

**FUNCTIONING OF MNREGA AND ITS IMPACT ON  
CONSUMPTION PATTERNS OF HOUSEHOLDS IN  
KOLASIB DISTRICT OF MIZORAM**

Thesis Submitted for the Award of the Degree of  
**MASTER OF PHILOSOPHY IN COMMERCE**

By  
**Ngurthanzuali Sailo**  
MZU/MPhil/64/08.06.2011



Under the Supervision of  
**Dr. Bhartendu Singh**

DEPARTMENT OF COMMERCE  
SCHOOL OF ECONOMICS, MANAGEMENT AND INFORMATION SCIENCES  
MIZORAM UNIVERSITY, AIZAWL-796 004

JUNE, 2012



**Dr. Bhartendu Singh**  
Associate Professor & Head

**मिज़ोरम विश्वविद्यालय MIZORAM UNIVERSITY**

**वाणिज्य विभाग DEPARTMENT OF COMMERCE**

**आइज़ल- ७९६००४, मिज़ोरम AIZAWL-796004, MIZORAM**

### **CERTIFICATE**

This is to certify that the thesis entitled “Functioning of MNREGA and Its Impact on Consumption Patterns of Households in Kolasib District of Mizoram” submitted to the Mizoram University for the award of the degree of Master of Philosophy in Commerce, is a record of research work carried out by Ngurthanzuali Sailo under my supervision.

She has fulfilled all the requirements laid down in the M. Phil regulations of Mizoram University. The thesis is the result of her investigation into the subject. Neither the thesis as a whole nor any part of it was ever submitted to any other University for any research degree.

Dated:

Place: AIZAWL

(Dr. BHARTENDU SINGH)  
Supervisor

## **DECLARATION**

I Ngurthanzuali Sailo, hereby declare that the subject matter of this thesis is the record of work done by me, that the contents of this thesis did not form bias of the award of any previous degree to me or to the best of my knowledge to anybody else, and that the thesis has not been submitted by me for any research degree in any other University/Institute.

This is being submitted to the Mizoram University for the degree of Master of Philosophy/Doctor of Philosophy in Commerce Department.

Date: 28<sup>th</sup> June 2012

(Ngurthanzuali Sailo)

Place: Aizawl, Mizoram

Research Scholar

## **Preface**

The MNREGA was legislated to tackle the problem of unemployment in rural India. It was passed in the Lok Sabha in August, 2005, and was initially named The National Rural Employment Guarantee Act (NREGA). It came into force in February, 2006 in selected 200 poorest districts. This legislation was renamed as Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) on 2<sup>nd</sup> October, 2009. It is now popularly known as MNREGA or MGNREGA. In this study NREGA, MGNREGA and MNREGA has been used as synonymous to each other. It now covers the entire country. It guarantees 100 days of work to each rural household whose adult member is willing to do manual work at the prevailing minimum wage rate

The study uses primary as well as secondary data. Secondary data is collected from publications from various journals, books, research reports and other publications from government and non-government sources. The primary data is collected through a structured schedule as well as from observations and informal interviews. The study uses statistical tools like Wilcoxon Signed Rank Test and percentiles. For displaying of figures, tables and pie diagrams are utilised.

The study is broadly divided into five chapters which are:

1. Introduction
2. MNREGA: An Overview
3. Functioning of MNREGA in Kolasib District
4. Impact on Consumption Patterns of households

## 5. Conclusions and Suggestions

Chapter 1 highlight about the meaning of MNREGA and the need of the study of MNREGA impact in consumption patterns of households in Kolasib Distrist.

Chapter 2 explains the functioning of MNREGA in India as a whole. It explains the objectives of the Act and the implications of the Act and the implementation of the Act.

Chapter 3 explains the implementation of the Act in Kolasib District.

Chapter 4 interpretes and analyses the data collected.

Chapter 5 gives the conclusions and suggestions of the study.

## ACKNOWLEDGEMENT

I would like to thank the '*Almighty God*' for giving me protection throughout my work and also providing me with good health to finish this dissertation.

My indebted gratitude goes out to my supervisor, *Dr. Bhartendu Singh*, Head of Department, Department of Commerce, Mizoram University, Aizawl for his unlimited encouragement and guidance throughout my research. He is my source of inspiration and motivation in completing this work.

I also thank all the *faculty members at Department of Commerce, Mizoram University, Prof. NVR Jyoti Kumar , Dr. Rokendro Singh, Dr. AN Shankar , Dr Rama Ramswamy and Dr Laldingliana Sailo* for their guidance throughout my work.

A special gratitude goes to *DEGSU Cell, Project Veng, Kolasib* for helping and guiding me in my work and for providing me with helpful informations. I also acknowledge my gratitude to *all the respondents* who kindly took the time to answer my questionnaires and help me complete my work.

I would also like to thank my classmates *Michael Lalrinmawia* and *F.Brenda Sangdingliani* for lending me a helping hand during my research work.

Lastly, I would like to extend my heartfelt gratitude to *my family and friends*, who provided me with support and patience during my studies. Without their love, help and encouragement this work would have never been completed.

Date:28<sup>th</sup> June 2012

(Ngurthanzuali Sailo)

Place: Aizawl, Mizoram

Research Scholar

<b>Chapter</b>	<b>CONTENTS</b>	<b>Page No.</b>
	<b>Certificate</b>	
	<b>Declaration</b>	
	<b>Preface</b>	<b>i-ii</b>
	<b>Acknowledgement</b>	<b>iii-iv</b>
	<b>Contents</b>	<b>v</b>
	<b>List of Tables</b>	<b>vi</b>
	<b>List of Figures</b>	<b>vii</b>
	<b>List of Abbreviations</b>	<b>viii</b>
<b>I</b>	<b>Introduction</b>	<b>1-20</b>
<b>II</b>	<b>MNREGA: An Overview</b>	<b>21-46</b>
<b>III</b>	<b>Functioning of MNREGA in Kolasib District</b>	<b>47-68</b>
<b>IV</b>	<b>Impact on Consumption Patterns of Households</b>	<b>69-97</b>
<b>V</b>	<b>Conclusions and Suggestions</b>	<b>98-109</b>
	<b>Bibliography</b>	<b>ix-xiv</b>
<b>Appendices</b>	<b>Schedule (English)</b>	<b>xv-xxvi</b>
	<b>Schedule (Mizo)</b>	<b>xxvii-xxxviii</b>



**LIST OF TABLES:**

<b>Table Number</b>	<b>Name of Table</b>	<b>Page Number</b>
1.	Employment generated during the financial year 2010-2011	7
2.	Village Councils in Bilkhawthlir Block of Kolasib District, Mizoram	17
3.	Village Councils in Thingdawl Block of Kolasib District, Mizoram	18
4.	Name and Number of Job Card Holders (2010-11) in Sample Village Councils	19
5.	Circular fo Payment of Wages	54
6.	Expenditure during April 2011-December 2011 (Wages, Material and Administration)	67
7.	Occupation of respondents	69
8.	Educational level of respondents	72
9.	Average number of days respondents enjoy employment in a year before MNREGA job	74
10.	Average earnings of individual respondent and the respondent's household before MNREGA	76
11.	Approximate Percentage which respondents are at liberty to spent from MNREGA Wages	79
12.	Reduction of stress on respondents through MNREGA wages	81
13.	Reduction of household arguments over monetary issues through MNREGA	83
14.	Lesser seasonal distress due to MNREGA wages	84
15.	Increase in food security as a result of MNREGA	87
16.	Average amount spent on personal healthcare the year before and after getting MNREGA wages	89
17.	The average amount spent on personal consumption the year before and after getting MNREGA wages	92
18.	The average amount spent on household durables the year before and after getting MNREGA wages	94
19.	The average amount spent on household non durables the year before and after getting MNREGA wages	96

## LIST OF CHARTS

<b>Chart Number</b>	<b>Name of Chart</b>	<b>Page Number</b>
<b>1.</b>	<b>Occupation of the respondents</b>	<b>70</b>
<b>2.</b>	<b>Educational level of Respondents</b>	<b>73</b>
<b>3.</b>	<b>No. of Days respondents get employment in a year before MNREGA</b>	<b>75</b>
<b>4.</b>	<b>Average Annual (Personal and Household) income of respondents before MNREGA</b>	<b>77</b>
<b>5.</b>	<b>Percentage of their wages which respondents are at liberty to spent</b>	<b>80</b>
<b>6.</b>	<b>Reduction of stress levels on Respondents</b>	<b>82</b>
<b>7.</b>	<b>Lesser Seasonal Distress</b>	<b>86</b>
<b>8.</b>	<b>Positive Impact on food security due to MNREGA</b>	<b>88</b>
<b>9.</b>	<b>Increase in Consumption of healthcare after MNREGA wages</b>	<b>90</b>
<b>10.</b>	<b>Increase in Personal Consumption after getting MNREGA wages</b>	<b>93</b>
<b>11.</b>	<b>Average increase in household durables after MNREGA wages</b>	<b>95</b>
<b>12.</b>	<b>Average Increase in Consumption of household non-durables after getting MNREGA wages</b>	<b>97</b>

## **ABBREVIATIONS**

- 1. NREGA-National Rural Employment Guarantee Act**
- 2. MNREGA/MGNREGA- Mahatma Gandhi National Rural Employment Guarantee Act**
- 3. BPL-Below Poverty Line**
- 4. SC-Scheduled Caste**
- 5. ST-Scheduled Tribe**
- 6. OBC-Other Backward Class**
- 7. DEGSU-District Employment Guarantee Scheme Unit**
- 8. NDP-Net Domestic Product**
- 9. PMGSY-Pradhan Mantri Gram Sadak Yojana**
- 10. RD-Rural development**
- 11. MORD-Ministry of Rural Development**
- 12. GP-Gram Panchayat**
- 13. EOI-Expression of Interest**
- 14. RFQ-Request for Qualification**
- 15. PRI-Panchayati Raj Institution**
- 16. UT-Union Territory**
- 17. MP-Member of Parliament**
- 18. MLA-Member of Legislative Assembly**
- 19. PHE-Public Health Engineer**
- 20. KVIC-Khadi and Village Industries Commission**
- 21. NGO-Non Government Organisation**
- 22. MP-Member of Parliament**
- 23. DRDA-District Rural Development Agency**
- 24. VLA-Village Level Administrative Assistant**
- 25. IEC-Information Education and Communication**
- 26. EPIC-Electronic Privacy Information System**
- 27. MIS-Management Information System**
- 28. BNRGSK-Bharat Nirman Rajiv Gandhi Seva Kendra**
- 29. VC-Village Council**
- 30. ICT-Information and Communication Technology**
- 31. PO-Programme Officer**
- 32. DPC-District Programme Coordinator**
- 33. GPS-Global Positioning System**
- 34. LDC-Lower Divisional Clerk**
- 35. HSLC-High School Leaving Certificate**
- 36. HSSLC-Higher Secondary School Leaving Certificate**

## BIBLIOGRAPHY

Ambasta, P, Shankar, PSV & Shah, M (2008), '*Two Years of NREGA: The Road Ahead*', Economic and Political Weekly, Feb 23, 2008. pp. 41-50

Akindola, RB (2009), '*Towards a Definition of Poverty: Poor People's Perspectives and Implications for Poverty Reduction*', Journal of Developing Societies, Vol.25 Issue2, pp-121-150

Alfranca, O (2010), '*Governance and Economic Development: A Comparative Institutional Approach*', Progress in Development Studies, vol 10, issue 4, pp-363-386

Awasthi, IC & Kumar, I (2009), '*Rural Employment Guarantee Programme: Palakkad Experience*', Asian Economic Review, Vol.51 No.1, pp.89-110

Banerjee, K & Saha, P (2010), '*The NREGA, the Maoists and the Developmental Woes of the Indian State*', Economic and Political Weekly, vol. XLV no. 28, pp.42-47

Bhalla, S. S, (2010), '*Inequality and Equity Rapid Growth Process*', in Acharya, Shankar & Mohan, Rakesh, '*India's Economy-Performance and Challenges*', 2<sup>nd</sup> Edn, Oxford University Press, New Delhi. pp.39-82

Bhatt, L.S. (2003) '*Micro Level Planning*', 2<sup>nd</sup> Edn, Rajesh Publications, New Delhi, pp.112-117

Blackwell, D. R, Miniard, W.P & Engel, F. J (2006), '*Consumer Behavior*,' 3<sup>rd</sup> edn. , Cengage India Pvt Ltd, pp-278-281

Chaudhari, P & Chaudhari P.T (2010), '*Inclusive Growth: Employment Creation and Poverty Alleviation*', The Indian Journal of Commerce, Vol.63 No.2, pp.195-198

Collins,D., Murdoch,J., Rutherford, S. & Ruthven,O. (2011), '*Portfolios of The Poor: How The World's Poor Live on \$2 a Day*', Progress in Development Studies, vol 11, issue2, pp.165-166

Dey, S & Bedi, AS (2010), `The National Rural Employment Guarantee Scheme In Birbhum` Economic And Political Weekly, Oct 9,2010, vol XLV no.41, pp. 19-25

Dhar, S (1996), `Balancing Economic Growth and Social Development`, New Age International (P) Ltd., pp. 405-416

Dutta P.C. & Debnah A. (2009), `Socio-economic Development in Rural Assam: Problems and Prospects`, in Singha, Komol, `Village Development in North East India`, 1<sup>st</sup> Edn, Concept Publishing Company, New Delhi. pp. 236-266

Gaur, G.L (2010), `NREGA as a Tool of Inclusive Growth in Rajasthan`, The Indian Journal of Commerce, vol.63, no.2, pp.191-194

Girish, M (2009), `Diversification of Rural Economy`, Asian Economic Review, vol.51 no.2, pp.273-289

Green, D (2008), `From Poverty to Power How Active Citizens and Effective States Can Change The World`, Oxfam International, pp.17-27

*Guidelines for Vigilance and Monitoring Committees at State and District levels to Monitor Rural Development Programmes*, No.Q-13018/6/2009-A.I.V& MC(RD), Ministry of Rural Development, Department of Rural Development, New Delhi.

