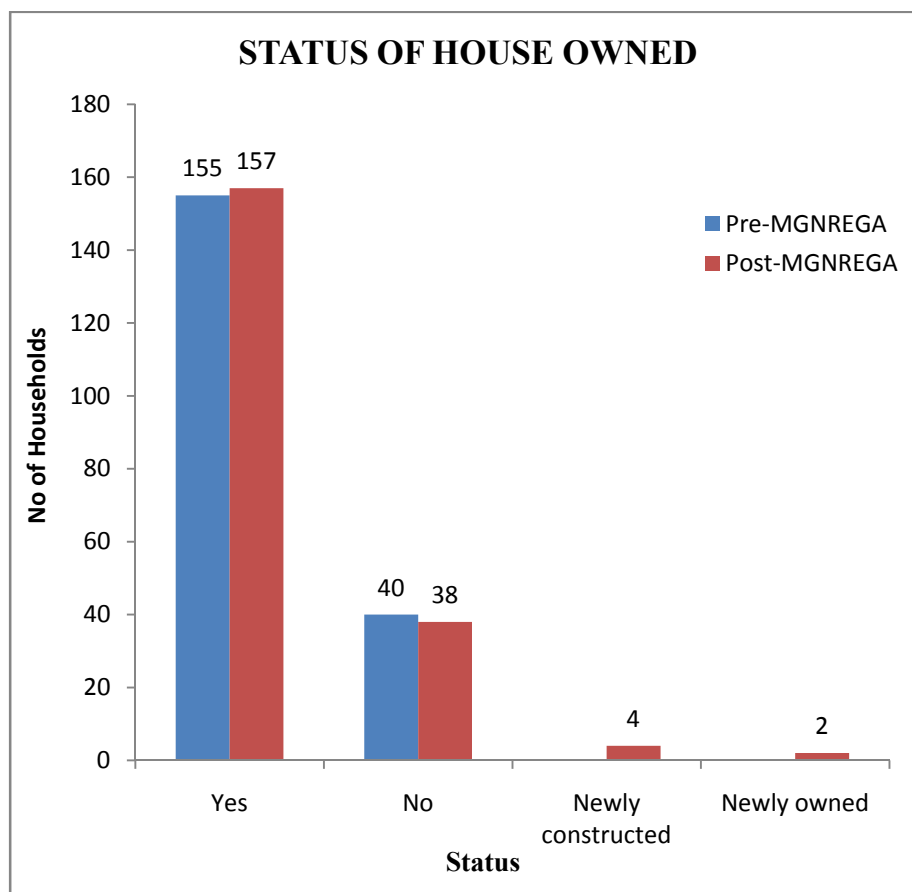
Every family requires a house to live in, be it owned, rented or leased. In this respect the study shows the changes that took place over the years among the respondents. This is done by comparing the status of the house owned during the pre MGNREGA and the post MGNREGA implementation. Table 5.10 shows the tabulation figure of the survey.

**Table 5.10 : STATUS OF HOUSE OWNED**

Status	Pre-MGNREGA	Post-MGNREGA	Percentage change (%)
Yes	155	157	1.29%
No	40	38	-5.00%
Newly constructed	-	4	2.05%
Newly owned	-	2	5.00%

Source: Field Survey 2012

**Graph 5.7**



The Table 5.10 is represented as a bar graph in Graph 5.7. The X axis indicates the status of the households where the Y axis indicates the number of households. The observation shows that, within the area of study, majority of



the respondents have their own house, a little less than quarter of the respondents are still without a house of their own. Though the scheme may not have resulted in a landslide change in the possession of houses, a promising improvement has been seen where, a total of 4 new houses have been constructed at the post MGNREGA period, in which 2 are newly owned by families who have not had the privilege during pre MGNREGA. In other words, 2 % of the respondents have newly constructed their house and 5% have newly owned houses of their own at the post MGNREGA. Remarkably, it has also been found that out of the 4 families with new houses, only 1 family has been a beneficiary of other schemes apart from MGNREGA while the other 3 have not joint any scheme other than the MGNREGA.

The status of assets possessed by the respondents within the R.D. Block is presented in the Table 5.11. The finding suggests that the improvement in the economic condition of the beneficiaries is attributable to the implementation of MGNREGA in the region. This is shown by presenting the status of asset possession during the pre and post MGNREGA implementation. The assets have been selected based on common survey patterns and utility items which a household would normally have or intend to possess due to their ready availability, their necessity and other utilities.

Based on the nature of an asset, a general perception of their categories can be determined. Accordingly, certain assets can be categorized as essential, while some others as luxury items. In general, as the income increases the nature of expenditure on assets also slowly changes. Primarily, a household

which live off its limited resource would tend to focus the income solely on food and the few remaining on assets which are most essential for the household to possess. However as the income increases and the purchasing power becomes better, procurement of luxury items and other additional assets constitute the item of expenditure.

**Table 5.11 : STATUS OF ASSETS OWNED BY HOUSEHOLD**

List of assets	Pre-MGNREGA	Post-MGNREGA newly owned	Percentage change
Washing machine	28	4	14.29%
Refrigerator	28	9	32.14%
Television	139	15	10.79%
Computer	13	4	30.77%
Mobile phone	119	92	77.31%
Sewing machine	31	3	9.68%
Water pump	9	1	11.11%
Steel Almirah	83	6	7.23%
Pressure cooker	129	8	6.20%
Bike	12	1	8.33%
Scooty	3	5	166.67%
Scooter	1	-	-
Music system	12	1	8.33%
Car	1	-	-
Saw mill	1	-	-
Inverter	-	1	New
Tipper (Truck)	1	1	NA*

Source: Field Survey 2012

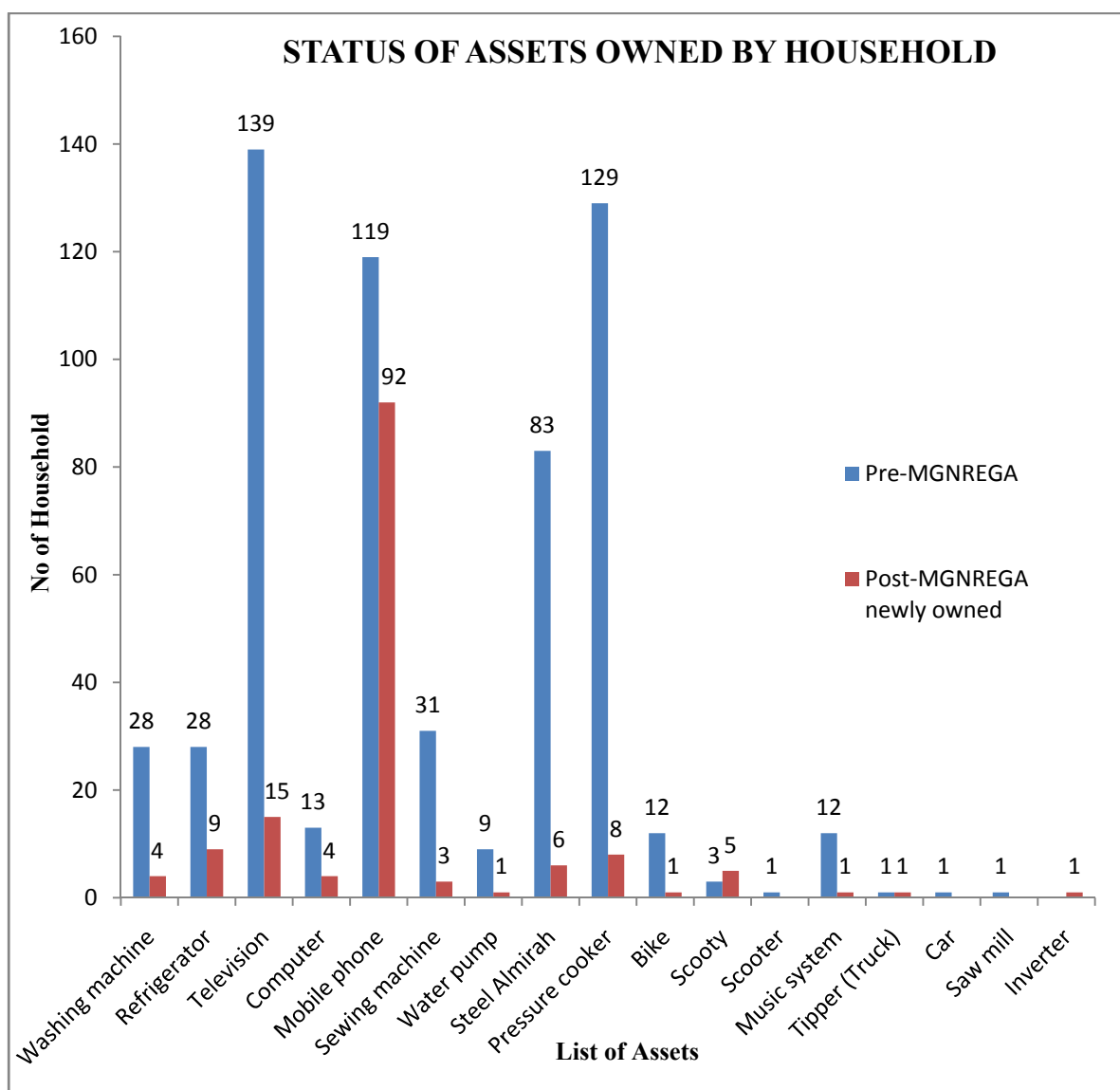
\* The respondent has specified that the asset has not been procured as a result of MGNREGA

The analysis of the study of Tlangnuam R.D. Block shows a remarkable increase in the asset possession during the post MGNREGA. From the table, it can be seen that there are 14.29% increase in new procurement of washing machines, 32.14% of refrigerators, 10.79% of televisions, 30.77% computers, 9.68% of sewing machine and a whopping 77.31% and 166.67% for mobile phone and scooty respectively. The other items also indicate an optimistic trend at the post MGNREGA period. In the mean time it should be noted that possession of some of these assets cannot be wholly attributed towards the benefits of the scheme. One example that may be cited here is that, it has been categorically endorsed that the tipper truck bought by one respondent after the household joins the scheme in Sairang was financed from sources outside the purview of MGNREGA. However, from the observations in the table, it can summarily be said that the scheme has significantly contributed towards increase in household assets, vehicles and other utility items.

The scheme no doubt has improved the status of possession of different categories of assets and the pattern in which they are procured. The bar graph at Graph 5.8 shows the list of assets in the X axis and the number of household in the Y axis. The graph in particular shows three assets which the households have significantly possessed or owned the most, viz. pressure cooker (129 numbers of the respondents), mobile phone (119 numbers of the respondents) and television (139 numbers of the respondents). However the procurement of additional item is highest in quantities for mobile phones, at an increase of 77.31%. Another significant observation is the quantity of scooty newly owned by the respondents which stood at 5 numbers during the post MGNREGA

period alone, as against 3 numbers during the pre MGNREGA period. This observation is an important evidence to reveal that the expenditure of the households has increased substantially as a result of the MGNREGA. The fact that certain assets which can be categorized under luxury items like, television, mobile phones, washing machines etc constitute the major component of the assets newly possessed during the post MGNREGA suggest that, the mode of consumption and expenditure are slowly undergoing transformation where the family can prioritize its requirements.

**Graph 5.8**



The expenditure of a household is another indicator of economic status. For simplicity the expenditure is grouped into different intervals like, below ₹500, ₹500-1000, ₹1000-1500, and above ₹1500. The Table 5.11 below shows the status of the respondents in terms of their weekly expenditure on food items like rice, meat, vegetables, cookies, milk and other food products. It is remarkable to note that, though the numbers of households with weekly expenses on food items ranging below ₹500 are more or less same at the pre and post MGNREGA, there is a huge increase by up to 56% in the total number of households whose weekly expenses on food items lie within ₹1000-1500. This is also seen for the group with expenditure of ₹1500 and above though at a lesser rate of increase at 13.95 %.

From the Table 5.12 below it can be seen that the expenditure on food items is generally higher for the respondents. In general, the table also shows that, the numbers of respondents increase as we move upward to higher expenditure brackets displaying higher tendency to spend.

**Table 5.12 : WEEKLY HOUSEHOLD EXPENDITURE ON FOOD ITEMS**

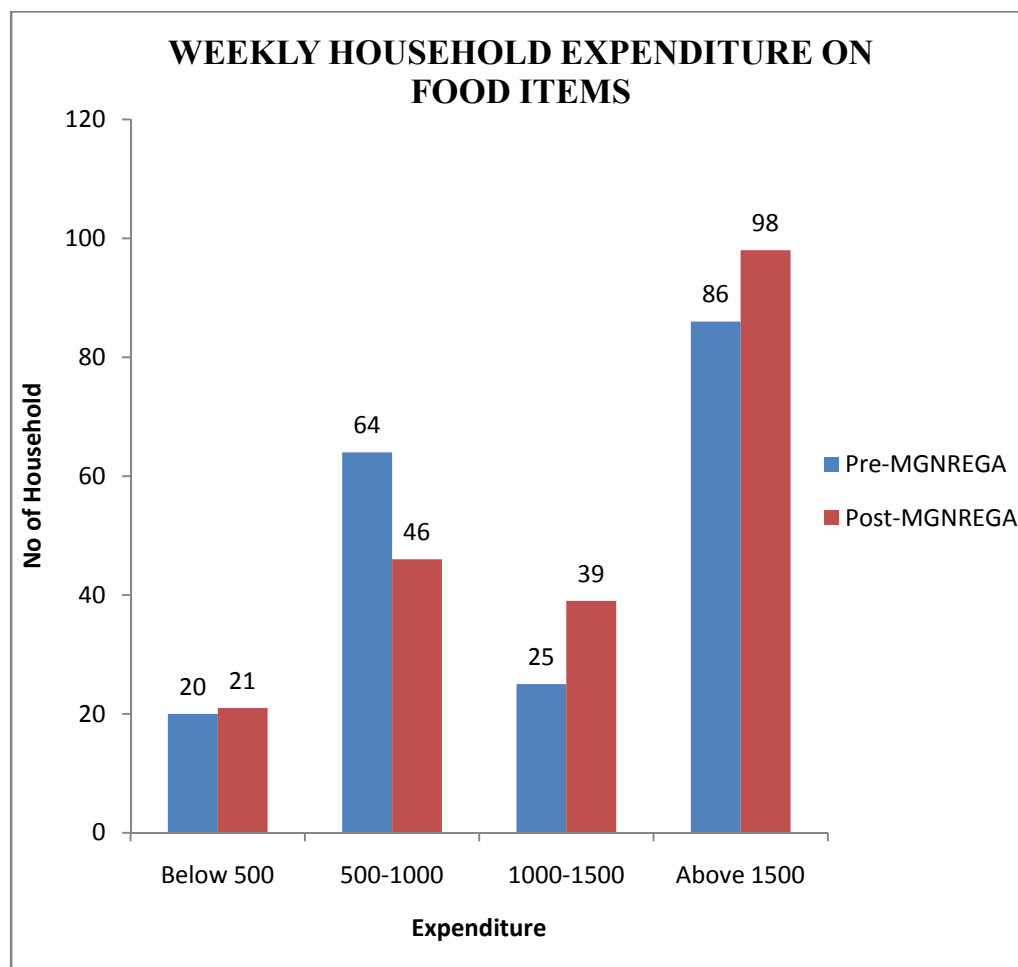
<b>Expenditure (₹)</b>	<b>Pre-MGNREGA</b>	<b>Post-MGNREGA</b>	<b>Percentage change (%)</b>
Below 500	20	21	5.00%
500-1000	64	46	-28.13%
1000-1500	25	39	56.00%
Above 1500	86	98	13.95%

*Source: Field Survey 2012*

The graphical representation of Table 5.12 at Graph 5.9 depicts expenditure on X axis and number of household in the Y axis. The blue color represents pre MGNREGA period while the red colour represents post MGNREGA period. The graph at Graph 5.9 shows that, overall, the numbers of households whose weekly expenditure on food items are above ₹1500 constitute the highest number at more than 2/3 of the total respondents. Contrary to the findings in other expenditure groups of the same tabulation, it is seen that the number of households with weekly expenditure of ₹500-1000 decreases from 64 to 46 (28.13%). However, the households with weekly expenditure of above ₹1500 on food items show an increasing trend.

Clearly it can be seen from the above observation and the graphical representation which follows that there is a sizeable increase in the pattern of expenditure on food items as a result of implementation of the MGNREGA in Tlangnuam R.D Block of Aizawl District. This finding also can be a response to the research question on paradigm shift in the consumption and expenditure pattern of the beneficiaries as a result of the scheme.

**Graph 5.9**



For the purpose of simplicity the expenditure has been grouped into different categories as per the Table 5.12 above. Table 5.13 shows the pattern of weekly expenditure on non-food items like soap, makeup, firewood, kerosene, cable TV, phone/mobile bill, tobacco products etc. However unlike the experience in the analysis of expenditure on food items, the non-food items show little change in the overall result. The respondents with expense of ₹500 and below actually decrease by 7.14% at the post MGNREGA period. At the same time an increase is shown for the higher expenditure brackets i.e 9.68% for ₹500-1000 bracket and 12.50% for

₹1000-1500 brackets respectively. The highest expenditure bracket of ₹1500 and above, in this case has become stagnant.

The result of the increase in income has led to a consequent increase in the expenditure on food as well as non-food items as listed above. Though the degree of increase is higher for food items, nonetheless, the whole community is experiencing an overall increase in their expenditure as compared to the pre MGNREGA period. This is another point of reference on the research question in determining the impact of the scheme on consumption and expenditure. The analysis thus, shows that the scheme has substantially been able to help the poor in making a paradigm shift in their consumption and expenditure pattern.

**Table 5.13 : WEEKLY HOUSEHOLD EXPENDITURE ON  
NON- FOOD ITEMS**

<b>Expenditure (₹)</b>	<b>Pre- MGNREGA</b>	<b>Post- MGNREGA</b>	<b>Percentage change (%)</b>
Below 500	112	104	-7.14%
500-1000	62	68	9.68%
1000-1500	16	18	12.50%
Above 1500	4	4	-

*Source: Field Survey 2012*

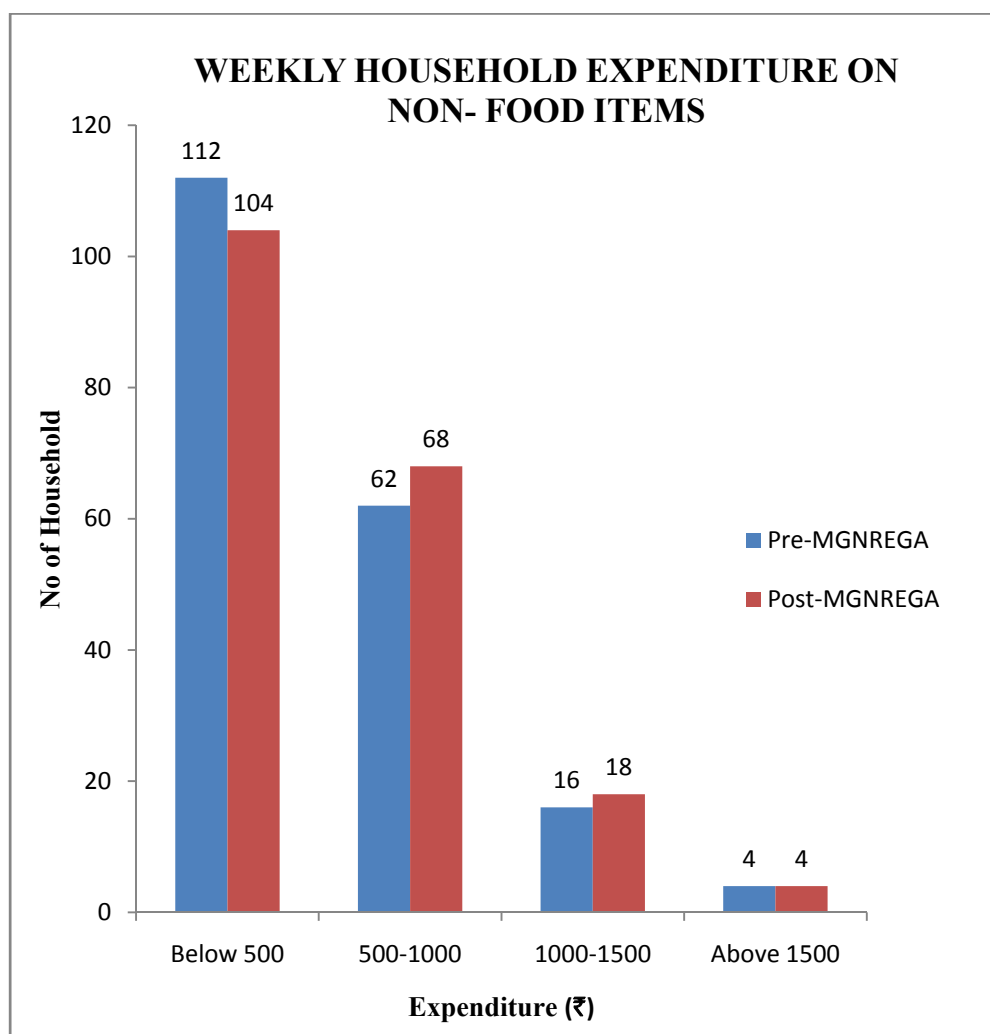
The Graph 5.10 shows a bar graph representing the weekly household expenditure on non- food items. The X axis shows the expenditure and the Y axis shows the number of households. The blue colour stands for pre MGNREGA while red colour represents the post MGNREGA period. As a



comparison between the expenses on food and non-food items, a remarkable difference has been seen in the total number of households whose weekly expenses are above ₹1500. While there are 86 and 98 respondents with expenditures above ₹1500 on food items during pre and post MGNREGA periods, the same result for the non-food items is only 4 for both the periods.