Hawkins I. D, Best, RJ, Coney, KA & Mookerjee, A (2007), `Consumer Behavior, Building marketing Strategy` 9<sup>th</sup> edn., Tata McGraw Hill Education Pvt Ltd-New Delhi, pp.131-135

Jain, P.C. & Bhatt, M (2003), `Consumer Behavior In Indian Context` 1<sup>st</sup> edn. , Rajendra Ravindra Printers Pvt Ltd-New Delhi. Pp.70-82

Jhakar, BR (2005), `Plan Policies for Rural Development in India: An overview of Impact`, in Karalay, G.N., `Integrated Approach to Rural Development-Policies, Programmes and Strategies` 1<sup>st</sup> Edn, Concept Publishing Company, New Delhi. pp.267-275

Kumar, T. V & Sharma SSP. (2005), 'Economic Reformes and Rural Poverty in India: Some Emerging Issues', in Rao, C. Narasimha, '*Rural Development in India-A Multi-Disciplinary Analysis*', 1<sup>st</sup> Edn, Serials Publications, New Delhi. pp. 1-27

Kundu, A (2011), '*Consumption and Income Revisit of Permanent Income Hypothesis With an Application to the Indian Economy*', The Indian Journal of Economics, vol.XIL (ISSN 0019-5170), pp. 867-907

Lal, R & Purohit HC., (2007), '*Rural Development and NGO*', 1<sup>st</sup> Edn Shree Publishers and Distributors-New Delhi, pp.123-143

Manikandan, A.D (2011), '*Application of The NREGS in the Food Crop Sector for Improving Food Security in Kerala: A Theoretical Analysis*', Asian Economic Review, Vol.53 No.2, pp.357-368

*Manual for Bharat Nirman Rajiv Gandhi Seva Kendra for Block and Gram Panchayat Level*, Ministry of Rural Development, Govt. of India, New Delhi

Mooji, Md (2004), '*Consumer Behavior And Culture, Consequences For Global Marketing And Advertising*' 1<sup>st</sup> edn. Sage Publications India Pvt Ltd-New Delhi, pp-56-67

Mustafa, A (2010), '*Indian Rural Economy*', 1<sup>st</sup> Edn, Serials Publications, New Delhi. pp. 159-206

Naik, LNK & Reddy, VG, (2010), '*Consumer Behavior*' 2<sup>nd</sup> edn, Discovery Publishing House-New Delhi, pp.72-90

Nagoor, BH (2005), 'Wage and Self Employment Programmes and Rural Development: Lessons Learnt,' in Rao, C.Narasimha (ed), '*Rural Development in India-A Multi-Disciplinary Analysis*', 1<sup>st</sup> Edn, Serials Publications, New Delhi. pp. 79-88

*Official Circular*, D.O.No.28012/7/05-06-NREGA, Ministry of Rural Development, Department of Rural Development, New Delhi

*Official Circular*, (Job Card CH-3), No.J-11013/1/2008- NREGA, Ministry of Rural Development, Department of Rural Development, New Delhi

*Official Circular*, D.O.No. J-11013/2/2009 NREGA (Pt), Ministry of Rural Development, Department of Rural Development, New Delhi

*Official Circular*, No.J-11011,1-2009-NREGA, Ministry of Rural Development, Department of Rural Development, MGNREGA Division, New Delhi

*Official Circular*, No.K-11011/2/2008 NREGA MON/TS, 29<sup>th</sup> October, 2010, Ministry of Rural Development, Department of Rural Development, MGNREGA Division, New Delhi

*Official Circular*, No. J-16012/1/09-NREGA, Ministry of Rural Development, Department of Rural Development, MGNREGA Division, New Delhi

*Official Circular*, NoJ-11060/01/2011-MGNREGA-1, Ministry of Rural Development, Department of Rural Development, MGNREGA Division, New Delhi

*Official Circular*, No. J-16020/32/2011/MGNREGA/BKS/Misc, Ministry of Rural Development, Department of Rural Development, MGNREGA Division, New Delhi

*Official Circular*, No.J-11011/21/2008-NREGA, 7<sup>th</sup> September 2009, Ministry of Rural Development, Department of Rural Development, New Delhi

*Operational Guidelines* (2008), 3<sup>rd</sup> Edn, Ministry of Rural Development, Department of Rural Development, New Delhi

Pankaj, A & Tankha, R (2010), '*Empowerment Effects Of The NREGS on Women Workers: A Study in Four States*' Economic And Political Weekly, vol XLV No 30, pp. 45-54

Pankaj, KA (2008), '*The National Rural Employment Guarantee Act: Guaranteeing the Right to Livelihood*' in India Social Development Report 2008, Oxford University Press, New Delhi. pp. 221-250

Papola, TS (2004) 'The Question of Unemployment', in Bimal Jalan (ed), '*The Indian Economy Problems and Prospects*', 2<sup>nd</sup> Edn, Penguin Books, New Delhi. pp. 339-367

Pandey, KK (1986), '*Rural Development in India*', 1<sup>st</sup> Edn, Uppal Publishing House, New Delhi. pp. 195-199

Patanaik, F & Nayak, CN (2011), '*Employment Intensity of Growth in India and its Structural Determinants*', Asian Economic Review, Vol.53 No.1, pp.176-18

Premi, K. M (1996), '*Issues Relating To Employment, Unemployment and Poverty: A Demographic Perspective*', New Age International (P) Ltd., pp. 417-431

Raju, MS & Xardel, D (2006), '*Consumer Behavior, Concepts, Applications And Cases*' 3<sup>rd</sup> Edn. , Vikas Publishing House-New Delhi Pvt Ltd, pp289-295

Ramachandran, R (2009), '*Consumer Behavior*', 1<sup>st</sup> edn., Anmol Puublications Pvt Ltd-New Delhi, pp.111-123

Reddy, D. N & Mishra, S, (2008), '*Crisis in Agriculture and Rural distress in Post- Reform India*', India Development Report 2008, Oxford University Press, New Delhi, pp. 40-50

Reddy, SS (2009), '*Emerging Tendencies of Rural Employment The Case of Andhra Pradesh*', Asian Economic Review, Vol.51 No.3, pp. 551-579

Sen, A (2006), '*Poor, Relatively Speaking*', 3<sup>rd</sup> Edn, University Press-New Delhi, pp.325-345

Shah, M (2004), '*NREGA: A Historic Opportunity*', Economic and Political Weekly, vol. 39, no. 50, pp.5287-90

Shah, M (2007), '*Employment Guarantee, Civil Society and Indian Democracy*', Economic and Political Weekly, Vol. 42, No. 45, pp.43-51



Shariff, A (2009), '*Policy Induced Employment Generation And Sustenance Of Household Income: A Case Of National Rural Employment Guarantee Scheme In India `Helping The Poor Manage Risks And Opportunities`*', available from <http://salehshariff.blogspot.com/2009/02/policy-induced-employment-generation.html> viewed on 4<sup>th</sup> January 2011

Siggel, E (2010), '*Poverty Alleviation and Economic Reforms in India*', Progress in Development Studies, vol 10 issue 3, pp.247-259

Singh, AI & Mitra, A (2009), '*Complexities of Common and Rural Livelihood: An Empirical Study of Rural Households in nine villages of Arunachal Pradesh*' in Singha, K, '*Village Development in North East India*', 1<sup>st</sup> Edn, Concept Publishing Company, New Delhi. pp. 80-97

Sjoblom, D & Farrington, J (2008), '*The Indian National Rural Employment Guarantee Act: Will it reduce poverty and Boost the Economy*', Project Briefing, No.7, pp. 1-4

Srivastava, S & Tripathi, A (2011), '*Food Consumption Patterns among The Poor Households in BIMARU States of India-Recent Evidence from The National Sample Surveys*', Asian Economic Review, Vol.53 No.3,pp.481-489

Srinivasan, TN (2008), '*Employment and Unemployment since the Early 1970s*', in India Development Report 2008, Oxford University Press, New Delhi pp. 54-63

*The Gazette of India Extraordinary*, Part II, Section 3 subsection (ii), 14<sup>th</sup> January, 2011, No.74., Published by Authority, New Delhi

*The Gazette of India Extraordinary*, Part II, Section 3 subsection (ii), 22<sup>nd</sup> September, 2011, No.1815, Published by Authority, New Delhi.

## ***Appendix-1* :QUESTIONNAIRE (IN ENGLISH)**

### **Demographic and socio economic particulars**

1.Age:

2.Sex:

3.Marital Status:

4.No. of family members: a)Employed Adults -

b)Unemployed Adults -

c)Children and adolescence -

5.District:

6.Village Council:

7.Occupation:

Sl.No	Occupation	Tick
1.	Farmer	
2.	Farmer-cum-labourer	
3.	Labourer	
4.	Carpenter	

5.	Small Entrepreneur	
6.	Unemployed	
7.	Others, please specify	

8.Educational level:

Sl.No	Educational level	Tick
1.	Illiterate	
2.	Below HSLC	
3.	HSLC	
4.	HSSLC	
5.	Graduate and above	

9.Average number of days employment is enjoyed in a year pre MNREGA

Sl.No	No. of days employed in a year	Before owning job card
1.	1-100 days	
2.	101-200 days	
3.	201-300 days	
4.	301-365 days	

10.Average Earnings in the year before owning a job Card or without owning a job card

Sl.No	Earnings in rupees	Households	Personal
1.	0-10,000		
2.	10,001-20,000		

3.	20,001-50,000		
4.	50,001-70,000		
5.	70,001-1,00,000		
6.	1,00,001-1,30,000		
7.	1,30,001-1,60,000		
8.	1,60,001 and above		

### Functioning of MNREGA

11. Are you a job card holder under MNREGA? Yes/No

12. How long have you owned a job card? A)Years B)Months

13. Are the works always undertaken within 5 kilometres from residence? Yes/No

14. Are you satisfied with worksite facilities provided? Yes/No/Can't Say

15. Is unemployment allowances provided? Yes/No

16. Do you collect your own wages? Yes/No

17. Do you keep your own wages or submit to someone else?

a) keep own wages

b) Submit to husband/wife

c) submit to parents

18. Are the wages paid within 15 days after work? Yes/No

19. What is the mode of payment of wages?

a) Bank payment

b) Cash payment

c) Both

20. Are you satisfied with the mode of payment? Yes/No/Can't say

21. Which mode of payment do you prefer?

a) Bank

b) Cash

c) Both

22. Do you encounter difficulties in times of collection of wages?

a) always

b) often

c) sometimes

d) hardly

e) never

23. What are the types of work undertaken?

a) Building kaccha road

b) Construction of check dams, tanks, canals

c)Other similar infrastructure

d)works on private land

e)Others (please specify)

24.Are there worksite supervisors?

a)always

b)sometimes

c)hardly

25.Does the supervisors help in better completion of work? Yes/No/Can't say

26..What is the usual proportion of women workers in your group?

a)less than half

b)around half

c)more than half

27.Are children brought to the worksite? Yes/No

28.Is an adult worker assigned to look after children brought to the worksite?

a)always

b)sometimes

c)hardly

29.When are works provided?

a)on demand by job card holders

b)as and when the village council find it convenient

c)both

30. Does central participation of the village council help in better implementation of work?  
Yes/No/Can't Say

31. Do the works undertaken so far help in building better community assets/infrastructure?  
Yes/No/Can't Say

**Impact of MNREGA on consumption patterns**

32.Does the MNREGA wages reduces seasonal distress? Yes/No

33.Does the MNREGA wages improve food security? Yes/No

34.Does MNREGA wages help in availing of healthcare facilities (Nutritional supplements, vitamins, mineral supplements) which was previously unavailable before getting the extra MNREGA wages?

a)very helpful

b)helpful

c)not helpful

e)can't say

35.Specify the average amount spent on personal healthcare the year before and after getting MNREGA wages?

Sl.No	Amount spent (in rupees)	The year before owning a job card	The year after owning a job card
1.	0-1000		

2.	1001-2000		
3.	2001-3000		
4.	3001-4000		
5.	4001-5000		
6.	5001-6000		
7.	6001 and above		

36. Does MNREGA wages improve overall nutrition of the family?

- a) greatly improve
- b) improve
- c) does not improve

37. Do you use MNREGA wages for personal consumption and investment? Yes/no

38. If answer to Q.37 is yes, specify:

- a) cosmetics
- b) jewelries
- c) clothes
- d) travelling
- e) other form of personal consumption (Please Specify)
- f) investment (please specify with approximate amount)

39. Specify the average amount spent on personal consumption the year before getting MNREGA wages and after getting MNREGA wages?

Sl.No	Amount (in rupees)	The year before owning a job card	The year after owning a job card



1.	1000-2000		
2.	2001-3000		
3.	3001-4000		
4.	4001-5000		
5.	5001-6000		
6.	6001-7000		
7.	7001 above		

40. Do you use MNREGA wages for family consumption? Yes /no

41. If answer to Q.40 is yes, how is the consumption patterns of the following items increase after getting MNREGA wages

Sl.No	Name of items	Greatly Increase	Increase	Does not increase
1.	Rice			
2.	Pulses			
3.	Vegetables			
4.	Cooking Oil			
5.	Meat			
6.	Cooking Gas			
7.	Others (pl specify)			

42. Specify amount of increase in the consumption of the above items the year before MNREGA wages and after getting MNREGA wages?