Therefore, it can be seen that, though growth in the weekly expenditure on food and non-food items have been witnessed, the rate of increase in food items greatly surpasses that of the non-food items.

**Graph 5.10**



A weekly expenditure on clothes is another aspect of the study. As has been done for other measures, the expenditure is again grouped into 4 categories viz. below ₹1000, ₹1000-2000, ₹2000-3000 and above ₹3000. The result of the study is presented in the Table 5.14 below:

**Table 5.14: MONTHLY HOUSEHOLD EXPENDITURE ON CLOTHES**

<b>Expenditure (₹)</b>	<b>Pre-MGNREGA</b>	<b>Post-MGNREGA</b>	<b>Percentage change (%)</b>
Below 1000	187	184	-1.60%
1000-2000	6	9	50.00%
2000-3000	1	1	-
Above 3000	-	-	-
No response	1	1	-

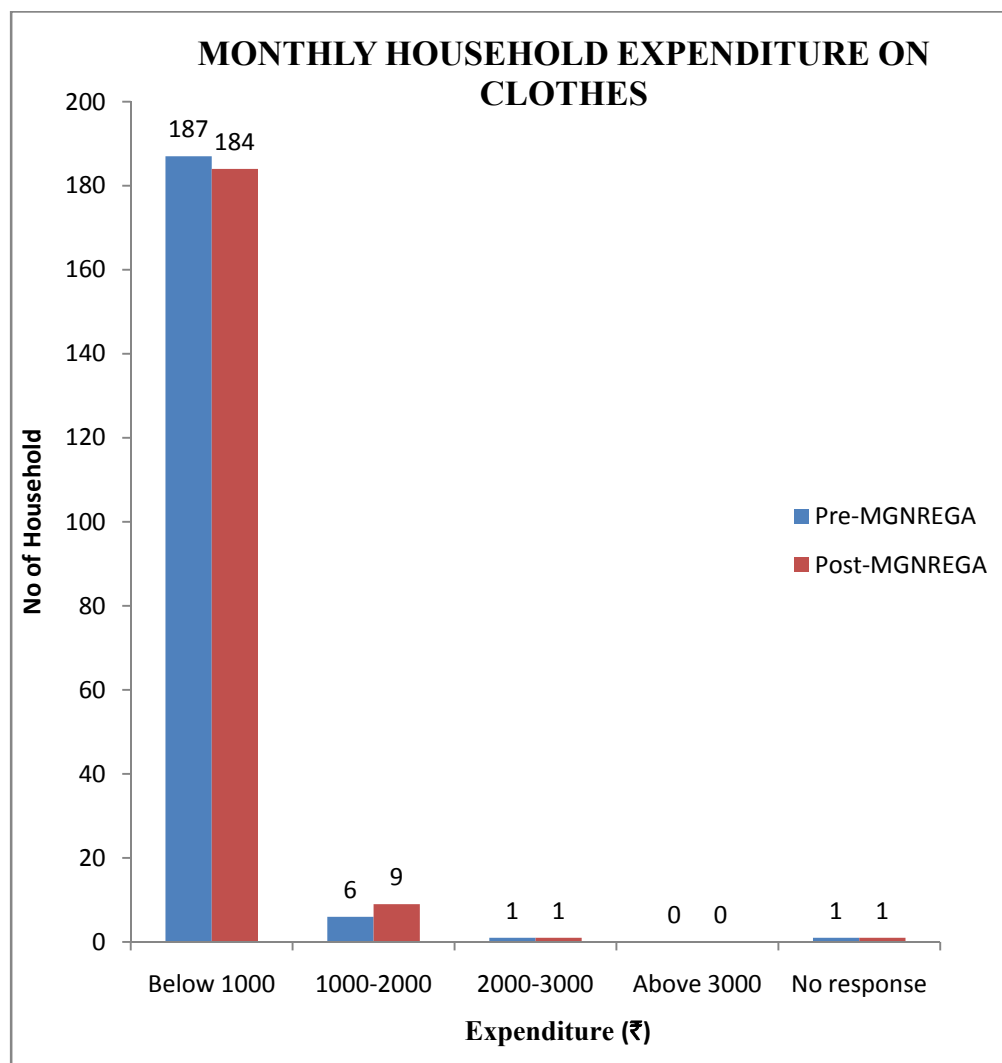
*Source: Field Survey 2012*

The analysis shows that there is very little change in the weekly expenditure on clothes at the pre and post MGNREGA periods. The comparative statement of the same as presented in the table indicates that, only a meager change is shown for the expenditure bracket of ₹1000 and below. It can also be understood that while a higher percentage increase as much as 50% can be seen for the expenditure bracket of ₹1000-2000, the actual quantity of the additional household is just 3 numbers. Therefore contrary to the findings on the expenditure pattern of households on food and non-food items, the pattern on clothes has not undergone much change even after implementation of the scheme.

The monthly expenditure of households on clothes as depicted in Table 5.14 is shown in the Graph 5.11. On the X axis we have the expenditure grouped into different categories and on the Y axis we have the number of household. The blue colour represents the pre MGNREGA status while the red colour shows the post MGNREGA status. The graph also shows that the quantities of households with expenditure on clothes below ₹1000 are highly significant for both pre and post MGNREGA periods. But a closer examination reveals that against a static number of households within the expenditure bracket of below ₹1000, the bracket of ₹1000-2000 highlights an increase as much as 50%. This is clearly a tendency of households to slowly increase their expenditure on clothes as a result of the scheme.

Taking into consideration the overall pattern of expenditure of the respondents on food items, non-food items and clothes at the post MGNREGA period, it can be seen that the volume of expenditure is elastic for food items, a little rigid for non-food items, and highly inelastic for expenditures on clothes. It can also be understood that, though the MGNREGA has been able to improve the basic livelihood of the beneficiaries reflected in the pattern of increased expenses on food and non-food items, the level of boost it has generated to the household is still limited to providing ends meet. This is evident from the pattern of expenditure on clothes for both pre and post MGNREGA which is concentrated at the lowest expenditure bracket and highly inelastic.

**Graph 5.11**



The study has also been designed to look into the aspect of the annual expenditure of households. The data so collected is presented in the Table 5.15 below, where different components of the households' annual expenditures are taken into consideration viz. food items, health, school fee, livestock feed, fuel and others. Apart from these, in order to learn whether or not the household has, in general experienced a shift in the biggest component of its annual expenditure, a column has been inserted for indicating such data as 'experiencing general shift in the component'. Accordingly upon careful

analysis, it can be seen that the biggest component of the annual expenditure of respondents is on food items, with 187 numbers of the respondents indicating the component at the pre-MGNREGA status. However due to ignorance of the households on their financial details, coupled with limited recall period, 133 numbers of households could not determine the changes at the post MGNREGA implementation. For such reason it becomes complicated to derive the exact changes that took place during the period of study. However, 56 respondents have reported having no change in their annual expenditure, while 5 respondents show an unspecified shift in the component of their annual expenditure as a result of the scheme.