Sl.No	Amount (in Rupees)	Before MNREGA	After MNREGA
1.	10,000-16,000		
2.	16,001-22,000		
3.	22,001-28,000		
4.	28,001-34,000		
5.	34,001-40,000		
6.	40,001-46,000		
7.	46,001-52,000		
8.	52,001-58,000		
9.	58,001-64,000		
10.	64,000 and above		

43. Is there quality increase in food items consumed? Yes/No

44. Does MNREGA wages help in increasing purchase of household items? Yes/no

45. If answer to Q.44 is yes, specify (tick where you have bought such items using MNREGA wages)

a) crockery

b) draperies

c) linen

d) household furniture

e) other household items (pl specify)

46. Specify the amount spent on household items the year before MNREGA and the year after getting 100 days wages?

Sl.No	Amount Spent(in rs.)	The year before owning a job card	The year after owning a job card
1,	1000-2000		
2.	2001-3000		
3.	3001-4000		
4.	4001-5000		
5.	5001-6000		
6.	6001-7000		
7.	7001 and above		

#### **Household Relations and impact of the relations on consumption patterns**

47. Who is the head of the house?

a) self

b) spouse (husband/wife)

c) father

d) mother

e) father-in-law

f) mother-in-law

48. What percentage of your wages are you at liberty to spend?

a) 0%-25% (Rs. 1-3225)

b) 25%-50% (Rs. 3225-6450)

c)50%-75% (Rs.6450-rs.9675)

d)75%-100% (Rs.9675-rs.12900)

49. Are you happy with the amount you have in hand to spent from the wages you earned?

a)yes

b)somewhat

d)no

e)can` t say

50.To whom do you submit the wages you don` t spent?

a)Wife

b)husband

c)mother

d)father

e)mother-in-law

f)father-in-law

51.Does the extra money from MNREGA wages reduce stress?

a)yes

b)somewhat

c)no

d)can` t say

52.If answer to Q.51 is yes or somewhat, does monetary issue become less of an argument inside the household?

a)yes

b)somewhat

d)no

53. If answer to Q.52 is yes or somewhat, does such reduction in stress and arguments over monetary issues effect your purchasing habits?

a)yes

b)somewhat

c)no

54. If your purchasing habits are effected, how is it effected?

Ans:

## Appendix-2: QUESTIONAIRRE (IN MIZO)

Chhangtute Mimal Dinmun

1. Kum:
2. Hmeichhia/Mipa:
3. Nupui/Pasal /Inthen/Thalai:
4. Chhungkaw Zat: a) hnathawk awm zat:  
b) puitling hnathawk lo awm zat:  
c) naupang leh thalai awm zat :
5. District:
6. Village council;
7. Hnathawh:

Sl.No	Hnathawh	Thai Rawh
1.	Lo neitu	
2.	Huan nei leh inhlawhfa	
3.	Inhlawhfa	
4.	Mistiri	
5.	Sumdawng	
6.	Hnathawh neilo	
7.	Adangte	

8. Zirna lama thlen chin:

Sl.No	Zirna lama thlen chin	Thai rawh
1.	Ziak leh chhiar thiamlo	
2.	HSLC hnuai lam	

3.	HSLC	
4.	HSSLC	
5.	Graduate leh a chunglam	

9. MGNREGA hma in kum khatah ni engzat nge eizawna hna I thawh tlangpui:

Sl.No	Kumkhatah hnathawh zat (ni in)	Thai rawh
1.	Ni 1-100	
2.	Ni 101-200	
3.	Ni 201-300	
4.	Ni 301-365	

10. Job Card neih hmam kumkhatah engzat nge nang leh in chungkua in in lakuh:

Sl.No	Hlawh Zat	Chhungkua	Mimal
1.	0-10,000		
2.	10,001-20,000		
3.	20,001-50,000		
4.	50,001-70,000		
5.	70,001-1,00,000		
6.	1,00,001-1,30,000		
7.	1,30,001-1,60,000		
8.	1,60,001 and above		

**Functioning of MNREGA**

- 11.MGNREGA hnuaiah job card I nei em?            Nei/Nei lo
12. Job card eng chena rei nge I neih tawh? A)Kum            B)Thla
- 13.MGNREGA hnathawhna hmun in chenna I atanga 5 kilometres huam chung a ni ziah em ?  
Ni/Ni lo
- 14.Hnathawhna hmuna mamawh an pekah(tui, daihlim etc.) I lung awi em?    Aw/Ai/Sawi  
theilo
- 15.Hna in dil a, hna an pek theihlih che u in thawhloh hlawh in la tho em?            La/La lo
- 16.Nangmah ngeiin ami hlawh la thin?                            Aw/Aih
- 17.Nangmahin I hlawh I kawl nge midang i chungte I hnenah I thehlut?  
a)mah ni in kawl  
b)nupui/pasal hnenah thehlut  
c)nu leh pa hnenah thehlut
- 18.Hnathawh atanga ni 15 ah hlawh in dawng ngei ngei em?            Aw/Aih
- 19.Engtin nge hlawh an pek?  
a)Bank atangin  
b)a pawisain an sem  
c)A changing Bank atangin, a changing a pawisa in an sem



20.Hlawh sem dan hmangah I lung a awi em?      Awi/Awi lo/Sawi theilo

21.Hlawh engtin nge sem se I duh?

a)Bank hmangin

b)Pawisa in

c)A pahnihin

22.Hlawh lak na ah harsatna I tawk ngai em?

a)Tawk ziah

b)Tawk zing

c)Tawk zeuh zeuh

d)Tawk ngai manglo

e)Tawk ngai lo

23.MGNREGA hnuai ah eng hna nge in thawh thin?

a)Kawng sial/laih

b)Tuizem leh kawr siam

c)Khawtlang tana tangkai eng eng emaw siam

d)Mimal rama hnathawh

e)Hna dang dang a chung a mi ni lo (sawi zau deh rawh)

24.Hnathawh na hmunah endik tu an awm ngai em?

a)Awmziah

b)A chang changin awm

c)Awm ngai manglo

25.Endik tute avang hian hna in thawh that phah sawt em? Aw/Aih/Sawi theilo

26. In hnathwh na ah hmeichhia engzat nge awm tlangpui?

a)A chanve ai tlem

b)A chanve vel

c)A chanve ai tam

27.Hnathawhna hmunah naupang an rawn hruai ngai em? Aw/Aih

28.Hnathawhna hmunah naupang an rawn hruai in puitling anmahni enkawl tu tur ruat an ni ngai em?

a)Ruat ziah

b)A chang changin ruat

c)Ruat ngai manglo

29.Engtik hunah nge hna an pek thin?

a)Job card neituten an dil hunah

b)Village Council (VC) in rem an rawn ruat thin

c)A pahnih in

30. Village Council(VC) hian hnathawh that ah an pui em? Aw/Aih/Sawi theilo

31. Hna thawh te hian khawtlang tana tangkai thil (tuiluan kawr, kalkawng etc.) a siam in I hria em? Aw/Aih/Sawi theilo

**Impact of MNREGA on consumption patterns**

32.Sik leh sa inthlak danglam avanga hnthawh tur van thin avanga rilru hahna a ti tlem em?  
Aw/Aih

33.Eibar tur leina tur neihlih hlauhna a ti tlem em? Aw/Aih

34.MGNREGA hlauh hian mahni hriselna lam in enkawlna thil (Nutritional supplements, vitamins, mineral supplements) a hma a I lei theih ngai loh te lei nan a tangkai em?

a)Tangkai lutuk

b)Tangkai

c)Tangkai lo

e)Sawi theilo

35.MGNREGA hlauh I lak hma leh I lak hnu a mahni mimal hriselna enkawl nana kumkhata I sum sen zat tlangpui?

Sl.No	Sum sen zat (in rupees)	job card neih hma	job card neih hnu
1.	0-1000		
2.	1001-2000		
3.	2001-3000		
4.	3001-4000		
5.	4001-5000		
6.	5001-6000		
7.	6001 and above		

36.MNREGA hlauh avangin in chhungkaw ei leh in a hrisel sawt em?

a)Hrisel phah nasa

b)Hrisel phah

c)Hrisel phah lo

37.MGNREGA hlawh hi nangma mimal tan bik leh sumdawn nan I hmang ngai em? Aw/Aih

38.Q.37 khi aw ti a I chhan chuan I hmanna te chu han sawi zau teh:

a)Hmai leh taksa a hnawih chi (make up) vel

b)Tlereuh

c)Thawmhaw

d)Zin vie vah nan

e)Mimal thil dang eng eng emaw ah (eng atan nge sawi zau rawh)

f)Sum peipun belh nan (sawi chiang rawh)

39. MGNREGA hlawh I lak hma leh hnu a mimal thil (a chungka kan sawi tak ang chi) a kumkhata I sum hman zat tlangpui?

Sl.No	Hman zat (in rupees)	job card neih hma	job card neih hnu
1.	1000-2000		
2.	2001-3000		
3.	3001-4000		
4.	4001-5000		
5.	5001-6000		
6.	6001-7000		
7.	7001 above		

40.MGNREGA hlawh hi chungkaw tan in hmang ngai em? Aw/Aih

41. Q.40 khi 'Aw' ti a l chhan chuan kumkhatah in pawisa hman zat (a hnuai a kan tarlan ah hian) engtin nge a pun

Sl.No	Name of items	Pung Nasa	Pung	Pung Lo
1.	Buhfai			
2.	Be lam chi			
3.	Thlai			
4.	Tel			
5.	Sa			
6.	Rawngbawl na Gas			
7.	Adangte			

42. MGNREGA hlawh lak hma keh hnu ah a hnuai a mi te hi pawisa leh Kg. in engzat chiah in nge a pun?

Sl.No	Amount (in Rupees)	MNREGA hma in	MNREGA hnu ah
1.	10,000-16,000		
2.	16,001-22,000		
3.	22,001-28,000		
4.	28,001-34,000		
5.	34,001-40,000		

6.	40,001-46,000		
7.	46,001-52,000		
8.	52,001-58,000		
9.	58,001-64,000		
10.	64,000 and above		

43. In chungkaw ei leh bar a tha sawt em? Aw/Aih

44.MGNREGA hlawh hi in chung bungraw lei nan I hmang em? Aw/Aih

45. Q.44 khi 'Aw' ti a I chhan chuan eng thil te hi nge I lei?

a)Bungbel

b)Tukverh puanzar

c)Mut bu leh dawhkan khuhna

d)Inchung furniture

e)A chung a mi nilo a dangte (e nge I lei sawi zau rawh)

46. MGNREGA hlawh I lak hma leh hnu a ?

Sl.No	Sum hman zat (in rs.)	Job card neih hma	Job card card neih hma
1,	1000-2000		
2.	2001-3000		
3.	3001-4000		
4.	4001-5000		
5.	5001-6000		

6.	6001-7000		
7.	7001 and above		

**Household Relations and impact of the relations on consumption patterns**

47. Tunge chhungkaw hotu?

- a) Keimah
- b) Ka kawppui (pasal/nupui)
- c) Pa
- d) Nu
- e) Pasal a pa
- f) Pasal a nu

48. I hlawh atanga engzat percent nge I hman theih?

- a) 0%-25% (Rs.1-rs.3225)
- b) 25%-50% (Rs.3225-rs.6450)
- c) 50%-75% (Rs.6450-rs.9675)
- d) 75%-100% (Rs.9675-rs.12900)

49. I hlawh atanga I hman theih zat ah I lungawi em?

- a) Aw
- b) Lungawi tho
- d) Aih
- e) Sawi thei lo

50. i hlawh I hmanloh chu tu hnenah nge I pek?

- a) Nupui
- b) Pasal
- c) Nu
- d) Pa
- e) Pasal a nu
- f) Pasal a pa

51. MGNREGA hlawh hian rilru hahna te a ti tlem em?

- a) Aw
- b) Ti tlem ve deuh
- c) Aih
- d) Sawi theilo

52. Q.51 hi 'Aw' emaw 'Ti tlem ve deuh' ti a I chhan chuan MGNREGA hlawh hian sum vanga in chhunga inhauhna a ti tlem sawt em?

- a) Aw
- b) Ti tlem ve deuh
- d) Aih

53. Q.52 hi 'Aw' ti a I chhan chuan chu inhauhna tlem sawt avang chuan I thil lei dan phung a danglam em?

- a) Aw
- b) Danglam ve deuh
- c) Aih



54.i thil lei dan phung a danglam chuan engtin tak nge a danglam ?

Ans:

## **CHAPTER 1:**

### **INTRODUCTION**

---

One of the central problems of the most backward areas of India is unemployment. A large portion of the backward areas have very low per capita agricultural productivity. The effect is that people finds very few work. People in backward economies who are not engaged in agricultural activities are either not engaged in work or engaged in traditional crafts that yields low productivity. An alternate source of income from this is underpaid manual work. Even after the notable growth in India after independence, nearly two thirds of Indian population lives in rural areas in villages. A considerable portion of these are landless laborers, who depend on the mercy of employment provides on daily basis. Therefore this section of India's population is highly vulnerable to underemployment or even unemployment.

In all developing economies, agricultural employment normally comprises a larger source of employment. Agricultural employment is usually one half to three quarters of total rural employment in these countries. Even in India, since it is a developing economy, a large percentage of the rural population is engaged in agriculture. But agricultural employment is usually more unsafe than non-agricultural work as it is prone to very low earnings, uncertain incomes and high risk of poverty. In this type of situation, the solution lies in rural and agriculture development oriented planning and policies. In fact, employment is the prime channel through which the

---

majority of the rural population will be able to get the benefits of economic growth and improve their living conditions. Due to non-availability of gainful employment opportunities in rural areas, an increasing number of rural households have faced complete collapse of their incomes. 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 (Tomar & Yadav, 2009). According to Bannerjee (2009), empowerment of the poor encompass three basic tasks-reduction of poverty, creation of employment and minimizing inequality.

The MNREGA was legislated to tackle the problem of unemployment in rural India. It was passed in the Lok Sabha in August, 2005, and was initially named The National Rural Employment Guarantee Act (NREGA). It came into force in February, 2006 in selected 200 poorest districts. This legislation was renamed as Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) on 2<sup>nd</sup> October, 2009. It is now popularly known as MNREGA or MGNREGA. In this study NREGA, MGNREGA and MNREGA has been used as synonymous to each other. It now covers the entire country. It guarantees 100 days of work to each rural household whose adult member is willing to do manual work at the prevailing minimum wage rate.

The MNREGA is a people's Act in several senses. The Act was prepared through a wide range of consultations with people's organizations. Second, the Act addresses itself chiefly to working people and their fundamental right to life with dignity. Third, the Act empowers ordinary people to play an active role in the

---

implementation of employment guarantee schemes through Gram Sabhas, social audits, participatory planning and other means. More than any other law, MGNREGA is an Act of the people, by the people and for the people. (Awasthi & Kumar, 2009)

The MNREGA has a rights based framework. This Act is hugely modified from all other development programs. The MNREGA is one of the largest single rights based employment guarantee initiatives. The programme reverses the way the Indian State has traditionally dealt with issues and envisages a complete change in the manner of interaction of the state, the local power elites and the local working classes in rural India (Sharma,2009). The MNREGA has huge potential. The primary objective of the Act is guaranteeing 100 days wage employment. The distinctiveness of this Act is in the fact that it is demand driven and carries emphasis on issues like equality of wages for men and women,33 percent (one third) reservation for women, unemployment allowances, creating transparency in workers muster rolls, elimination of middlemen, payment of wages only through bank and post office accounts to prevent embezzlement of cash etc.

According to Banerjee and Saha (2010), the successful implementation of MNREGA can achieve the twin objectives of employment generation in rural India, and at the same time address the issue of falling agricultural productivity through creation of durable assets. The wages earned can become a source of great respite for the large masses of rural population in terms of maintaining the minimum levels of food grain consumption.

---

Through providing employment one of the chief implication of MNREGA is to provide consumption smoothening. With 100 days of assured wages, seasonal fluctuations in labor demand is expected to reduce by providing employment during lean periods. When employment is provided during lean season it results in a more regular income. Such assurance is expected to result in people wanting to consume what they could not previously.

According to Murugavel (2009), a healthy economy requires a strong rural base. The primary objective of MNREGA, is to augment wage employment besides strengthening the natural resource management through works that address causes of chronic poverty including drought, deforestation and soil erosion and to encourage sustainable development.

According to Shah (2004), the conditions of the rural poor are so distressing that a future for their development depend on critical investment that can only be undertaken by the state. In order to attain sustainable human development, it is necessary to build up basic capabilities among the poor. The implications of MNREGA to provide basic elements related to physical well being, economic dimensions related to employment and material developments, social dimensions related to social relations including gender sensitive concept, political dimensions including central participation and empowerment of the Panchayati Raj Institutions is expected to help the rural poor to move out from their vulnerable and depressing situations towards productive

---

livelihoods and a higher form of human development. Moreover, the increase in wages is expected to enhance choice, capabilities and bargaining power within families.

The present study assesses the functioning of The Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA) and its impact on consumption patterns of households in Kolasib District. This Act was introduced with an aim of improving the purchasing power of the rural people, primarily semi or un-skilled work to people living in rural India, whether or not they are below the poverty line. Under this Act, any person in rural area who is willing to do unskilled manual work can apply for a job card even if he or she is not from a BPL (Below Poverty Line) family. However a single household can own only one job card.

Mizoram is situated in a region plagued by geographical inaccessibility and socio economic alienation from the mainland. Mizoram faces many severe economic constraints, due to lack of proper infrastructure. Mizoram is fertile and the climate is temperate. However the state is economically backward. Mizoram does not provide enough food crops to meet the needs of its people. There are several small household industries like handlooms but this sector is also facing competition from imported clothes. Industrially Mizoram is a very underdeveloped state. The sources of employments are government jobs, small business, crop cultivation and animal husbandry. Mizoram has practically nothing to export and has little capacity to generate its own revenue. The economy of the state mostly depends on the budget allocation from the central Government.. Majority of the population is poor as many

---

are engaged in low productive farm employment or unemployment. As per Census of India 2001, 94.5% of the total population of the state belongs to the Scheduled Tribe.

Kolasib is situated in the Northern Part of Mizoram with an area of 1472.2 sq.kms and 14053 households (Statistical Handbook Mizoram 2010). As per 2011 census its total population is 83,054, with 42,456 male population and 40,598 female. Most of its inhabitants are Mizos, besides the Mizos there are few Nepalese and Assamese (59098 persons are Christians and the rest are Hindus, Muslims, Sikhs and Buddhists).

There are 47 village councils in Kolasib. The economic condition of most of its inhabitants is not good.75% of the population are engaged in agricultural and allied activities, and practices shifting or jhum cultivation. Although Kolasib is a low lying area suitable for agriculture, lack of proper irrigational facilities is a huge hindrance. As per 2001 census there are 27441 main workers, 8069 marginal workers and 30450 non workers and 7336 government employees in the district, with 1319 households (6060 persons) belonging to below poverty line (BPL) households.

The MNREGA was implemented in Kolasib district in 2008. The villages in the districts are divided into two blocks. Thingdawl Block and Bilkhawthlir Block. The number of households to which job cards have been issued in the two blocks as on 31<sup>st</sup> Dec, 2010 are given below:

---

**Table 1: Employment generated during the financial year 2010-2011**

<b>S.No</b>	<b>Block</b>	<b>SC</b>	<b>ST</b>	<b>Others</b>	<b>Total</b>
1.	Bilkhawthlir	15	12066	87	12168
2.	Thingdawl	1	5965	107	5173
<b>Total</b>		<b>16</b>	<b>17131</b>	<b>194</b>	<b>17341</b>

*Source: Compiled from MNREGA Kolasib official website*

The importance of the study lies in the fact that MNREGA is a national flagship with many promises and implications. Its effect has been studied and researched from various angles. However current studies on its functioning and impact on consumption patterns in Mizoram are non existent.

The study therefore seeks to assess the functioning of MNREGA and its impact on consumption patterns of households in Kolasib District, Mizoram.

## **2. REVIEW OF LITERATURE**

According to Dhar (1996), as women contribute substantially to the economy, both through their paid and unpaid labour and also constitute the majority of the poor, releasing their productive potential is absolutely critical to the eradication of poverty

According to Premi (1996), it is noteworthy that most of the jobs, particularly for women will have to be created very near to their place of residence, or as near as feasible since many of them may prefer to remain unemployed instead of taking some employment very far off from home



---

According to Jain and Bhatt, (2003) the income of individual or family plays a very important role in his behavior as a consumer. The poor class think only of day to day existence and do not think of tomorrow. In India, poverty in rural area is more severe than urban area due to lesser job opportunities in rural areas. However with increase in employment, they will be more likely to spent more on medical treatment, healthcare, food products and clothes. And their saving capacity will also increase to some level.

Mooji (2004) stated that inequality of income is high in poor countries, and low income countries. At a certain point in time, culture replaces wealth as predictor variable for ownership and/or usage. A point of agreement among economists is that people will spend more as they earn more. So it would be surprising if there were no effect of increase national wealth on consumption.

Raju and Xardel (2006) in their study of rural India reveals that increased income and improved awareness levels have made rural India seek a better quality of life through consuming what they can not previously.

According to Blackwell, Miniard and Engel (2006) income determines what consumers can buy, although it does not determine what they want to buy. Household income is one of the determinants of the buying ability of an individual or their household unit.

---

Hawkins, Best, Coney and Mookerjee (2007) in their studies of Consumer Behavior for building marketing strategy stated that as a developing economy, India sees a rise in income amongst a growing number of households. A household's income level combined with its accumulated wealth determines its purchasing power. While many purchases are made on credit, one's ability to buy on credit is ultimately determined by one's current and past income (wealth).

According to Lal and Purohit (2007), the benefit of economic development must accrue more and more to the relatively less privileged classes of society and there should be progressive reduction of the concentration of incomes, wealth and economic power

Shah (2007) stated that if effectively implemented the MNREGA would not only provide relief in times of distress but also ensure a shift in the economy towards a sustainable growth path, less vulnerable to the vicissitudes of nature, and social infrastructure would be more developed

According to Ambasta, Shankar and Shah (2008), MNREGA holds out the prospect of transforming the livelihoods of the poorest people in the country.

According to Green (2008), the underlying purpose of a rights-based approach to development is to identify ways of transforming the self-perpetuating vicious circle of poverty, disempowerment, and conflict into a virtuous circle in which all people, as rights-holders, can demand accountability from states as duty bearers have both the willingness and the capacity to fulfil, protect and promote people's human rights

---

Sjoblom and Farrington (2008) stated that MNREGA has stabilized income for rural households as more works have been provided in the agricultural off period. This has assisted in income smoothening among the poor and reduces their need to cut down on consumption expenditure.

According to Awasthi and Kumar (2009), there has been less perceptible improvement in the income levels of beneficiaries after joining the scheme. The other positive impact of enhanced incomes is the resultant increase in expenditure on food and non-food items. There have been a positive movement of beneficiaries on the consumption ladder.

According to Girish (2009), in poor agrarian economies, diversification of crop enterprises and sources of off-farm income and employment are the most important strategies adopted by the rural households to stabilize their income and consumption.

Ramachandran (2009) in his study of consumer behavior reveals that income is the basic need of an individual. It is quite natural that the larger the inequality of income, the more differentiated behavior arises. In the first place the structure of living expenses or the consumption pattern comes to diverge progressively among income classes as the inequality in income increases. At the same time the income consumption-ratio, or the propensity to consume, shows itself more variable among income classes. The income of household or consuming units will affect what they will be able to consume.

---

According to Reddy (2009), the greater the employment focus, the more effective the economic growth will be in fighting poverty. However economic growth alone cannot be counted on to generate significant improvement in the quality and quantity of employment opportunities. What is needed is an employment centred approach to growth and development.

According to Shariff (2009), infrastructure oriented mass employment programs have been used as a mechanism to achieve consumption smoothing linked welfare effects and enhancing savings led investments furthering economic activities to full employment. Policy induced rural works programs are programmatic efforts to generate non-farm employments to sustain consumption and income.

According to Alfranca (2010), an active role of the state is essential to foster economic development and, therefore, that sound macro-economic structural policies are necessary for promoting economic progress and social change. Nevertheless it is also sustained in this research that public policies are insufficient if problems of institutional design and policy implementation are neglected

According to Baba, Wanki and Sharma (2010), the planners and voluntary agencies should revise their policies and make them to penetrate to the backward regions for development of the disadvantaged sections of the society

Banerjee and Saha (2010), claimed that provision of work and creation of durable assets are the economic mechanism of the MNREGA. Both these objectives have important implications in terms of livelihood strategies in rural India.

---

According to Chaudhari and Chaudhari (2010), inclusive growth would become a reality if there is rapid decline in poverty matched with rapid decline in unemployment.

According to Gaur (2010), the MGNREGA is targeted multidimensional approach for upliftment of rural poor by giving high priority with heavy budget allocation. But it can prove a scheme for distributing money among rural voters unless emphasis is made in improving administrative infrastructure in rural areas for implementing the scheme.

Naik and Reddy (2010) claimed that the income of people reflects the standard of living and their financial status. There always exists a positive correlation between the level of income and expenditure. Consumers with more income naturally have more capacity to spend on various goods and services to lead a decent life to the maximum possible extent and vice versa. People may have needs, wants and desires, but if it is not backed with sufficient purchasing power, they cannot be realized.

Pankaj and Tankha (2010), stated that the notion of human behavior guided by self-interest in the market and altruism in household is inconsistent. Property ownership and access to paid employment opportunity outside the household, apart from other factors, increases the bargaining capacity of an individual inside the household.

According to Siggel (2010), while economic growth certainly leads to poverty reduction, growth oriented reforms are likely to contribute to more inequality, such that poverty reduction is reduced. Therefore, 'pro-growth' policies should be combined with 'pro-poor' policies

---

Subasish and Arjun (2010), claimed that the MNREGA is expected to serve as a strong social safety net for the vulnerable groups by providing a fall back employment source, when other employment opportunities are scarce or inadequate.

According to Collins, Murdoch, Rutherford and Ruthven (2011), understanding the realities of poverty is a prerequisite for promoting appropriate and sustainable development

.According to Kundu (2011), there is no causal relationship but there is a proportional relationship between permanent income and permanent consumption. Permanent income is determined by a consumer's assets, both physical and human. These influence the consumer's ability to earn income.

According to Manikandan (2011), the works in the food crop sector, especially works in the small and marginal paddy field owned by vulnerable sections like SCs/STs/Women should be treated as the MGNREGA works. This will improve not only production of paddy but also the net return of small and marginal farmers belonging to SCs/STs and women.

According to Patanaik and Nayak (2011), the employment intensity of growth is an important issue that merits in-depth study and analysis in the case of Indian economy as it is observed, despite the acceleration of economic growth over the last decade, the positive correlation between growth and employment is weakened.

According to Srivastava and Tripathi (2011), after the initiation of economic reforms in 1991, the Indian economy has witnessed higher growth rates and due to

---

increase in per capita income there is a shift in consumption pattern. But there is no concrete evidence which examines whether the consumption pattern of poor households also changes.

The MNREGA is a rights-based development for the poor. It is self-targeting and provides off season employment, and focuses on productive sector for sustainable development. The increase in wages is expected to bring consumption smoothing to the poor. When people are very poor and there is irregularities in their income, whether they are farmers, landless laborers, small artisans etc, there is stress over consumption and their consumption level is low. But with extra wages which comes from the MGNREGA work their consumption pattern is expected to shift positively. This study will focus on the functioning of MNREGA and its impact on consumption patterns of households in Kolasib District of Mizoram.