**Table 5.15 : BIGGEST COMPONENT OF ANNUAL EXPENDITURE OF HOUSEHOLD**

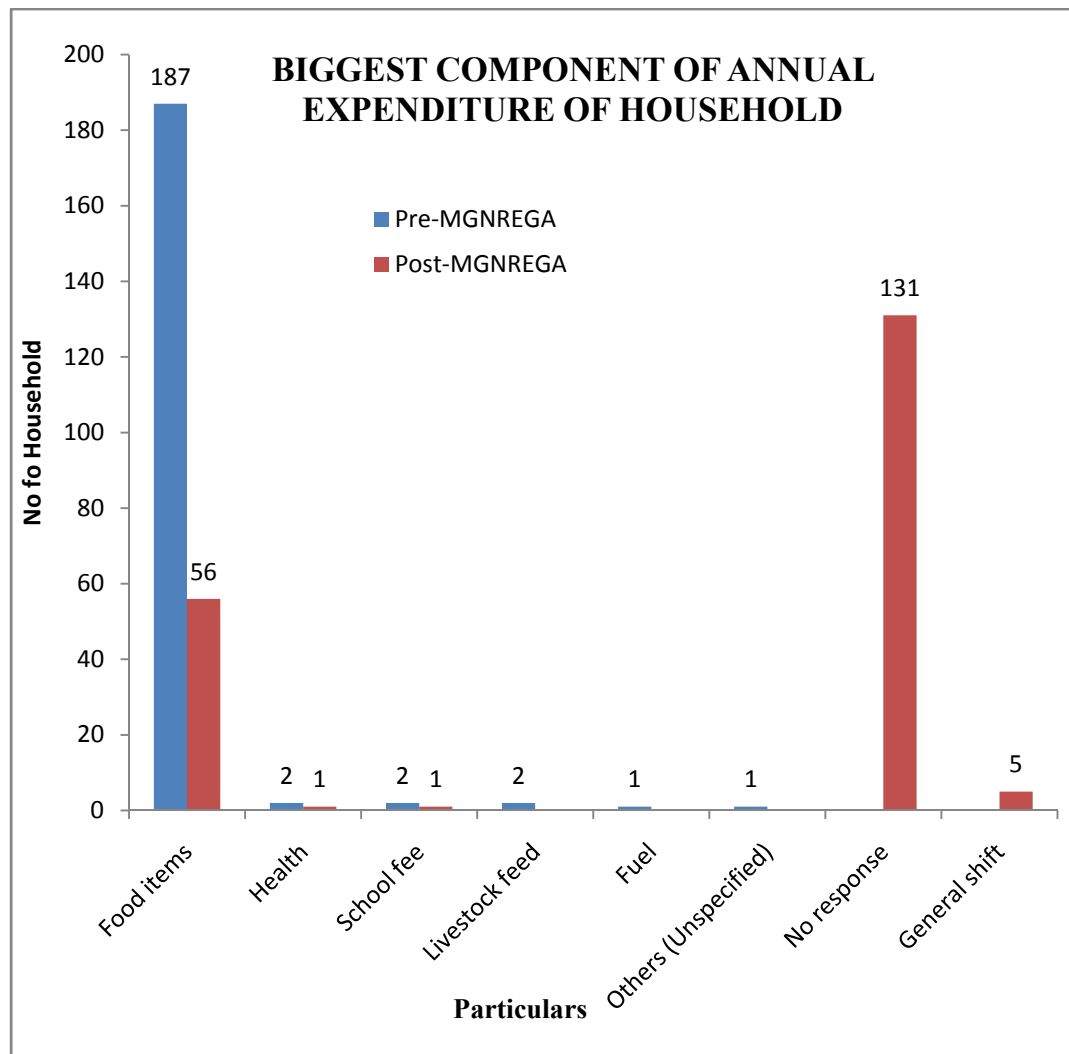
<b>Particulars</b>	<b>Pre-MGNREGA</b>	<b>Post-MGNREGA</b>	<b>Percentage change</b>
Food items	187	56	70.05%
Health	2	1	50.00%
School fee	2	1	50.00%
Livestock feed	2	-	100.00%
Fuel	1	-	100.00%
Others (unspecified)	1	-	100.00%
No response	-	131	-
General shift	-	5	-

*Source: Field Survey 2012*

The observation is depicted in the form of a bar graph at Graph 5.12 where the X axis represents the particulars of different components of

household's annual expenditure and the Y axis represents the number of household. The graph significantly shows food as the biggest component of the expenditure at the pre MGNREGA period, and there is least amount of change in the biggest component of expenditure as a result of the scheme.

**Graph 5.12**



Migration due to poverty is one of the significant incidents plaguing the rural inhabitants. Efforts have been made to address this incident of urban migration resulting out of poverty, unemployment and related issues. The MGNREGA has been designed - among many other objectives - to cater to the

problem of migration and curb the incidents by way of providing alternative job prospects within the vicinity of the village or nearby areas. The present study is also designed in such a manner that the actual scenario of the area of study is depicted.

**Table 5.16: HOUSEHOLD MEMBERS MIGRATED TO URBAN AREAS FOR BETTER JOB PROSPECTS**

Status	Pre-MGNREGA	Post-MGNREGA	Percentage change (%)
Yes	1	2	100.00%
No	193	192	-0.52%

*Source: Field Survey 2012*

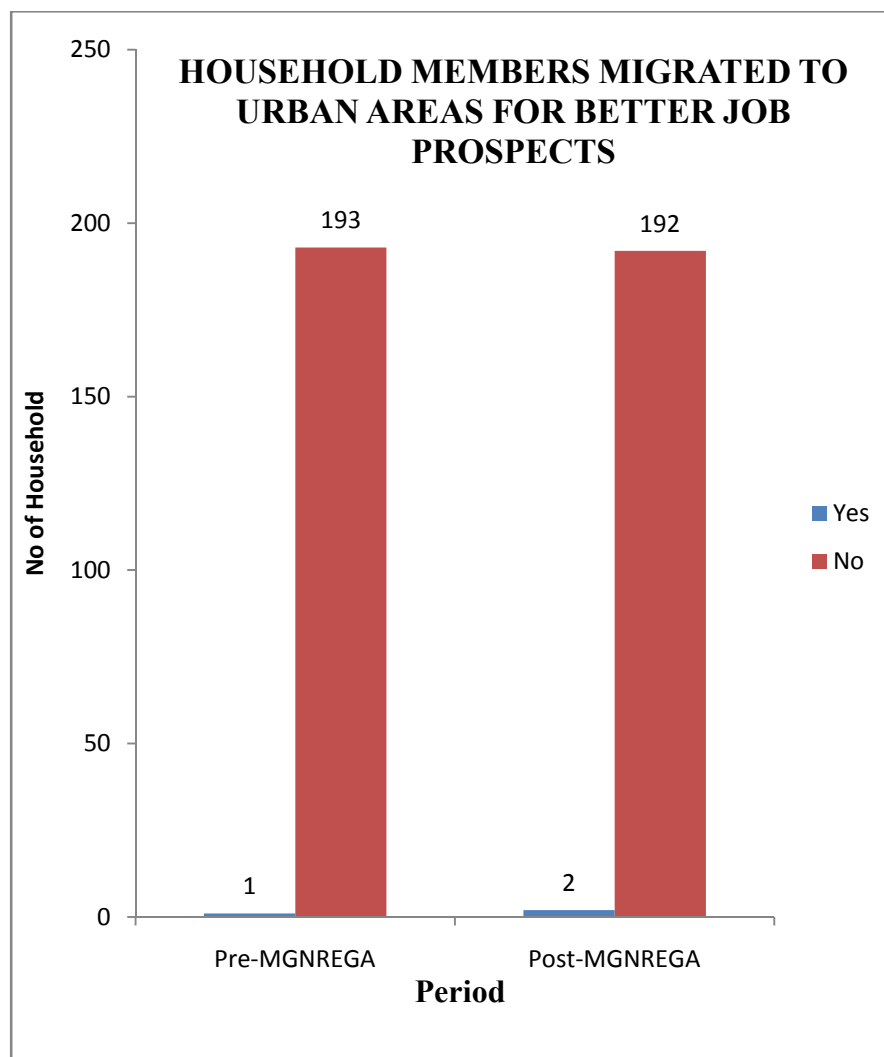
Table 5.16 shows the status of the household whose members have migrated to urban areas seeking better job prospects. In this analysis, it can be seen that during the pre MGNREGA period, as much as 193 respondents do not have any family members migrating to urban areas for better jobs, meanwhile 1 particular respondent has reported such members in the family and 2 reported having such migration as a result of the scheme.

In Tlangnuam R.D. Block, due to the locations of the villages which are within close proximity with Aizawl, there are very less incidents of migration into the city for both pre and post MGNREGA periods. A case of only one migration has been seen during pre MGNREGA as against 2 at the post MGNREGA period. Therefore, the finding indicates that the beneficiaries of

MGNREGA from Tlangnuam R.D. Block do not move to the urban areas for search of better employment.

A bar graph has been constructed to represent the status of the migration at Graph 5.13. The X axis shows the period in which the migration took place, while the Y axis represents the number of households. The blue colour indicates 'yes' while the red indicates 'no'. In all, for both the periods, a very small fragment of the respondents only have their family members migrating to urban areas.

**Graph 5.13**





The Table 5.17 is a continuation to the above table on migration which shows the total numbers of households whose urban-migrated members have since returned. Accordingly, it was found that the single respondent with urban migrant during pre MGNREGA has not returned to the village at the post MGNREGA. A total of 193 out of 194 respondents reported having no case of migration in the family in the first place.

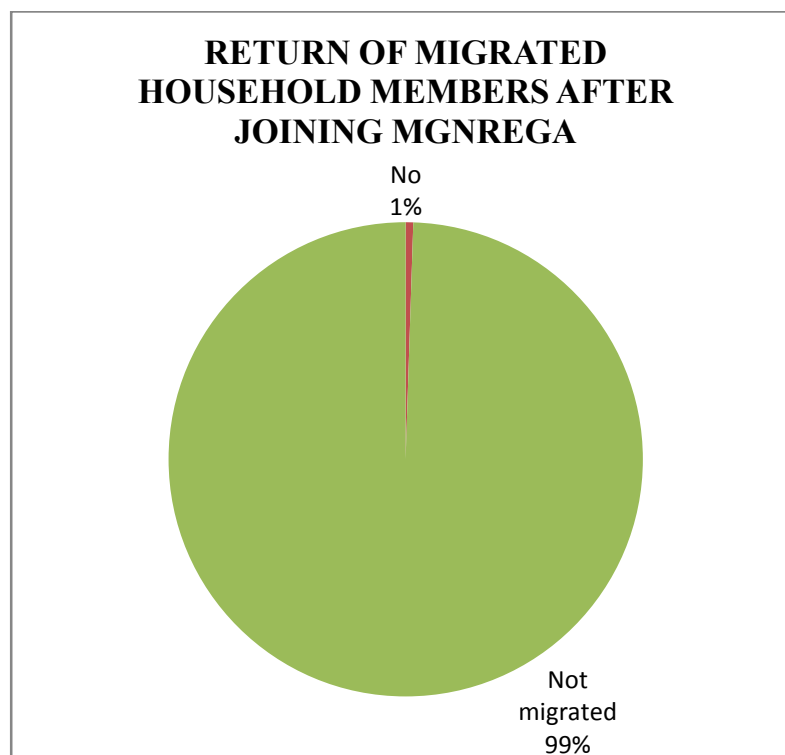
**Table 5.17 : RETURN OF MIGRATED HOUSEHOLD MEMBERS  
AFTER JOINING MGNREGA**

<b>Status</b>	<b>Number of households</b>	<b>Percentage (%)</b>
Yes	-	-
No	1	0.52%
Not migrated	193	99.48%

*Source: Field Survey 2012*

A pie chart is shown at Graph 5.14 where the actual number of respondents for each category is depicted. 99.48% of the respondents claim to have no experience of migration in their family during the post MGNREGA, while 0.52 % of the respondents reported returns of migrated members to the village as a result of the scheme. This is due to very less urban migrant in the first place; which in this particular study is only 1. The green colour shows the quantity of households who have not migrated in the first place, the red colour shows those households experiencing migration but have not returned even after joining the scheme.

**Graph 5.14**



The analysis proves that within Tlangnuam R.D. Block the incidents of urban migration at the pre and post MGNREGA period are insignificant. Therefore, the research question on the ability of MGNREGA to curtail urban migration in the area of study may not be correctly reflected for this particular region.

Status of bank accounts and bank deposits of the beneficiaries of MGNREGA in the Tlangnuam R.D. Block is another scope of the study. It also can be an indicator for inducement towards savings. From the analysis, it is found that 17 households out of 195 respondents have newly opened a bank account after joining the scheme.

For the purpose of simplicity, the average monthly deposits in the bank have been segregated into four categories viz. below ₹500, ₹500-1000, ₹1000-1500 and above ₹1500. Within this framework, the significance of the scheme is revealed as the tendencies of the household to deposit more money in the banks tend to increase at the higher deposit bracket as the family joins the MGNREGA. In other words, the beneficiaries of MGNREGA have higher bank deposits vis a vis their status prior to joining the scheme. This is also consistent with the research question on the impact of the scheme towards an increased level of income of the beneficiaries.

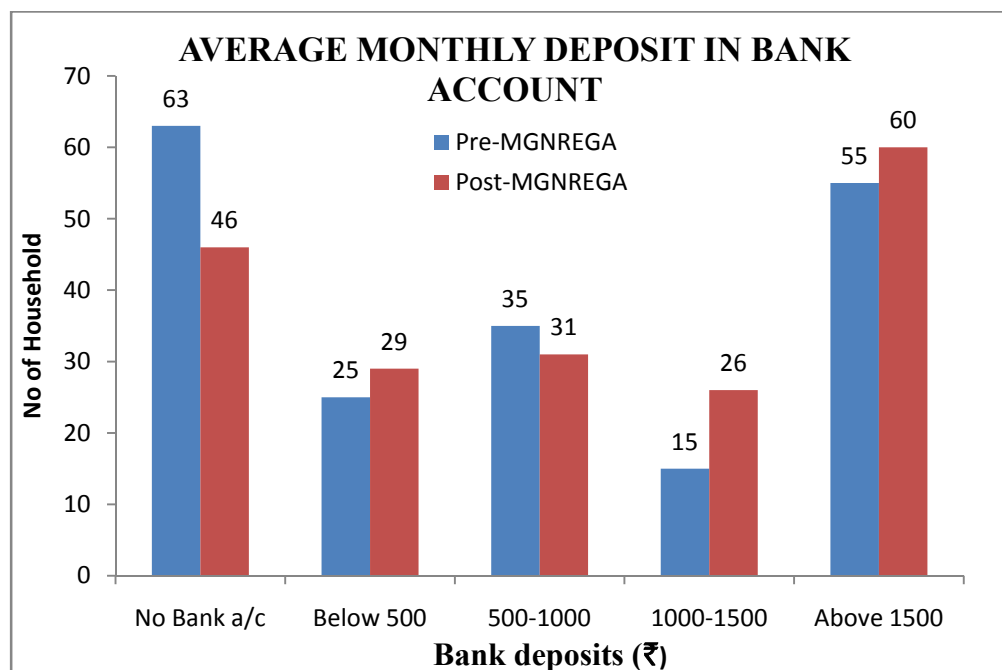
Table 5.18 below shows the monthly bank account deposit by the respondents during pre and post MGNREGA periods.

**Table 5.18 : AVERAGE MONTHLY DEPOSIT IN BANK ACCOUNT**

<b>Bank deposits (₹)</b>	<b>Pre-MGNREGA</b>	<b>Post-MGNREGA</b>	<b>Percentage change (%)</b>
No Bank a/c	63	46	-26.98%
Below 500	25	29	16.00%
500-1000	35	31	-11.43%
1000-1500	15	26	73.33%
Above 1500	55	60	9.09%

*Source: Field Survey 2012*

**Graph 5.15**



The number of respondents with monthly bank deposits at the range of ₹1000-1500 has experienced the highest rate of growth at 73.33 % i.e from 15 to 26. Though the deposit of ₹500-1000 reported a fallback by 11.43 % during the same period, all other categories of deposits however experienced an increase. As a matter of fact we see an increase from 55 to 60 in the total number of respondents at the post MGNREGA period for the monthly deposit of ₹1500 and higher.

Parallel with the MGNREGA, the government is also conducting several other programmes for uplifting the status of the rural poor. These schemes are being implemented alongside each other to cater to specific problems for which they are specially designed. Therefore it is important that while analyzing the impact of one particular programme, inputs from other schemes should be taken into consideration. In other words, a beneficiary of one scheme is not

necessarily deprived from benefits arising out of other schemes. So, a particular household or respondent can be a beneficiary of multiple schemes which are implemented. Under such circumstance the issue of convergence between these schemes requires focus and attention.

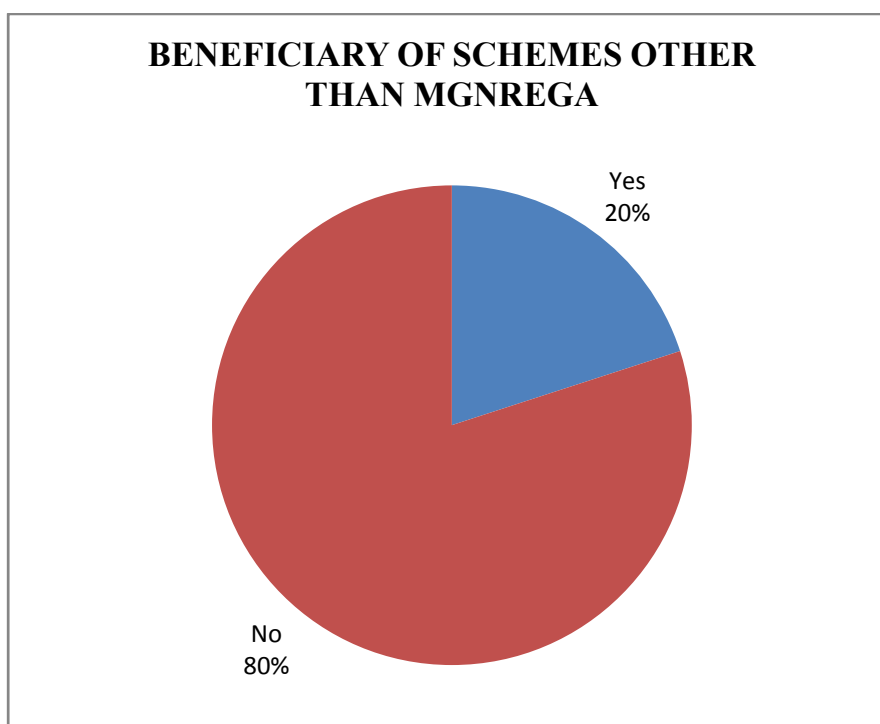
The study of Tlangnuam R.D. Block also reveals that there are as much as 39 out of 195 respondents who are beneficiaries of other scheme apart from MGNREGA. As shown in Table 5.19, this accounts for 20 % of the total respondents.

**Table 5.19 : BENEFICIARY OF SCHEMES OTHER THAN MGNREGA**

Status	Number of households	Percentage (%)
Yes	39	20.00%
No	156	80.00%

*Source: Field Survey 2012*

**Graph 5.16**



At Graph 5.16, the pie chart shows that among the respondents, 20% are beneficiaries of other schemes apart from MGNREGA. This is highlighted in blue. The majority i.e 80% of the respondents represented in red colour shows the beneficiaries of MGNREGA alone.

As has been witnessed in several of the above analysis, the MGNREGA has significant impact on the lives of the rural inhabitants within the area of study. However the problem of sustainability of such impact is always a big challenge. The below Table 5.20 shows the response of the households in respect of their opinion whether or not the scheme should be continued. As much as 190 of the 195 respondents stated that the scheme should be continued, while 3 voted against it.

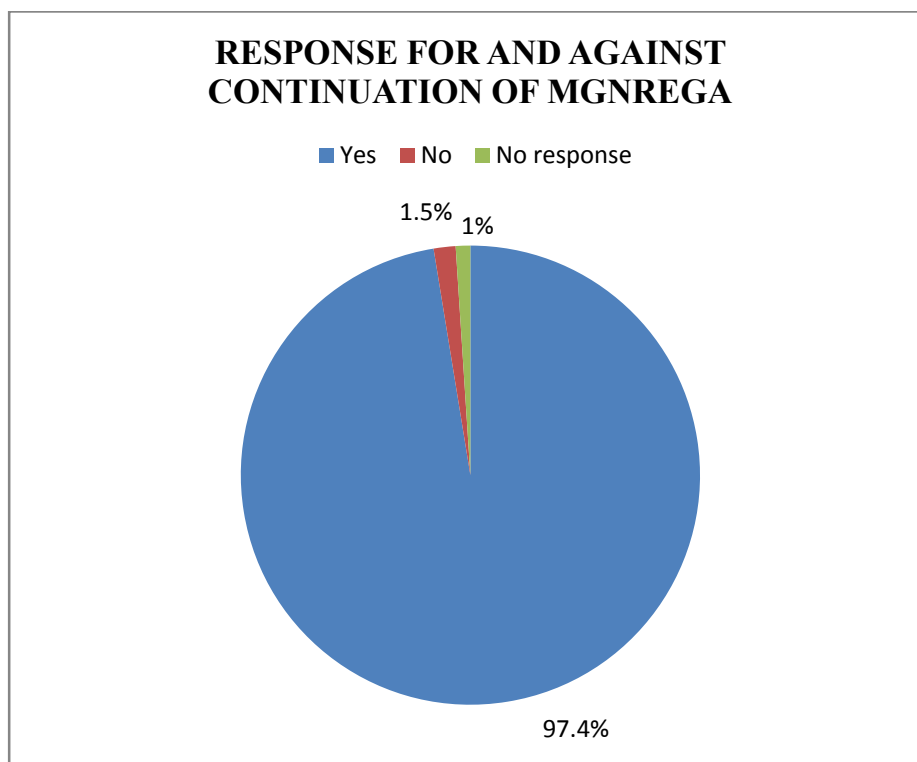
**Table 5.20 : RESPONSE FOR AND AGAINST CONTINUATION OF MGNREGA**

<b>Status</b>	<b>Number of households</b>	<b>Percentage (%)</b>
Yes	190	97.436%
No	3	1.538%
No response	2	1.026%

*Source: Field Survey 2012*

The graphical representation of table 5.20 is shown as a pie chart at Graph 5.17.

**Graph 5.17**



The pie chart shows that almost all of the respondents (97.43%) voted for the scheme to be continued. A mere 1.53% advocated discontinuation of the scheme by the Government.