### **3.1 Statement of the problem**

MGNREGA has a position of great significance in the employment generation programmes in India. India's planning efforts were once directed at capital intensive projects. This kind of projects displaces poor and unskilled labourers and does nothing to ease unemployment. In this backdrop the MGNREGA was introduced, and it is one of the world's largest employment generation Act that have been passed. Studies and reviews have been conducted on the Act in different parts of India.

---

Kolasib is a district with 14053 households (Statistical Handbook Mizoram 2010). As per 2011 census its total population is 83,054, with 42,456 male population and 40,598 female. The total number of households having job cards in Kolasib district as on 28<sup>th</sup> February,2011 was 19150. Although studies have been conducted on the Act in other parts of India, previous studies on functioning of MNREGA and correlation between wages and consumption, in this area is very rare. The focus of the study will be on assessing the functioning of MNREGA and the impact of MNREGA wages on consumption patterns of job card owning households in Kolasib District. The MNREGA provided that any rural household with an adult member willing to work at the prevailing minimum wage rate is entitled to a job card. The assumption is that only the people with the most depressing socio economic conditions would be willing to do manual work at the minimum wage rate. The labour wage rate in Mizoram at present is Rs.150 for women and Rs.180-Rs.200 for men. And the prevailing MNREGA wage rate is Rs.129 in Mizoram. Although labour wage rate is higher than MNREGA wage rate, most people can not find labour work on a regular basis. This induces almost every poor rural household to own a job card. The problems related to the functioning of MNREGA and its impact on consumption patterns will be explored by studying its functioning and by doing a comparative study of pre MNREGA period and post MNREGA implementation period.

**Objectives of the study**

1. To study the functioning of MNREGA in Kolasib District of Mizoram.
2. To study the impact of MNREGA on the consumption patterns of households.



---

## **Research Methodology**

The study is an exploratory research. The study analyzes the functioning of MNREGA and its impact on consumption patterns of job card owning households in Kolasib district. There are 47 village councils spread across Kolasib District. These village councils fall under the two blocks, namely Thingdawl and Bilkhawthlir, as shown in Tables 2 and 3. The number of households having job cards in Kolasib District was 19,150 (i.e. 12,885 households in Bilkhawthlir Block and 6,265 households in Thingdawl Block) as on 28<sup>th</sup> February,2011.

**Table 2: Village Councils in Bilkhawthlir Block of Kolasib District, Mizoram**

<b>Sl.No</b>	<b>Name of Village Councils</b>	<b>No. of Job Cards</b>	<b>Sl.No</b>	<b>Name of Village Councils</b>	<b>No. of Job Cards</b>
1.	Bairabi	1049	16.	Meidum	196
2.	Bilkhawthlir N	522	17.	N Chawnpui	102
3.	Bilkhawthlir S	572	18.	N Chhimluang	97
4.	Buhchangphai	214	19.	N Thinglian	92
5.	Builum	112	20.	Pangbalkawn	183
6.	Bukvannei	104	21.	Phainuam	319
7.	Kolasib I	826	22.	Phaisen	159
8.	Kolasib II	1210	23.	Rengtekawn	402
9.	Kolasib III	830	24.	S Chhimluang	128
10.	Kolasib IV	850	25.	Saihapui K	185
11.	Kolasib V	375	26.	Saihapui V	62
12.	Kolasib VI	452	27.	Saiphai	432
13.	Kolasib VII	438	28.	Saipum	434
14.	Kolasib VIII	264	29.	Vairengte I	808
15.	Project Veng	285	30.	Vairengte II	1183

*Source: Compiled from District MNREGA Cell, Project Veng, Kolasib*

**Table 3: Village Councils in Thingdawl Block of Kolasib District, Mizoram**

Sl.No	Name of Village Councils	No.of Job Cards	Sl.No	Name of Village Councils	No.of Job Cards
1.	Bualpui	352	10.	N Chaltlang	232
2.	Bukpui	255	11.	N Hlimen	233
3.	Hortoki	554	12.	Nisapui	188
4.	Kawnpui N	816	13.	Rastali	101
5.	Kawnpui S	1119	14.	Serkhan	177
6.	Khamrang	175	15.	Thingdawl	791
7.	Lungdai	562	16.	Thingthelh	129
8.	Lungmuat	178	17.	Zanlawn	267
9.	Mualkhang	125			

*Source: Compiled from District MNREGA Cell, Project Veng, Kolasib*

### **Sampling**

The sample was drawn from 12 selected village council areas in Kolasib District, as shown in table - 4. The sample selected one-fourth from the total number of Village councils in Bilkhawthlir Block (i.e. 8 out of 30VCs) and one-fourth from the total number of village councils in Thingdawl Block (i.e. 4 out of 17 VCs). These 12 village councils have been purposefully selected from village council areas with the

---

highest number of job cards from each block. Then 120 households, i.e. 10 each from each village council is selected as respondents for the sample, through the purposive sampling method.

**Table 4: Name and Number of Job Card Holders (2010-11) in Sample**

**Village Councils**

Sl.No	Name of Village Councils	No. of Job Cards	Name of Block
1.	Bairabi	1049	Bilkhawthlir
2.	Bilkhawthlir S	572	Bilkhawthlir
3.	Kolasib I	826	Bilkhawthlir
4.	Kolasib II	1210	Bilkhawthlir
5.	Kolasib III	830	Bilkhawthlir
6.	Kolasib IV	850	Bilkhawthlir
7.	Vairengte I	808	Bilkhawthlir
8.	Vairengte II	1183	Bilkhawthlir
9.	Kawnpui N	816	Thingdawl
10.	Kawnpui S	1119	Thingdawl
11.	Lungdai	562	Thingdawl
12.	Thingdawl	791	Thingdawl

---

### **Data Collection and analysis**

Primary as well as secondary data has been collected. Primary data was collected from households whose adult member owns a job card and enjoy 100 days employment under the MNREGA, through structured schedules. The schedule included questions on demographic particulars, socio economic conditions, consumption patterns, household relations, nutrition and health services enjoyed pre MNREGA and post MNREGA implementation periods. The schedule shall be used to get information from MNREGA beneficiaries. Primary data will also be collected through observation and informal interviews.

Secondary Data was collected from District MNREGA Cell (DEGSU), Kolasib. It was also collected from published and unpublished sources, annual reports and official reports. Further secondary data was collected from academic commentaries on the subject in the form of books, magazines, journal articles etc. The data collected was analyzed using relevant statistical tools.

### **CHAPTER PLAN**

- Chapter 1 Introduction
- Chapter 2 MNREGA: An overview
- Chapter 3 Functioning of MNREGA in Kolasib District
- Chapter 4 Impact on consumption patterns of households
- Chapter 5 Conclusions and Suggestions

### **Bibliography**

## **CHAPTER 2:**

### **MGNREGA: AN OVERVIEW**

---

#### **POVERTY AND UNEMPLOYMENT IN INDIA**

##### **POVERTY**

“Poverty has been defined as a social phenomenon in which a section of the society is unable to fulfill even its basic necessities of life”, Ruddardatt & Sundharam(2010) India is a developing country and a large percentage of its population cannot get even the basic requirements for minimum level of living. According to Akindola (2009), poverty is more than a lack of adequate income but a combination of many forms of deprivation that together allow human capabilities to go unrealised.

Poverty can be measured in terms of absolute poverty and relative poverty. Relative poverty is defined by Akindola (2006) as the living standards of the poor relative to the rest of the society in which they live. The World Bank(2000) considers a person to be in absolute poverty if his or her consumption or income level falls below some minimum level necessary to meet basic needs. In India poverty is measured in terms of absolute poverty since a large percentage of the population can barely make it to survival level.

According to Sen (2006), in a poor community the resources or commodities needed to participate in the standard activities of the community might be very little indeed. In such a community the perception of poverty is primarily concerned with the

---

commodity requirements of fulfilling nutritional needs and perhaps some needs of being clothed, sheltered and free from disease.

The absolute standard of poverty is measured in terms of minimum requirements of calorie intake. The upper classes of India lives in lavish comfort but a large percentage still lives in shortage and deficiency. Even in Mumbai, India's great metropolitan city, a huge percentage of the population lives in slum areas. They cannot meet even the minimum level of living.

“The all-India evidence reveals that rural poverty is inversely related to agricultural performance measured in terms of agricultural NDP per rural person”,Ruddardatt & Sundharam (2010). Efforts have been made to reduce poverty. A large part of these efforts have been directed towards the agricultural sector. For 2011-2012, the Government fixed a target of Rs.4.75 lakh crore as loan disbursement to agricultural sector to increase agricultural productivity .This is because with the rise in agricultural productivity is hoped to reduce the massive poverty in rural areas.

However the benefits reaped from increase in rural productivity often does not reach the very poor. For example in Khuangpuilam Veng of Kolasib District the small farmers can hardly get institutional credit because they do not have assets to keep for securities, nor minimum margin money. And they find it difficult to get guarantor too since people who can be guarantors are usually afraid to be guarantors for these people because they are afraid these poor farmers will not be able to repay their loans. As a result these poor farmers have to rely on their own small capital or moneylenders, and whatever they produce, although healthy and organic, are sold off in the local market at

---

a very cheap rate. These poor farmers often rely on dual income as their agricultural produce alone often do not support them. Sometimes they raise a small number of chickens and pigs which will somehow boost their income. But even so they are barely making it to subsistence despite the increase in agricultural productivity over the past years. Thus increase in agricultural productivity in India does not reach every group in the economy. Thus besides increase in agricultural productivity this group of people requires exceptional programmes of aid and support.

In Mizoram as well as the whole of India disguised and seasonal unemployment among rural farmers and workers is a common problem. Even during seasons of high employment these rural farmers and laborers have weak bargaining power. Due to their weak negotiation power, they cannot cut a good deal for themselves in terms of their wages which results in lower wages being paid to them.

In Khuangpuilam Veng as well as many other localities of Kolasib District, the small and marginal farmers as well as labourers own very few assets such as land, livestock and farm implements. They own a small patch of land which is usually not enough for productive cultivation. And there are also landless laborers. Most of these farmers own very few or no livestock and they hardly possess good farm implements. These handicapped their productive capacity. In the village, the landless laborers live in small rented tiled houses or Bamboo houses owned by a well to do farmer and they look for labors in other people's land, practice shifting cultivation or cultivate in small patches of land which belong to other people. Hence these people have very low asset base. This scenario is evident in many rural areas of Mizoram. Asset ownership is



---

usually concentrated among the upper class and the lower class have very few assets. Concentration of assets among the richer section of the society is also prevalent in the urban areas. This indicates high inequalities in income distribution and it is difficult to defeat poverty with high level of income inequality and large gaps in asset base unless special and outstanding programmes are introduced.

In the villages of Mizoram as well as in other parts of India the educational accomplishments of the poor section of the society is usually low. Even in Mizoram where the literacy rate is high the educational achievements of the children of poor people are relatively lower to those of the upper section. It is difficult for poor parents to support their children for high level education. This often results in lower educational achievements for children of poor parents. Since higher educate people tends to earn more than lower educated people the lower educational level of children of poor parents often results in lower wages for their children. Also with the increase in educated unemployment in Mizoram unless the educational achievements of a student is relatively high it is difficult to find a job let alone a high paying Job. This does nothing to help in relieving poverty level.

There is no denying that the economy of India is growing. But there is still immense poverty prevailing in the economy. What can be done in the face of this? The problem of poverty requires major and exceptional steps to reduce it and cure it. The development strategy in India has to take massive steps to cure the problem of poverty and to make development seep down to the poorest group. Poverty reduction programme has to get a more imperative part to make this happen. It is true that we

---

have built up large capacity in India. But our capacities have not yet been utilized to its fullest extent. The resources that we have including human resource are also underutilized. It is necessary to make fuller use of our resources including labor. To utilize our scores of unused labor resources the use of labor-intensive yet effective techniques of production is what the country requires at this stage of development. The poorest of the poor gets neglected with development. The entrepreneurs may grow richer and the economy may be developing but the poorest people still faces insufficient works, lack of equipments and poor infrastructure facilities which debilitated them from taking part in the development process. Therefore, reduction in unemployment and building infrastructure to increase productivity among the weakest section of the society is necessary to attain inclusive growth in the country. Channelizing a large part of the country's supplementary resources towards providing consumer goods to the weaker section will also be helpful for increasing consumption among the weakest section of the society.

#### UNEMPLOYMENT

One of the steps which should be taken to reduce poverty in India is reduction of unemployment. The kind of unemployment we face in India is structural in nature and chronic. Although the economy of India is growing, large percentage of the masses faces disguised unemployment, seasonal unemployment and underemployment.

According to Sen (2006) "If a person is forced by unemployment to take a job that he thinks is not appropriate for him, or not commensurate with his training, he may

---

continue to feel unfulfilled and indeed may not even regard himself as ‘employed’”. This kind of unemployment is called underemployment and is quite prevalent in India. Other common forms of unemployment are disguised and seasonal unemployment. The problems of unemployment are rooted in the structure itself.

The growth in the economy was around 6 percent in the 1990s. The targeted growth rate in the eleventh five year plan is 8-10 per cent. In the twelfth Plan the targeted growth rate is 9.5 percent . Savings and investment ratios also rise, as well as infrastructure, capital and skilled human resource. But the country still faces structural unemployment. Thus the problem of unemployment needs to be seriously addressed. In order to achieve inclusive development which envelopes the entire economy into the process of development, the problems of unemployment among the poor needs to be treated. Otherwise even if large resources and increasing production is acquired the rewards tend to not reach the poor. The incomes of these poor people will not go up and their consumption level will remain the same or becomes even worse with inflation. In the past the Five year plans have laid emphasis on capital intensive projects. The emphasis needs to be shifted towards employment generation and labor intensive patterns for development.