Another scope of the present study is the affect of the scheme towards relieving the respondents of their hurdles on health related treatments and issues. A simple closed ended reply – ‘better’, ‘no change’ and ‘no comments’ are put forward for the respondents. The result is displayed at the Table 5.21 where 82 of the respondents claim to be better off as a result of becoming a beneficiary of MGNREGA. A total of 92 households reported having no change or benefit out of the scheme in matters pertaining to family health and related treatments. The remaining 21 however did not comment on the issue.

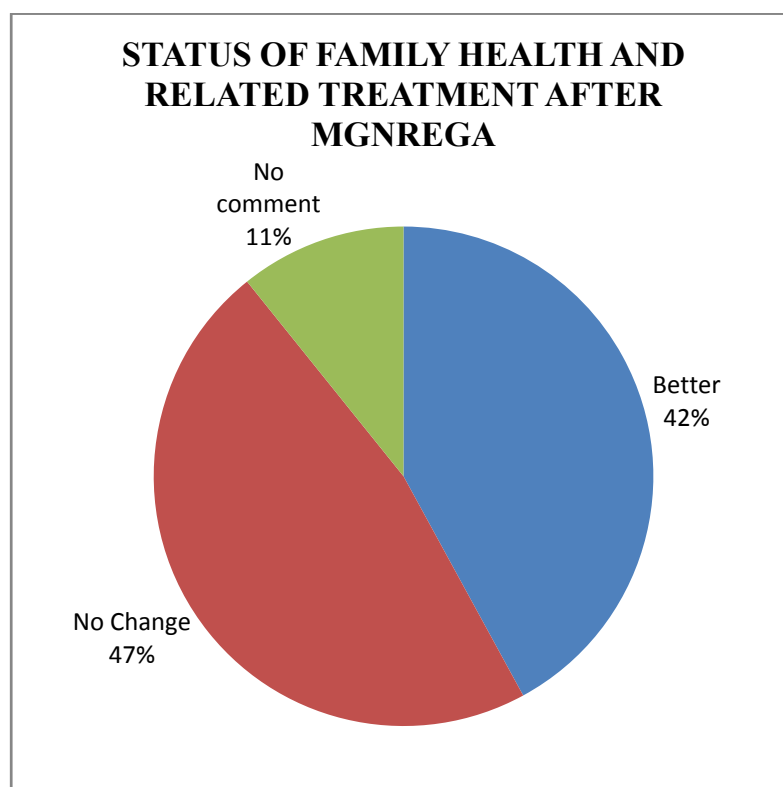
**Table 5.21: STATUS OF FAMILY HEALTH AND RELATED TREATMENT AFTER MGNREGA**

Status	Number of households	Percentage (%)
Better	82	42.05%
No Change	92	47.18%
No comment	21	10.77%

Source: Field Survey 2012

The Table 5.21 is depicted graphically at Graph 5.18.

**Graph 5.18**



The findings show that 47.18 % of the respondents experience no change in the status of family health at the post MGNREGA period, while 42.05 % admitted to be better off as a result of the scheme. It may however be



mentioned that information on the level of awareness on health schemes and other benefits of the MGNREGA have not been included in this present study.

The analysis of Table 5.21 and Graph 5.18 show that 42.05% of the respondents are at a better health status after joining the scheme, while 47.18% experienced no change, with the remaining 10.77% having no comments. This analysis clearly indicates the positive impact of the scheme in improving the status of the beneficiaries on health related treatment and issues.

## **5.2 SUGGESTIONS OF THE RESPONDENTS**

During the course of the field survey within the Tlangnuam R.D. Block, the respondents are requested to indicate their feedback on MGNREGA. Accordingly several respondents have shared their views and ideas on the scheme which have been incorporated as a separate section in this current findings and analysis. It should be noted that these comments and suggestions emerge from the very people who have experienced the scheme with their life. Therefore, they reflect not only the actual status of the implementation process involved, but also other important issues or lacunas which are to be addressed during the course of further applications of the scheme. These issues could then be attended in a manner in which they require attention. It is under such circumstance that the approach and the outcome would be made most effective and the purpose of the scheme realized.

The suggestions made by the respondents of Tlangnuam R.D. Block of Aizawl district during the course of the field survey are presented below:

1. Remuneration / wage should be increased to be at par with the local prevailing rates.
2. Increasing the total number of working days from 100 to 200 days per annum with effect from 2013 would greatly benefit the poor.
3. Existing works undertaken may be continued with better care and attention.
4. Maintenance of the completed works including those within individual land holdings is essential.
5. Importance should be given to smaller road networks and those leading to public water points.
6. The scheme should be allocated to village development and asset building.
7. Emphasis should be given to plantations, as the benefit can be realized even after many years.
8. Assistance to individual household in the scope of work may be increased.
9. The works undertaken at the site of the poor landholders should be continued.
10. The scheme may be improved in such a way that one can work within their own compound.
11. The place of work may be confined to one's own Village Council area.
12. a) The scheme should be emphasized and reviewed more aggressively and vigilantly.  
b) The mode of implementation of the scheme should be improved.  
c) The system of implementing the scheme should be more streamlined.

- d) There should be proper planning and schedule for at least a year in order to realize a successful implementation.
13. Housing assistance may be provided in the scheme.
  14. The scheme should be made exclusive for the poor with an income bracket of below ₹10,000, which will make it more beneficial for the poor.
  15. It is better to discontinue the scheme than to implement it in its present manner.
  16. Though the MGNREGA is a good scheme, the implementation by the Village Council is unsatisfactory, and therefore should be discontinued.
  17. Over and above these remarks, there was respondent who alleged being victimized as a result of discrimination by the Non-Mizo Village Councils in their Village.

The chapter analyzes the performance of the MGNREGA in the area of study based on the field survey. It is a representation of the actual status of the scheme in its process of implementation and the repercussions that follow. The study clearly signifies the impact of the scheme in different manners which are interpreted in the following chapter.

## **CHAPTER –VI**



**MAIN FINDINGS,  
SUGGESTED MEASURES  
AND CONCLUSIONS**

## **Main Findings**

The performance of MGNREGA in Tlangnuam R.D. Block of Aizawl district can be summarized categorically and explained based on the information compiled in the respective tables and graphs determined on the basis of the primary data collected during the course of the field survey. An analysis of the study exhibits the impact of the scheme and the magnitude of its influence on factors like increase in the level of income of the beneficiaries, shift in the consumption and expenditure pattern of the beneficiaries, and the effect on the occupational pattern of the beneficiaries within the jurisdiction of the study.

The main findings of the study may be highlighted as under:

1. The study shows that within the Tlangnuam R.D. Block, very high percentage of respondents join the scheme during the year 2008, which is the time when the scheme was first launched in Aizawl district. Therefore the magnitude of the overall survey result is no doubt, highly influenced by those that have joined during this period.
2. The study also indicates that for most of the respondents the scheme had increased their job opportunities, hence had benefited the rural inhabitants by way of generating more employment prospects. This justifies the research question on consumption pattern and increase in the level of income of the beneficiaries, since with better job opportunities there are

better prospects for higher income, which will have impact on the consumption and expenditure pattern.

3. It has also been found that the occupational pattern of the respondents is not altered significantly for both the pre and post MGNREGA periods. Cultivation has been the major occupation, followed by daily labour and petty shop/business for both the periods. Among the beneficiaries there were some government servants for whom the MGNREGA has no effect on the occupational pattern. It can be seen from the study that while the changes are still marginal, the occupational pattern has slowly shifted from cultivation to those oriented towards petty shop/ business as a result of the scheme. This is also evident in support of the research question that the MGNREGA has brought changes in the occupational pattern of the beneficiaries.
  
4. The study also reveals changes in the income pattern as a result of MGNREGA implementation. While there is a decrease in the quantity of households in the lower income brackets, there is an increase in the total number of households at the higher income brackets. Thus, the respondents not only experienced transformation in their income pattern as they join the scheme, but they also benefit from it by way of higher income levels. This reflects the nature of the research question on the impact of the scheme on income.

5. The findings also show that as the income of the beneficiaries increases, there is a tendency of the households to increase the expenditure on different heads of expenses like food, non-food items and other assets. Though bulk of the respondents reported having no change in their mode of expenditure after joining the scheme, yet, there are no reports however on any household experiencing a decline in their expenditure. Therefore, the fact that 12% of the respondents experience increase in their household expenditure is again another indication in support of the research question that the MGNREGA helps the poor in making a paradigm shift in their expenditure pattern.
  
6. The status of possessing more livestock by the household can be an indicator of better economic situation. The findings of the study show that, the MGNREGA has helped the beneficiaries to gradually own more livestock, which is an indication of better economic status as the family joins the scheme. This is another reference in response to the research question on MGNREGA towards change in the occupational pattern of the beneficiaries.
  
7. Every family requires a house to live in. The study also focuses on the changes in infrastructure that took place over the years among the respondents. The observation shows that, within the area of study, majority of the respondents have their own house, a little less than quarter of the respondents are still without a house of their own. Though a couple of

promising improvements have been witnessed, the scheme at the overall status has not made a significant change in the possession of houses.

8. The study shows that as the income increases, the nature of expenditure on assets also slowly changes. Primarily, a household which live off its limited resource would tend to focus the income solely on food and the few remaining on assets which are most essential for the household to possess. However as the income increases and the purchasing power becomes better, procurement of luxury items and other additional assets constitute the item of expenditure. The scheme has significantly contributed towards increase in household assets, vehicles and other utility items. The findings also reveal that the expenditures of the households have increased substantially as a result of the MGNREGA. Assets which can be categorized under luxury items like, television, mobile phones, washing machines etc constitute the major component of the assets newly possessed during the post MGNREGA. This also reflects the research question on paradigm shift in their consumption and expenditure pattern in that, the mode of consumption and expenditure are slowly undergoing transformation where the family can prioritize its requirements.
  
9. The analysis of the weekly expenditure of households on food items show increasing number of households as we move upward to higher expenditure brackets displaying higher tendency to spend at the post MGNREGA



period. This finding also is a response to the research question on paradigm shift in the consumption and expenditure pattern of the beneficiaries.

10. The study also indicates that the weekly expenditure on non-food items like soap, makeup, firewood, kerosene, cable TV, phone/mobile bill, tobacco products etc shows little change in the overall result. However the number of respondents decreases at a lower expense bracket and increase most at the higher expenditure bracket for the post MGNREGA period.