The problems of unemployment in India brings with it inequalities of income and unequal assets ownership. Although emphasis is placed on capital intensive investment in previous five year plans this kind of investment does not help in beating unemployment. Another significant factor which prevented the poor from benefitting from growth has been the widening inequalities of incomes. The wages of poor

---

laborers cannot increase and their consumption cannot increase either. The profits from capital intensive investment are reaped by few people at the top. This increases production and consumption of luxury and semi-luxury goods whereas consumption of basic necessities is still stunted. In order to beat the rise in inequalities of income labour intensive investments projects needs to be introduced to increase the wages of the poorer class and to increase their consumption pattern.

Also India is facing huge population growth which results in poverty and poverty results in population growth. So it is a vicious cycle. In order to beat this poverty it is necessary to take major steps in solving the unemployment problem and to make development seep down to the lowest level.

### **IMPLEMENTATION OF MGNREGA**

In this backdrop of massive poverty and structural unemployment within the country, the NREGA was introduced. It is introduced in 2005. In the 56<sup>th</sup> year of the republic. The NREGA was introduced as a fractional fulfillment of a constitutional obligation. “Under Articles 39(a) and 41 of the directives Principles of state policy, contained in Part IV of the Indian Constitution. Article 39(a) reads: ‘The State shall, in particular, directs its policy towards securing that- the citizens, men and women equally, have the right to an adequate means to livelihood;’and article 41 directs that: ‘The State shall within the limits of its economic capacity and development, make effective provision for securing the right to work to public assistance in cases of unemployment....and in other cases of undeserving want’.” However various rights contained in part IV, including the’ right to livelihood’ and ‘right to work’, were

---

rendered non-justifiable by Article 37 in the same part of the constitution, which states: 'The provisions contained in this part shall not be enforceable by any part, but the principles therein laid down are nevertheless fundamental in the governance of the country and it shall be the duty of the State to apply these principles in making laws'. (Pankaj, 2008)

The Supreme Court has tried to teach these rights and have often tried to incorporate laws and policies to enforce it. However for a long time the rights contained in part IV of the constitution remain unutilized. These rights remain dormant for fifty five years since political parties and the governments they form were not able to form development policies and goals which reflected and enforce the rights contained in part IV of the constitution. Moreover civil society also fails to bring the issue of enforcement of part IV of the constitution to be taken seriously.

### **MAIN FEATURES OF THE MGNREGA AND ITS OBJECTIVES**

The Parliament passed the MGNREGA in 2005. The act received the consent of the President on 5<sup>th</sup> September 2005. On 2<sup>nd</sup> February 2006, it was implemented for the first time in 200 selected backward districts of India. On 2<sup>nd</sup> February 2006, and it was further implemented in 130 more districts. It now covers the entire country as the act requires that all districts have to be covered within 5 years of its notification that is by 7<sup>th</sup> September 2010.

The MGNREGA is a combination of a number of previous wage employment guarantee schemes. However it is different from all the other centrally sponsored wage

---

employment schemes. Although these schemes are successful on some level, it fails on some level also. The success is not considerable enough. Some of the features of previous employment Guarantee schemes are:

- 1) The schemes or programmes are formed and implemented by the bureaucracy;
- 2) Based on executive decisions and instructions.
- 3) The community does not participate in selection of work nor implementation of the Scheme
- 4) Limited in scope and coverage
- 5) There is no social monitoring;
- 6) The village council does not take a centralized role in implementation
- 7) There are leakages, and corruption;
- 8) Employment is provided on the basis of supply;
- 9) inadequate employment generation;
- 10) does not provide minimum livelihood security;
- 11) delay in wage payment;
- 12) amenities to workers is not given priority
- 13) it is not gender sensitive and is male or machine dominated
- 14) Employment opportunities are not flexible to workers' demand.

The MNREGA differs from the previous employment guarantee scheme in the following ways:

- 
1. MNREGA is a legal guarantee of right to employment, and is a new step for development for the poor which is based on their rights.
  2. MNREGA focus on full coverage and is therefore the most inclusive scheme for employment so far.
  3. MNREGA is demand based
  4. MNREGA focus on employment
  5. MNREGA focus on productive sector so that there can be sustainable development.
  6. MNREGA is gender sensitive
  7. MNREGA is transparent and answerable while previous employment schemes have been obscure
  8. MNREGA can be incorporated with various other development works while this is not possible in previous employment schemes.
  9. MNREGA gives central role to Panchayati Raj Institutions while previous employment schemes gives very limited role to PRIs.
  10. MNREGA covers time, space, manpower and resources while previous employment schemes mostly covers only resources and works.
  11. MNREGA enforces fortnightly measuring and payment of works while previous employment schemes does not do this
  12. MNREGA has a clear and definite role for administrators while in previous employment schemes roles of administrators are not as clear.

---

13. MNREGA undergoes close monitoring at National level, State level, District level and Inspection schedule while this kind of strict monitoring is absent in previous employment schemes.

Objectives of the MNREGA:

The main objective of the Act is to provide for the improvement of livelihood security of the households in rural areas by providing at least one hundred days of guaranteed wage employment in every financial year to every household whose adult members volunteer to do unskilled manual work. Its other objectives are: (Operational Guidelines, 2008)

1. establishment of durable assets in rural areas;
2. to reduce relocation from the rural to urban areas and from one part of rural areas to another part of rural areas due to lack of employment in previous area
3. Empowerment of rural women through a chance to earn 100 days wages through MNREGA. At least one third beneficiaries of the Act have to be women.
4. energizing the Panchayati Raj Institutions through giving them the central role to implement, and monitor the scheme;
5. Stimulating a sense of responsibility for community through working in groups in the community.
6. supporting inclusive growth and overall development and progress of the rural economy;

FEATURES OF THE ACT



---

The MNREGA has certain special features which makes it unique from its predecessors. According to Sharma (2009), the MNREGA is an important strategy in the current economic context of national economic slowdown, where raising aggregate demand is a major task for the government. Fiscal policy that provides more wage income directly to unskilled workers in the rural areas is likely to be much more effective in increasing aggregate incomes than other forms of public income. Under the MNREGA, adult member of a rural household, prepared to do untrained manual labour, may apply for registration to the Gram Panchayat. The Gram Panchayat will verify the application and then issue a Job Card. The Job Card will bear the photograph of all adult members of the household willing to do manual work under MNREGA. The Job Card is issued without any monetary charge.

A Job Card holder has the right to submit a written application for employment to the Gram Panchayat, specifying the time and duration for which work is sought. The minimum days of employment has to be at least fourteen. Employment should be arranged and given to the applicant within fifteen days of application for work. If such employment is not given, daily unemployment allowance has to be paid by the State as per provisions of the Act.

Equal wages are to be paid to both men and women .Wages will be be paid according to the Minimum Wages Act 1948 for agricultural labourers in the State, unless the Central Government inform a wage rate which will not be less than Rs.60 per day. Disbursement of wage has to be done on weekly basis and should never be beyond a fortnight.

---

Works provided under MNREGA should be within 5 km of the village. In case work is provided beyond 5 km, extra wages of 10% have to be paid. This is for covering additional transportation costs and living expenses. (Operational Guidelines 2008)

Wages will be paid according to the Minimum Wages Act 1948 for agricultural labourers in the State, unless the Centre notifies a wage rate which will not be less than Rs.60 per day. Equal wages are to be paid to both men and women. Wages may be paid according to piece rate or daily rate. Disbursement of wage has to be done on weekly basis and should never be beyond a fortnight. (Operational Guidelines 2008)

At least one-third beneficiaries of the Act shall be women who have requested work under the scheme and are registered. If there are women who comes to the worksite with children one adult will be assigned to look after the children while the rest of the adult works. Worksite facilities such as creche, drinking water and shade have to be provided. The shelf of projects for a village will be recommended by Gram Sabha and approved by the Zilla Panchayat. At least 50% of works will be allotted to Gram Panchayats for execution. List of permissible works are given under Schedule 1 of the MNREGA (Operational Guidelines 2008) as follows:

- i) Water conservation and water harvesting
- ii) Drought proofing, including afforestation and tree plantation
- iii) Irrigation canals, including micro and minor irrigation works
- iv) Provision of irrigation facility, plantation, horticulture, land development to land owned by households belonging to the SC/ST, or to land of the

- 
- v) beneficiaries of land reforms, or to land of the beneficiaries under the Indira Awas Yojana/BPL Families
  - vi) Renovation of traditional water bodies, including de-silting of tanks
  - vii) Land development
  - viii) Flood control and protection works, including drainage in water-logged areas
  - ix) Rural connectivity provides all-weather access. The construction of roads may include culverts where necessary, and within the village area may be taken up along with drains. Care should be taken not to take up roads included in the PMGSY network under MGNREGA. Priority should be given to roads that give access to SC/ST habitations.
  - x) Any other work that may be notified by the Central Government in consultation with the State Government.

A 60:40 wage and material ratio has to be maintained. No contractors and machinery is permissible. The Central Government bears the 100 percent wage cost of unskilled manual labour and 75 percent of the material cost. The Central Government also bears the wages of skilled and semi skilled workers. Grievance redressal mechanisms have to be formed. Social Audit has to be conducted. All accounts and records should be transparent and available for scrutiny by the public.

**PARTICIPATORS:**

The participators of the MNREGA includes the following:

- 
- 1) Workers
  - 2) Panchayats
  - 3) Citizens
  - 4) Implementing agencies
  - 5) Programme Officer
  - 6) District Project Coordinator
  - 7) State RD Department
  - 8) MORD

#### JOB CARD REGISTRATION AND DISTRIBUTION

The MNREGA does not distinguish between the rural households in terms of caste, occupation or land. Its intention is total coverage. However SCs, STs, lower OBCs, and Muslims who are landless or nearly landless, and casual labour in agriculture constitute a larger percentage for seeking wage employment in government sponsored schemes.

The MNREGA is considered to be a demand driven scheme. An evaluation for the demand for employment under this scheme can be estimated from the number of households applying for job cards. The number of households applying for job cards may exceed the number of those actually demanding jobs, but it is taken for granted that households applying for job cards are possible employment seekers.

---

At the outset a large number of households also applied for job cards under the impression that this would entitle them to unemployment allowances. However unemployment allowances are not provided unless employment is demanded and is not given within fourteen days.

Although the MNREGA is considered to be a transparent and accountable scheme, it is not completely free from corruption. There are cases where panchayat secretaries in collusion with Gram Panchayat (GP) heads issued job cards even to those households that would not come forward for wage employment. And these people are paid regardless of whether they come for the work or not. There is also opportunity for making fake job cards. On the part of the households also, some household apply for job cards but once they get it they are not willing to do manual work under the scheme, and let some other person do the work so that once they get the wages, the wages is split between the worker and the job card holder. In spite of all these flaws the number of households provided job cards so far shows the level of vigilance and competence of the implementing agency.

It is hoped that there should be no gap between employment demanded and provided. One of the objective of the Act is total coverage. However the whole process of MNREGA is still supply driven rather than demand driven especially in Mizoram. There is failure on the part of the implementing agencies to prepare a number of work projects beforehand. Also they are unable as yet to put a large number of workers on jobs at the same time.

---

The majority of beneficiaries under MNREGA belong to the target group: SCs, STs, lower OBCs, landless and nearly landless, casual labor in agriculture, and migrant workers. Another optimistic result of MGNREGA is the impact on women.

The Act requires that at least one third beneficiaries has to be women which is a huge boon for women since such a huge percentage is reserved for them. The percentage of women beneficiaries may vary across states but the since the Act provides that one-third beneficiaries has to be women and since equal wages are paid to both men and women the MNREGA is encouraging for women. Women got the largest share, which is 40.63 per cent ( <http://nrega.nic.in>).

#### DISTRIBUTION OF EXPENDITURE ON WAGES, MATERIAL, AND CONTINGENCY

The MNREGA lay down that out of total existing funds under the MNREGA, 60 percent should be spent on the wages of unskilled workers. The remaining 40 per cent should be spent on the wages of skilled and semi-skilled workers and material. This distribution is however meant for total available funds and not for each scheme. The percentage of wages reserved for the wages of unskilled workers is more because the main concern of the Act is the formation of wage employment largely through labor intensive work so that the Act can reach even the most unskilled and the poorest section of the country.

However the distribution of expenditure on wages and material varies across state. Though most states generally followed the expenditure distribution

---

guidelines, there are some that spent relatively large sums on the wages of unskilled manual workers, and some less on the same. States that spent relatively less on the wages of unskilled workers tended to spend more on material and other components.

The MNREGA has a prospective in improving the economic position as well as the social security of people. The list of permissible work under the MNREGA is restricted, but there is sufficient scope for undertaking projects that provide economically useful assets and building durable community assets. It also has potential for providing a sense of personal security since the Act lays down that if the local administration fails to provide work within a fortnight after work is demanded, an unemployment allowance is to be paid to the workers.

#### AWARENESS

Awareness is a vital right under MNREGA. It is very important for the successful implementation of the Act. The successful implementation of the Act depends a lot on awareness among its recipients and potential recipients about its provisions and their rights. Without proper awareness and information the objectives of accountability and transparency would be missed out and the success of the Act could be minimal. The Act also stipulates certain mandatory steps which should be taken by the implementing agencies to create awareness among the masses.

#### MINIMUM WAGE PAYMENT

---

Minimum wage payment is one of the most important provisions under the MNREGA. If workers are paid less than the prescribed minimum wages, one of the objectives of the Act is defeated. Under payment of prescribed minimum wages there are certain things which have to be considered like actual payment of prescribed minimum wages, timely payment and mode and method of payment.

Different states follow different rates for the wages of unskilled manual workers. Also, these wages are revised from time to time. Unless otherwise notified by the centre the wages should not be less than the prescribed minimum wages or Rs.60. at present the prevailing rate in Mizoram is Rs.129.

Timely wage payment is another important issue. The disbursement of daily wages shall be made on a weekly basis or in any case not later than a fortnight after the date on which such work was done. Timely wage payment through the piece rate system requires timely measurement of work done. Junior engineers are required for measurement of work under the piece rate system. Hence payment of wages through time rate is more convenient. That is why state like Mizoram and some other state follow payment of wages through time rate.

#### MODE OF PAYMENT

For wage payment method under the MNREGA payment through bank and post office accounts is suggested to reduce leakages in wage payments. However, this kind of payments involves certain issues.

One of the issues related with payment of wages through bank/post office is that a worker can withdraw his earnings only by visiting the bank or post office



---

during working hours on working days. This removes his ability to earn on the day he visits the bank or post office. Another issue related with bank or post office payment is that sometimes a worker has to bear travelling expenses when the post office or banks is not located within walking distance. These issues are not present when payment is done by the village council member. Another issue related to bank or post office payment is when the account is opened in the name of the male member of the family, women can lose control over their hard earned money. One of the objectives of MNREGA is empowering rural women through participation of women workers in the ratio of at least one-third of the total workers. This objective will be defeated if women ever lose control over their hard earned money.

Before the introduction of bank payments, the MNREGA wages were paid in cash. This cash were paid to workers who have participated in the MNREGA work and whose attendance in the work is entered in the muster roll or attendance sheet. The attendance sheet is prepared and maintained by the implementing agency, in most cases the Village Panchayat. The muster roll is a book where the number of days worked and wages due to each laborer is recorded. After the muster roll is submitted to the block office, funds are submitted to the Village Panchayat's account. The money is then withdrawn by the implementing agency. The money withdrawn is disbursed to the laborers for their wages.

Under the cash payment system, the implementing agency and payment agency is one and the same. The wages of the laborers are paid by the same agency which maintains the record of attendance and wages due to the laborers. This

---

makes it very easy for the implementing agency to make fake workers in the attendance sheet and then collect the wages of the fake workers and transfer it in their own pocket. Therefore in order to prevent this kind of embezzlement to some extent, post office or bank payment is proposed. It is now introduced in a number of districts all over India. Kolasib district is one such District where bank payment system have been introduced. When the wages were disbursed through cash payment system a number of precautions and monitoring system was formed to prevent leakages. These include public disbursal of wages and opportunity for the public to check the attendance sheet, maintenance of workers' job cards and regular social audits.

However leakages of wages is still prevalent and due to a widely held view that these leakages arise due to the fact that the implementing and payment agency is the same the need arise to introduce a system where the implementing and payment agency are different. This is the main reason for introducing the bank payment system. In some areas instead of the bank payment system, post office payment system is introduced. However post office or bank payment system both serves the need for introducing a new system where the implementing and payment agency is different. When an independent financial institution, which is not involved in the actual implementation of the MNREGA takes on the responsibility for paying wages to workers, there is a clear and thorough separation of the implementing agency and payment agencies. It is a widely held view that through

---

separating the implementing agency from the payment agency, there is lesser possibility for embezzlement of cash.

The implementing agency may be discouraged from making wrong entries in the attendance sheet since the funds will no longer be disbursed to them at the time of payment of wages. The payment of wages will no longer be in their hands. Also when the wages are paid directly to the workers through their accounts the possibility of middlemen laying their hands on the wages of the workers is eliminated. Moreover the workers will be encouraged towards the habit of thrift and dealing with organized banking system through the bank payment system. Another positive feature of the bank payment system is that bank maintains good and orderly records. This will help in efficient record keeping of utilization of funds and increase transparency. With all these in view, Schedule II of MNREGA was amended to make wage disbursement to MNREGA workers through institutional accounts in Banks of Post Offices a statutory requirement.

The financial inclusion under MNREGA is wide and has surpassed the capacity of banks and post offices to manage such a large number of accounts. This has led to delay in wage disbursements which legally require payments of compensation. It is essential however that the twin legal directives of wage payments within the stipulated 15 days as well as of wage disbursement through institutional accounts should be strictly followed. For this provision the bank have to follow Business Correspondent Model. Wage payments should be done through Banks with Bio-metric authentication at village level. The Business Correspondent

---

Model should be done by State Governments on competitive bid from Banks by inviting Expression of Interest(EOI)/Request for Qualification(RFQ), (Official Circular, 2011). According to Sharma (2009), the MNREGA has initiated the world's largest financial inclusion measure by providing poor people access to the formal banking system.

#### UNEMPLOYMENT ALLOWANCE

Provision of unemployment allowance in case of the inability of the implementing agencies to provide employment within 15 days of demanding it has been made. It is provided that unemployment allowances will be paid by the concerned state governments, and officials responsible for implementing the scheme are made liable for making such unemployment allowance.

The MNREGA is a demanding scheme in terms of implementation. It requires institutional arrangement, special staff, and the active participation of the society. Recognizing the special needs of the scheme, the Act provides for staffs like Programme Officers, Assistant Programme Officers, Village level Assistants, Technical Assistants and Computer Operators. The Act assumes uniform delivery capacity of PRIs, local-level bureaucracy, and civil society organizations across states. However in reality there is varying levels of implementations of the scheme in various states.

One of the objectives of the MNREGA is to create long term assets in rural areas. However the design of the scheme is biased towards building kaccha road in Mizoram. To ensure usefulness of the scheme and quality of the assets created, the provision of social auditing has been incorporated. It has also been provided that the

---

three-tier vigilance committees will work at the GP, Panchayat samiti/mandal panchayat, and zilla parishad levels, apart from state and national level monitoring.

The MNREGA aims at short term and long term impacts. The short term objective is to ensure 100 days of guaranteed wage employment, and the long term objectives are to mitigate rural poverty, reduce distress migration for wage employment, create durable community assets, and promote overall development of rural and overall economy . It also intends to impact positively on village and community life, empower women, and invigorate the process of decentralized development and functioning of PRIs.

With a view to revitalizing the roles and functions of the Vigilance & Monitoring Committee as important instruments for effective monitoring of the implementation of the Programmes of the Ministry, these committees are reconstituted at State/Union Territory and District levels. These Vigilance and Monitoring Committees replace all other committees set up earlier.

The Vigilance and Monitoring Committees are constituted with a view to fulfilling the objective of ensuring quality of expenditure, particularly, in the context of large public funds being spent under all the programmes of the Ministry of Rural Development. These Committees would keep a watch on the implementation of the Programmes as per the prescribed procedures and Guidelines. The objectives include providing a crucial role for the Members of Parliament and elected representatives of the people in State Legislatures and Panchayati Raj Institutions (PRIs) in the implementation of the Rural Development programmes and to put in place a

---

mechanism to monitor the execution of the Schemes in the most effective manner and within the given time frame so that public funds are put to optimal use and Programme benefits flow to the rural poor in full measure. (Guidelines for Vigilance and Monitoring Committees at State and District levels to Monitor Rural Development Programmes, 2009).

These committees are also to effectively liaise and coordinate with the ministry of Rural Development and State Governments. The Ministry may consider withholding release to districts which do not hold regular meetings of Vigilance and Monitoring committee.

The State level Vigilance and Monitoring Committees should have a Chairman (normally Minister of Rural Development of the concerned State). Ministers in charge of the department of state governments responsible for implementation of various other programmes of this ministry shall be co chairman. The secretary in charge of rural development programmes in the state/UT would be the Member secretary of the Committee. The other members of the committee shall be four MPs(Lok Sabha) to be nominated by the Ministry of Rural Development, Government of India. One MP (Rajya Sabha) to be nominated by the Ministry of Rural Development, Government of India, five MLAs to be nominated by the state government, the secretaries/heads of departments of rural development, finance, public works department dealing with rural roads, revenue, planning, agriculture, animal husbandry, irrigation, PHE, Social Welfare, Cooperation, Forests and Fisheries and other related departments. The committee should also include Director, Institutional Finance, Managing Director/Head

---

of SC/ST Development Corporation, Managing Director/Head of Women's development Corporation, one representative of KVIC, to be nominated by the Ministry of Rural Development, four non official members to be nominated by the Ministry of Rural Development, Government of India, one representative each of two reputed NGOs/Voluntary agencies to be nominated by the ministry of Rural Development, one representative (area officer of the respective state/UT) of Ministry of rural Development.

The district Level Vigilance and monitoring Committee should include a Chairman(Member of Parliament, Lok Sabha) elected from the District or a Minister, nominated by the Ministry of Rural Development. The Committee should also include the Member Secretary (District Collector/District Magistrate/Deputy Commissioner), other members should comprise of all the MPs (Lok Sabha) of the district to be designated as Co-Chairman, one member of Parliament (Rajya Sabha) representing the state and exercising option to be associated with the District level committee of that District (on first come basis), to be designated as Co-Chairman, all members of the State Legislative Assembly belonging to the District, one representative of the State Government/UT Administration, chairperson of the Zilla Panchayat, Project Director, DRDA, one member from a reputed NGO to be nominated by the Chairman in consultation with other Members of Parliament in the Committee, one professional from the field of Social Work/ Social Science to be nominated by the District Collector, one representative each of SC/ST and Women to be nominated by the Chairman in consultation with the other Members of Parliament in the Committee.

## **CHAPTER 3:**

### **FUNCTIONING OF MGNREGA IN KOLASIB DISTRICT**

---

The MGNREGA is not a scheme for individuals but it is a scheme for households. Every household owning a job card are entitled for a 100 days work under MGNREGA. Presently in Kolasib District each person doing manual work under the MGNREGA scheme is entitled to Rs.129 per day. Therefore each household owning a job card shall be entitled to Rs.12900 a year under the MGNREGA scheme.

As in all other Districts of Mizoram the MGNREGA is implemented by the Village Councils but the Central Government has ordered the setting up of Village Employment Council as the new implementing agency. The Village Employment Council is now set up in Kolasib District and it is the first District in Mizoram which has set it up. The Village Employment Council shall be set up in each Village Council, and shall consist of four members elected by the local people. The secretary of the Village council will be the ex-officio member and all the members of the Village Council will be the member of the Village Employment Council.

Only works permissible under Schedule 1 of the MNREGA can be taken up under MNREGA works. Efforts should be primarily made to address requirements of water conservation, water harvesting and plantation. Nurseries can also be reared with funds released under the programme. The Central Government urge the states to make special efforts to take up minor irrigation works on lands of SC & ST and Indira Awaas Yojana and land reform beneficiaries as provided for in the Act (Official Circular, 2006).



---

However in Kolasib district, most of the work is concentrated on building of Kaccha road, in other words developing of rural connectivity. This is because Kolasib being a district with many little hills have poor connectivity. It is difficult for the local people to reach their farms especially during rainy seasons. Another reason is unawareness among the local people which prevents them from undertaking any other kinds of useful works under Schedule 1.

Technical supervision of works is essential. The Central Government has advise the states to employ at least one additional technical assistant for ten village councils in addition to technical staff already available so that the works can be properly supervised. At present all the works undertaken under MNREGA is supervised in Kolasib District by the Village Level Administrative Assistant. These VLA supervised the works on site and take photographs of the work. The Technical Assistants also verify the works and helps in measurement of works and checking in completion of works.

Training is an integral part of MNREGA in Kolasib district. Training prevents wastage of time and energy. Each individual (official as well as non-official) are required to undergo proper training about the scheme. For each training session, the budget for an individual at the district level is Rs.600, Rs. 450 for each individual at the block level, and Rs.250 for each individual at the village level.

---

Under MNREGA scheme as the guideline provides, information, education and communication (IEC) and special media campaigns go hand in hand. During the implementation stage Kolasib district along with all the other districts in Mizoram are requested to publish at least twice in all local newspapers. The masses have to be made aware of the rights under the Act. For this, pamphlet, booklet, banner, wall painting, signboard etc., have to be employed. From time to time the campaign using the media should also be employed. These efforts have been carried out to some extent in Kolasib District like publishing in the local newspaper. However full details of their rights through booklet, pamphlet etc. is yet to be intimated to the beneficiaries.

According to directive under Sec 27(1) of the MNREGA regarding job cards under MNREGA, the key document under MNREGA recording the worker's entitlement is the job card, which is issued under Schedule II, Para 1-4, of the Act (Official Circular, 2008). The job card is the registered household's authorized tool for applying for work and recording particulars of his/her employment demand and allocation, attendance and wage payment. It is the basic protection which the worker has to safeguard and defend his/her rights under the Act. It is therefore essential to ensure that the job card is in the care of the person concerned, and that it does not contain information that is irrelevant to the purpose of the Job card, or not related to the job card holder for the purpose of the Act or that make the job card likely for misuse.

Each job card is in the custody of the job card holder. The job card contains details of the registered adult members of the households. It contain essential information regarding job card numbers, household member-wise work demand and

---

allocation, description of the work done, dates and days worked, muster roll numbers by which wages have been paid, amount of wages paid and unemployment allowance, if any paid. It also include the postal account/bank account number, insurance policy number and EPIC No. (Voter's ID) if any. The entries are duly authenticated by the signature of an authorised officer. The job card bear the photograph of only the registered adult members of the household to whom the job card has been issued. No photograph, name or details of any person other than that of the registered adult members of the household to whom that job card belongs will be affixed or recorded in the job card. In Kolasib District the photographs of not only the job card holder but other adult members of the family who can do manual work on the days the job card holder is not free is also included in the job card.

As per the instructions from the Central Government, in Kolasib District, muster rolls have been verified by District teams on the following basis

- a) Are the muster rolls used numbered and issued for each work by programme officer.
- b) Unique identity given to each work indicated in the muster roll
- c) Do muster rolls mention job card number of workers
- d) Do muster rolls mention: days worked, quantum of work done, wages paid
- e) Do entries of muster rolls correspond to the entries recorded in the job cards of the workers
- f) Do muster roll entries for work measurement tally with measurement books
- g) Do entries in muster rolls tally with the actual workers and work done

---

Amendment to Schedule I Para I(iv) of MNREGA stated “provision of irrigation facility, horticulture plantation and land development facilities to land owned by households belonging to the Schedule Castes and Schedule Tribes or below poverty line families or to beneficiaries of land reforms or to the beneficiaries under the Indira Awas Yojana of Government of India or that of small farmers or marginal farmers as defined in the Agriculture Debt Waiver and Debt Relief Scheme,2008.”( The Gazette of India Extraordinary,2011).