11. In general the result of the increase in income has led to a consequent increase in the expenditure on food as well as non-food items. Though the degree of increase is higher for food items, nonetheless, the whole community is experiencing an overall increase in their expenditure as compared to the pre MGNREGA period. This is another significant observation in support of the research question about the determination of MGNREGA's impact on consumption and expenditure. Though appreciations in the weekly expenditure on food and non-food items have been witnessed, the rate of increase in food items greatly surpasses that of the non-food items. The study thus, shows that the scheme has substantially been able to help the poor in making a paradigm shift in their consumption and expenditure pattern.

12. From the study on weekly expenditure on clothes it can be seen that there is very little change in the pattern of the weekly expenditure on clothes for

both the pre and post MGNREGA periods. Therefore unlike the findings on the expenditure pattern of households on food and non-food items, the pattern on clothes has not undergone much change even after implementation of the scheme. But a tendency of households to slowly increase their expenditure on clothes as a result of the scheme can be seen emerging.

13. Taking into consideration the overall pattern of expenditure of the respondents on food items, non-food items and clothes at the post MGNREGA period, it can be seen that the volume of expenditure is elastic for food items, a little rigid for non-food items, and highly inelastic for expenditures on clothes. It can also be understood that, though the MGNREGA has been able to improve the basic livelihood of the beneficiaries reflected in the pattern of increased expense on food and non-food items, the level of boost it has generated to the household is still limited to providing ends meet. This is evident from the pattern of expenditure on clothes for both pre and post MGNREGA which is concentrated at the lowest expenditure bracket and highly inelastic.

14. With reference to the different components of the households' annual expenditures like food items, health, school fee, livestock feed, fuel and others, it can be seen that the biggest component of the annual expenditure of respondents is on food items. In the mean time, at the post MGNREGA a quarter of the respondents have reported having no change in this biggest

component, while almost 2/3 of respondents were unable to decide their status.

15. Migration due to poverty is one of the significant incidents plaguing the rural inhabitants. Efforts have been made to address this incident of rural-urban migration resulting out of poverty, unemployment and related issues. In Tlangnuam R.D. Block, due to the locations of the villages which are within close proximity with Aizawl-the capital city of Mizoram, there are very less incidents of migration into the city for both pre and post MGNREGA periods. Therefore, the finding indicates that unlike the pattern witnessed in most parts of the country, the beneficiaries of MGNREGA from Tlangnuam R.D. Block do not move to the urban areas for search of better employment. Therefore, the ability of the scheme in curtailing rural-urban migration in the area of study may not be correctly reflected for this particular region.

16. Status of bank accounts and bank deposits of the beneficiaries is another indicator of economic status of the beneficiaries. The study shows that the tendencies of the household to deposit more money in the banks tend to increase at the higher deposit bracket as the family joins the MGNREGA. In other words, the bank deposits increases as the household joins the scheme. This is also consistent with the research question on the impact of the scheme towards an increased level of income of the beneficiaries.

17. The Government is also conducting several other programmes for uplifting the status of the rural poor apart from the MGNREGA. It is important that while analyzing the impact of one particular programme, inputs from other schemes should be taken into consideration since a particular household or respondent can be a beneficiary of multiple schemes which are implemented. As much as one fifth of the respondents are beneficiaries of schemes other than MGNREGA. Under such circumstance the issue of convergence between these schemes requires focus and attention.

18. The present study also looks into the affect of the scheme towards relieving the respondents of their hurdles on health related treatments and issues. About half of the respondents reported getting positive health benefits after joining the scheme, while the other half does not experience any change. Nonetheless, this indicates a positive impact of the scheme in improving the status of the beneficiaries on health related treatment and issues.

19. As the MGNREGA has significant impact on the lives of the rural inhabitants within the area of study, majority of the respondents opined that the scheme should be continued.

## **Suggested Measures**

The MGNREGA is an important mission undertaken by the Government for alleviating the rural poor. The magnitude of the focus of the Government towards the scheme can also be witnessed from the amount of funds that it has injected into the scheme. The fact that it is an important and instrumental programme has on the contrary made it susceptible to certain leakages and prone to misconducts by the functionaries and others involved in it, depriving the targeted segments from the benefits for which the scheme itself has been designed.

Therefore, care should be taken to deeply understand and monitor the actual scenario of the implementation process and the output that follows. In order to widen the horizon on the perception of ground reality at site, and the level in which the objectives of the scheme have been realized, some suggestions have been underlined based on the present study and the analysis as follows:

1. It is importance to understand that certain basic public facilities like healthcare, education, banking, water supply, power supply, means of communications, markets etc are required in the rural areas in order to experience a better quality of living. Addressing these factors become equally important as with those that provide direct benefits to the poor. Therefore, while focusing on the subject matter of the rural employment generation, the prospects that influence the quality of life also require a

comprehensive attention. It follows that, generating extra income alone can not solve the empirical problem associated with rural poverty. In view of the above, it is important to have opportunities and market access from multiple dimensions which will look into the issues related to the above highlighted basic public facilities. Given natural, physical and human resource profile of a local region, any intervention to attack poverty and improve quality of living of rural communities obviously involves a matching of the aspirations of the people, on the one hand and the supply of technology, skills and resources from outside that are necessary but not available with the communities, on the other.

2. The wages for the MGNREGA labours, especially in a state like Mizoram, needed to be revised upward. The present wage rate under MGNREGA which was effective from April, 2012 is ₹136 (Gazette of India, 2012). Meanwhile, the prevailing local rate for unorganized unskilled labour in Mizoram is ₹250 per day. This rate is mainly influenced by the region's remote location, poor infrastructural facilities associated with high rates of inflation. Therefore, notwithstanding the rates implemented elsewhere in other states, the wide gap between the wages paid under MGNREGA and the local prevailing unorganized unskilled labour rate has created hindrances attributable to inadequacy in making ends meet.

3. Re-interventions in areas where the works have already been taken up and completed may be undertaken based on the local needs and nature of the work. This has been categorically indicated by some beneficiaries during the course of the field survey as there are tasks which require periodic interventions.
  
4. While the MGNREGA is progressing in its objectives of generating employment to alleviate the status of the rural poor, there are several developmental schemes which are being implemented simultaneously for the same targeted segment of the population. To empower MGNREGA and increase the productivity of assets and resources so as to touch those aspects of sustainable rural development, convergence with other schemes relating to agriculture, forests, water resources, land resources and rural roads is an important suggestion made in this regard. This may include not only of Government schemes, but also of private and community endeavors so as to strengthen efficacy of MGNREGA beyond the limited goal of creating employment for unskilled labours.
  
5. There are several instances where the beneficiaries suggested careful and judicious monitoring of the scheme. In this regard, the Government has to constantly undertake steps to ensure that the benefits are justified and reached and free from the problems of corruption.

6. The communication channels should be made more effective to make rural inhabitants understand the processes and features of the scheme. Participation of people in the core process of its implementation is very much essential in deciding the village infrastructure requirements. Therefore, in-depth knowledge and active participation of the people for fruitful results should be undertaken through the use of communication channel and other forms of media.
  
7. During the course of the field survey, discrepancies in the job cards have been identified, where holders of job cards have migrated or could not be located at all. The issue has been one of the hindrances even during the course of the field survey. Under such circumstance, proper guidance and training is required for the functionaries who maintain the records. It is essential to streamline the systematic Management Information Systems for assuring better transparency and efficiency in the system. The issue of fake job card can result in leakages in several layers, and therefore should be carefully understood and tackled.
  
8. The purpose of the scheme is to provide unskilled manual work to the rural poor who have volunteered for work. However the field survey conducted has revealed that even those who are employed otherwise almost throughout the year, have registered themselves for employment support from the scheme. There are cases where even those households with Government employees among its members have registered for the work. As such



respondents indicate no beneficial alteration in their final assessment, it could be a case of opportunists seeking advantage out of such schemes. Registration of such beneficiaries who have no obvious substantial benefits from the scheme may be reconsidered and the funds reallocated to other productive means.

9. Among many others, the scheme has also been projected to promote the provision of irrigation facility to the land holdings of individual beneficiaries as far as applicable. However suggestions and feedbacks from the respondents reveal that there are beneficiaries who are misguided and expecting to be paid by the Government while attending their personal daily work in their own field / land holdings. This finding may indicate an emergence of a new characteristic of beneficiaries which are solely instigated by their selfish ends, with no marginal improvements whatsoever. Though interventions exist in private land holdings, such aspects should also be carefully examined and discouraged as it could negatively influence the general work culture.

10. On September 11, 2012, the Empowered Group of Ministers (EGoM) of the Government of India, headed by the Union Agriculture Minister approved raising the number of work days from 100 to 150 in the drought affected states of Karnataka, Gujarat, Maharashtra and Rajasthan for one year (<http://www.ias100.in/>). Likewise, as has also been suggested by some of the respondents during the field survey, if the number of days is increased

to more than 100 days uniformly across the board for all the beneficiaries in all the states, it would help improve the income level of households who primarily depend on the scheme for their livelihood. Or a more or less similarly approach can be formulated where a system of 100 days guarantee is charged per individual and not per household.

11. Fixation of income ceiling as eligibility criteria to be a beneficiary of the scheme is another issue which can be considered further in a more exhaustive manner. During the course of the field survey it was observed that, even within these 13 villages in Tlangnuam R.D. Block, there were marked differences in the income brackets. This is evident from the trends of monthly household income and the compiled monthly deposits in the respective bank accounts for each village. While more than 40% of respondents in Sairang and Sihphir villages are with monthly income of above ₹15,000, there are no beneficiaries within such income bracket in N.Lungleng, Tuirial and Samtlang villages. Furthermore, while more than 40% of the respondents in Sihphir, Sihphir Vengthar, Sairang and Sairang Dinthar villages have monthly bank deposits of above ₹1,500, there is no deposit for such bracket in Muthi. 60-70% of the respondents in Muthi and Tuirial Airfield do not even have bank account. Therefore, in order to focus the attention on the needy and usher economic assistance to them through the scheme, it is essential to concentrate the efforts on such section of the society who can distinctively be determined based on income ceiling.

12. Through awareness campaigns the rural residents can be made to understand the full extent of the scheme and underlying features. Conducting such activities at regular intervals of time would also prove beneficial to the targeted segments due to their lack of intelligence and uninquisitive nature which sometimes result in complete ignorance of their entitlements, benefits and other requisites. Awareness committees can be formed consisting of educated youth with an endeavour to promote the comprehensive awareness of the programme to the masses. Thus far, it appears that there is a requirement of continuous endeavour and efforts towards creating adequate awareness on different provisions of MGNREGA amongst the people.

13. At the national level several reports on MGNREGA and other guidelines have been generated at regular intervals of time. Apart from these, research and other information on the analysis of the performance of MGNREGA are also available at the national, specific areas and regional levels for other parts of the country. Unfortunately, such information is much inadequate for the state of Mizoram, with the result that literature on the subject matter for the state of Mizoram in order to conduct comprehensive study is very limited. Promotion of such studies with special reference to Mizoram or the areas within would conclude in better understanding of the performance of the scheme in Mizoram and formulation of further action plans.

## **Conclusion:**

MGNREGA is primarily aimed at reducing poverty through generation of employment and enhancing the purchasing power in the hands of the rural poor. It is the flagship programme of the Government for eradicating rural poverty and unemployment. It generates demand for productive labour force in villages. It provides an alternative source of livelihood which aimed at reducing migration, alleviating poverty, and making villages self-sustaining through productive assets creation such as road construction, construction of Reinforced Cement Concrete (RCC) slab culvert and bridges, construction of water tanks, clearance of jungle for fire protection, soil and water conservation work, etc.

It is important to understand that the success of the scheme depends upon its proper implementation. To examine and analyze the performance of the scheme in the selected area, a field study was carried out within the Tlangnuam R.D. Block of Aizawl District consisting of 13 villages located within the nearby regions of Aizawl, the capital city of Mizoram. The study examined the impact of the MGNREGA as measured by the changes in expenditure and income level and other physical and health indicators on rural livelihoods. Using a stratified random sampling method, a total of 195 beneficiaries were selected. Close ended questionnaires were used to gather information from all the stakeholders in MGNREGA.

By comparing the monthly income of beneficiaries before MGNREGA and after MGNREGA, it was found that within the income bracket of ₹10,000-

15,000 per month, the total number of beneficiaries have increased by 51.52%, while a substantial decrease of up to 40.98% for the income bracket of below ₹5000 per month was observed. Likewise, a 12.44% increase in household expenditure has been observed. It was also found that there was a significant increase of 56% for the weekly expenditure on food items in the expenditure bracket of ₹1000-1500, while the bracket of ₹500-1000 experienced a reduction by 28.13%. This is true even for the non-food items which saw an increase of 12.50% in the weekly expenditure bracket of ₹1000-1500 and a reduction by 7.14% for the expenditure bracket of below ₹500.

Apart from these, there were 81.63% of the respondents claiming the MGNREGA has increased their job prospects, a total of 4 newly constructed houses, increasing trend in possession and procurement of assets (Table 5.11), 73.33% increase in bank deposits in the deposit bracket of ₹1000-1500 per month and 42.05% of respondents indicating a better health treatment status because of the scheme.

As regards to rural-urban migration within Tlangnuam R.D. Block, it can be seen that due to the locations of the villages which are within close proximity with the main city of Aizawl, there were insignificant incidents of urban-migration during the pre and post MGNREGA periods. This analysis suggests that the beneficiaries of MGNREGA from Tlangnuam R.D. Block do not move to the urban areas for search of better employment.

In the mean time, the status of the scheme has also been publicly reflected in the media by some observers including senior political figures as unethical and disruptive to the work culture (Vanglaini, 2012). Therefore, care should be taken to understand and manage the overall process, which would help to integrate the manner of its implementation and orient the system for generation desired output.

MGNREGA is a programme that has immense potential to improve the gap between urban and rural India leading to rural development and provide a stable income for the workers. The study reveals that despite numerous problems, MGNREGA is a program that has begun to make a difference in the lives of the rural inhabitants. These results suggest that the scheme has a significant impact on alleviating rural poverty.



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**APPENDIX**



# QUESTIONNAIRE

Code:

## SURVEY ON MGNREGA

NAME OF HEAD OF THE FAMILY : \_\_\_\_\_

VILLAGE/LOCALITY : \_\_\_\_\_

HOUSE NO : \_\_\_\_\_

*Declaration : This survey is designed only for the job card holders of MGNREGA. Both personal and family information provided in this survey are not intended for distribution and circulation to other parties. I earnestly request the participants to indicate and provide honest answers.*

*Joseph Lalremsanga,  
MPhil Scholar, Deptt of Economics,  
Mizoram University; 2012*

**Tick (✓) the correct answer only.**

1. When did you join the MGNREGA ?

a. 2008

d. 2011

b. 2009

e. 2012

c. 2010

2. Do you think MGNREGA has increased the job prospects for your family?

a. Yes

b. No

c. No opinion

3. State the main occupation of your family before joining MGNREGA.
- Farming
  - Daily labour
  - Petty shop/ business
  - Others \_\_\_\_\_
4. After joining MGNREGA what other occupations do you have?
- Farming
  - Daily labour
  - Petty shop/ business
  - Others \_\_\_\_\_
5. What was your monthly family income before joining MGNREGA?
- Below ₹5000
  - ₹5000 – ₹10,000
  - ₹10,000 – ₹15,000
  - Above ₹15,000
6. What is your monthly family income after joining MGNREGA?
- Below ₹5000
  - ₹5000 – ₹10,000
  - ₹10,000 – ₹15,000
  - Above ₹15,000

7. Having joined the MGNREGA, has there been any increase in different aspects of your family expenditure?

- a. Yes
- b. No
- c. No change

8. How many livestock does your family own before joining MGNREGA?  
Example cow, goat, mithun, pig etc.

- a. Less than 10
- b. 10-20
- c. 20-30
- d. More than 30

9. How many additional livestock does your family own after joining MGNREGA? Example cow, goat, mithun, pig etc

- a. Less than 10
- b. 10-20
- c. 20-30
- d. More than 30

10. Does your family own a house before joining the MGNREGA?

- a. Yes
- b. No

11. Does your family own a house/additional house after joining the MGNREGA?

- a. Own new house
- b. Own additional house
- c. Does not own

12. Before joining the scheme, which of the below listed assets does your family own?

- |                    |                      |
|--------------------|----------------------|
| a. Washing machine | h. Steel almirah     |
| b. Fridge          | i. Pressure cooker   |
| c. TV              | j. Bicycle           |
| d. Computer        | k. Bike              |
| e. Mobile phone    | l. Scooty            |
| f. Sewing machine  | m. Music system/Tape |
| g. Water pump      | n. Others _____      |

13. Having joined the scheme, which of the below listed assets does your family own/newly own?

- |                    |                      |
|--------------------|----------------------|
| a. Washing machine | h. Steel almirah     |
| b. Fridge          | i. Pressure cooker   |
| c. TV              | j. Bicycle           |
| d. Computer        | k. Bike              |
| e. Mobile phone    | l. Scooty            |
| f. Sewing machine  | m. Music system/Tape |
| g. Water pump      | n. Others _____      |

14. As regards to family health and related treatments, is your family better or worse after joining the MGNREGA?

- a. Better
- b. Worse
- c. No change
- d. No comment

15. Before joining the scheme, state the average weekly expenditure of your family on rice, meat, vegetables, cookies, milk and other food items.

- a. Less than ₹500
- b. ₹500 - ₹1,000
- c. ₹1,000- ₹1,500
- d. Above ₹1,500

16. Having joined the scheme, state the average weekly expenditure of your family on rice, meat, vegetables, cookies, milk and other food items.

- a. Less than ₹500
- b. ₹500 - ₹1,000
- c. ₹1,000- ₹1,500
- d. Above ₹1,500

17. Before joining the MGNREGA, state the average weekly expenditure of your family on non-food items like soap, makeup, firewood, kerosene, cable TV, phone/mobile bill, tobacco products etc.

- a. Less than ₹500
- b. ₹500 - ₹1,000
- c. ₹1,000- ₹1,500
- d. Above ₹1,500

18. Having joined the MGNREGA, state the average weekly expenditure of your family on non-food items like soap, makeup, firewood, kerosene, cable TV, phone/mobile bill, tobacco products etc.

- a. Less than ₹500
- b. ₹500 - ₹1,000
- c. ₹1,000- ₹1,500
- d. Above ₹1,500

19. Before joining the MGNREGA what was your average monthly expenditure on clothes?

- a. Below ₹1,000
- b. ₹1,000 - ₹2,000
- c. ₹2,000- ₹3,000
- d. Above ₹3,000

20. After joining the MGNREGA, what is your average monthly expenditure on clothes?

- a. Below ₹1,000
- b. ₹1,000 - ₹2,000
- c. ₹2,000- ₹3,000
- d. Above ₹3,000

21. Before joining the MGNREGA what is the biggest component of your family's annual expenditure?

- a. Food items
- b. Health
- c. Clothes
- d. Others \_\_\_\_\_

22. After joining the MGNREGA has there been any change in the biggest component of your household's annual expenditure?

- a. Yes
- b. No
- c. Don't know

23. Before joining MGNREGA, were there any members of your household who have migrated to urban areas for want of better job prospects?

- a. Yes
- b. No

24. If yes, are there any such members who have returned back to the village after your family has joined the MGNREGA?

- a. Yes
- b. No
- c. Not migrated in the first place

25. After joining MGNREGA, are there any members of your family who have migrated to urban areas for want of better job prospects?

- a. Yes
- b. No

26. Before joining the MGNREGA if your family has a bank account, state the approximate amount which you could deposit in that account.

- a. Below ₹500
- b. ₹500 – ₹1,000
- c. ₹1,000 – ₹1,500
- d. Above ₹1,500
- e. No Bank account

27. After joining the MGNREGA if your family has a bank account, state the approximate amount which you could deposit in that account.

- a. Below ₹500
- b. ₹500 – ₹1,000
- c. ₹1,000 – ₹1,500
- d. Above ₹1,500
- e. No Bank account

28. After joining the MGNREGA if your family has a bank account, state the approximate amount which you could deposit in that account.



- a. Below ₹500
- b. ₹500 – ₹1,000
- c. ₹1,000 – ₹1,500
- d. Above ₹1,500
- e. No Bank account

29. Is your household beneficiary of any other schemes other than MGNREGA?

- a. Yes
- b. No

30. Do you think MGNREGA should continue? Give suggestions for improvement of the scheme if any?

- a. Should continue
- b. Should not continue

Suggestion: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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