The implication of this provision is that works on land of Scheduled Castes and Scheduled Tribes households will be taken on priority. Once works on the land of scheduled castes and scheduled tribes are saturated, works on lands of small and marginal farmers may be considered. Works on lands of small and marginal farmers will be of water conservation and water harvesting like construction of dug wells and farm ponds, recharge structures on existing well and conveyance systems. The conditions required to be fulfilled for works on private land is that the individual land owner shall be a job card holder and also work in the project. For each such project, the labor material ratio of 60:40 shall be maintained at the Gram Panchayat level. Projects shall be approved by the Gram Sabha and the gram Panchayat and shall be part of the annual shelf projects. No contractors or machineries should be used for the execution of the work, and no machinery should be purchased. However in Kolasib District, works on private land is carried on extensively only in Mualkhang Village Council. Works on private land is hardly practiced in other Village Councils till today. However

---

works on private land is proposed to be carried in other Village Council as well from the new Financial Year.

According to Sec 6 (1) of the MNREGA, “notwithstanding anything contained in the Minimum Wages Act, 1948, the Central government may, by notification, specify the wage rate for the purpose of this Act: Provided that different rates of wages may be specified for different areas: Provided further that the wage rate specified from time to time under any such notification shall not be at a rate less than sixty rupees per day.” (Official Circular, 2009)

Proposals received from State Government for wage revision under Section 6(1) of MNREGA may be considered and acceded to by the Central Government and notified subject to the ceiling of Rs.100/- per day. Anything higher than this would be paid by the State Governments from their own budgets. (Official Circular, 2009)

If a State Government seek to revise wage rates under MNREGA the proposal for such a revision will have to be first submitted to Government of India and the revised wage rate as approved by the Government of India will be applicable from the date indicated in the Government of India notification. State Governments will be liable for any difference in payment of wage rates caused by any deviation from this policy.

According to Part II Section 3 Sub Section (ii), the new revised wage rate for Mizoram is Rs.129, which becomes effective from 1<sup>st</sup> January, 2011. The wage rate in Kolasib district is also raised in compliance to this rate starting from January 2011. (The Gazette of India Extraordinary, 2011).

---

Sub Section 3 of Section 3 of the MNREGA provides that the disbursement of daily wages shall be made on a weekly basis or in any case not later than a fortnight after the date on which such work was done. In case of delay in payment, the labourers are entitled to receive payment of compensation as per the provisions of the Payment of Wages Act, 1936. (Official Circular, 2010)

Delays in payments as per feedback received from states are due to shortage of staff leading to delays in measurement of work, non-updated Muster Rolls, Measurement Books. Limited infrastructure, including bank and post office branches, is another major factor.

With a view to infusing transparency and enhancing the integrity of wage payment under MNREGA, and also to encourage savings among the rural poor, Schedule II of MNREGA has been amended to make wage disbursement to MNREGA workers through institutional accounts in banks or post offices a statutory requirement. It has now been decided that State Governments should roll out model to make wage payment through Banks with Biometric Authentication at village level. For this provision bank can follow Business Correspondent Model.

To ensure payment of wages within a fortnight to all labourers, following time schedule is suggested via circular dated 25<sup>th</sup> June, 2010 which may be considered by the states to reduce administrative delays. According to this circular:

---

**Table 5: Circular for Payment of Wages**

Sl.No	Activity	Time Schedule
1.	Closing of Muster Roll	6 <sup>th</sup> Day after start of the work
2.	Bringing Muster Roll and Measurement Book	8 <sup>th</sup> day
3.	i)Entry of Muster Roll in MIS ii)Generation of pay order (consolidated as well as individual)	9 <sup>th</sup> and 10 <sup>th</sup> day
4.	i)submission of pay order at the block post office/bank. ii)Generation of pass slip iii)transfer of pay order at the village post office/bank.	11 <sup>th</sup> day and 12 <sup>th</sup> day
5.	Deposit of wages in the account of wage earners	13 <sup>th</sup> day
6.	Entry of disbursement of wage into MIS	16 <sup>th</sup> day

*Source: Official Circular, 2010, MORD*

---

In addition to this Ministry has developed a module where the banks and post offices can login on the website (<http://nrega.nic.in>) and can receive the wage lists generated in the Village Council and sent to them.

The financial institutions can give details of credit of accounts of workers along with the amount credited. In Kolasib District, from September 2011, payment of wages has been switched from cash payment to post office payment in the whole Village Councils of Bilkhawthlir Block. And post office as well as bank payment mode is now carried on in all the Village Councils of Thingdawl Block. As per the guidelines of the MNREGA these wages are disbursed within a fortnight of completion of the works. Entry of disbursement of wages within a fortnight is still not regularly followed in Kolasib District though. Updating of MIS is not too regular yet.

Ministry of Rural development, Government of India has expanded the scope of works under Schedule I Para I(g) to include construction of Bharat Nirman Rajiv Gandhi Seva Kendra (BNRGSK) at the Gram Panchayat (GP) and block level since 11.11.2009. This has been prompted by the demands from several states to strengthen the infrastructure at the Gram Panchayat and the programme office level to enable an efficient implementation of MNREGA and to provide space for greater and more transparent interactions with the citizens. (Manual for BNRGSK for Block and Gram Panchayat level, 2010)

The objectives of BNRGSK are (Manual for BNRGSK for Block and Gram Panchayat level, 2010)



- 
- 1) Provide space to facilitate the functioning of the MNREGA office at the VC/Block levels.
  - 2) Function as a Knowledge Resource Centre to facilitate
    - i) Citizens access to information on MNREGA and other Rural Development Programmes.
    - ii) Provide space for facilitating dissemination of technologies and good practices for effecting convergence for durability and productivity enhancement of rural assets.
    - iii) Operation of ICT facilities both to support GP and block office of Programme Officer (PO) as well as public access to information and on line transaction related to development process.

In Kolasib district, for the year 2010-2011, for BNRGSK project has been sanctioned in five Village councils in Bilkhawthlir Block and five Village Councils in Thingdawl Block. During 2011-2012, funds are sanctioned to the remaining 37 village councils for BNRGSK projects. The budget for BNRGSK projects should be included in 40 percent material cost. If the costs exceeds the budget, the excess costs should be met by the State Government (Official Circular, 2009).

The size of BNRGSK building and the budget for each village council varies depending on the size of the village councils. Depending on the size of the projects, the project is categorised into A, B, C and D. The budget for the different categories also varies.

---

The building of BNRGSK is undertaken by The Building Committee set up by the Village Council. Members of the building committee should include one village council member, one representative from each local political party.

Since the BNRGSK project is undertaken by the MNREGA budget, most of the builders are job card holders. Contractors and machinery are not employed as it is strictly prohibited. The number of labor employed, their muster roll, the expenses for buying materials for the building (Material Cost) are properly recorded and are updated in the MIS for maintaining transparency of the project. The accounts is also maintained in such a way that it is possible to be checked by anyone who wants to see it. Social Audit is also conducted for the project.

Prototype designs of the BNRGSK have been developed at the National level. However the prototype design can be adopted to local conditions, subject to the basic functional concept of the prototype design. Designs and detailed manual are given to provide guidance for the construction of BNRGSK projects. However, in Mizoram since the local geographical conditions varies with other parts of India, the prototype design is adopted to suit the needs of the local conditions. This adopted prototype design for Mizoram is followed in Kolasib District. Most of the buildings are proposed to be build on lands which have a good approach road and with good compounds. If the village concils have a good Village Council house which has a good compound and which is easily approacahable the BNRGSK should be built near such Village Council

---

house, inside the Village council house compounds. The BNRGSK building should preferably be an autonomous building. If the building is shared for any other purpose other than the BNRGSK project, the BNRGSK project like any other project under MNREGA material components should be monitored by a Technical Assistant.

The BNRGSK so far completed are utilised in the following ways:

- i) Job Card application
- ii) The job card holders can apply for jobs here. However in Mizoram (as also in Kolasib District) so far all the jobs are supply based and not demand based, the BNRGSK building have not yet been utilised for this particular purpose.
- iii) Checking of Muster Roll.
- iv) Submitting complaints to Village councils
- v) Imparting necessary information to the local people
- vi) Conducting meetings regarding MNREGA projects
- vii) For conducting social audit.

The buildings under construction should also be utilised for these purposes when completed. For Village Councils not having Village Council house it should serve as a Village Council House. The BNRGSK building should serve as a knowledge resource centre for the local people. It should also serve as IWMP office as suggested by the central government.

In Kolasib district, the Programme Officer is there to deal promptly with all the complaints which arises in connection with the

---

implementation of the scheme within the block. The programme officer enter every complaint in a complaint register maintained by him and dispose of the disputes and complaints within seven days of its receipts and in case they are related to matters to be resolved by any authority they shall be forwarded to such authority under intimation to the complainant. When complaints are made the following rules have to be obliged by the complainant:

- i) Complaints may be submitted in writing or orally.
- ii) Complaint boxes at conspicuous places in the offices of the Programme Officers and District Programme Coordinators must be installed to facilitate submission of complaints.
- iii) Complaints shall be entered in the complaint register and disposed off within the statutory time limit.
- iv) The complainants must also be informed of the action taken in writing.
- v) Monitoring of disposal of the complaint must be done at the next higher level every month.
- vi) There must be monthly disclosure of complaints in local newspapers.
- vii) Setting up a toll free helpline is considered.
- viii) A system of appeal is considered.
- ix) A State level officer must be designated to consider the disposal of complaints in the state.
- x) Wide publicity must be made for greivance redressal at all levels.

- 
- xi) Monthly reports on complaints received and disposed must be sent from GP to PO to DPC to State Government of India and will also be entered online in predesigned formats of the ministry.
  - xii) In Kolasib district, so far there have been cases of oral complaints to the Programme Officers. But there have been very few cases of Written complaints to the Programme Officers and these complaints have been dealt with and solved by the Programme Officers.

In order to bring in more transparency in implementation of MNREGA, Ministry of Rural Development has decided that digital photographs of MNREGA works should be placed in public domain by uploading the same on the NREGASoft i.e.,<http://nrega.nic.in>.

To operationalise these instructions, the following guidelines issued by the Central Government are carried out in Kolasib district: (DEGSU Cell, Project Veng, Kolasib)

- i) In the work module of NREGSoft, an option is provided for uploading the photographs while entering the details of the work.
- ii) The resolution and format of the photographs should not be high. Efforts need to be made to ensure that the file size is not more than 30KB.
- iii) The system has been so designed that it would maintain three photographs for each work/worksites for three different stages of the work cycle viz.  
a) before start of work (work site) b) during execution of work and c) completed work.

- 
- iv) While the photographs of the work site (before start of the work) and the completed work would continue to be shown on the website, the photographs of intermediate stage(s) would go on changing and at any time, the latest photograph of the work would be displayed.
  - v) If the camera has a facility of date and time stamp, the same should be enabled. However if the camera does not have the facility of date and time stamp, the date should be entered while entering the details of works in work module.
  - vi) It is proposed to move to a system whereby the latitude and longitude of the worksite should also be mentioned along with other work details. However this requires GPS enable equipment.

The large scale operations, the limitations of outreach of various services and the need to handle large volume of information in a transparent manner necessitated the use of ICT in programme delivery. ICT facility both to support GP and block office of Programme Officer (PO) as well as public access to information and on line transactions are being promoted.

Management Information System (MIS) is a system or process that provides information needed to all stakeholders to manage processes effectively and in a transparent manner. The Act prescribes proactive disclosure and making information available in public domain. Of all the measures, the most effective so far has been the

---

web enabled MIS (“MGNREGA MIS”), ([www.nregs.nic.in](http://www.nregs.nic.in)), which places all relevant transaction data in public domain. ICT has facilitated a platform for tracking processes and outcomes. The software can be customized to local requirements by modifying or adding features to it. It also allows local language options.

In the district of Kolasib, regular records and updates of data and photograph is still slow although efforts are made to make the updates quicker and more regular, much improvements needs to be made.

According to section 27(1) of the MGNREGA, the central Government makes an order to all State Governments in June 2009 to implement the provisions of Section 17 with Para 13 of schedule 1 of the MGNREGA regarding the organization of social audits in their States (Official Circular, 2009).

According to section 17( i)the Gram Sabha shall monitor the execution of works within the Gram Social audit of panchayat (ii) the Gram Sabha shall conduct regular social audits of all the projects under the scheme taken up within the Gram Panchayat (iii) the Gram Panchayat shall make available all relevant documents including the muster rolls, bills, vouchers, measurement books, copies of sanction orders and other connected book of accounts and papers to the Gram Sabha for the purpose of conducting the social audit (Official Circular, 2009).

The State Governments have to direct the District Programme Coordinators to conduct the social audit bearing in mind provisions of social audit. The State Government should direct the District Programme Coordinators to complete the social

---

audit and the entry of the information related to the social audit in a prescribed format in the MNREGA MIS.

In the District of Kolasib, from April 2011-December 2011, one Social Audit is conducted. This Social Audit is conducted with the localites and the MNREGA funtioneries and implementing agency in Kolasib Disttrict. The social audit is conducted in a very simple way and does not follow in details the guidelines of the MNREGA. However a new directorate will be set up from March 2012 and this directorate shall be in charge of conducting all social audits as per the guidelines of the MNREGA.

The Central Government give direction to the state Government to appoint at least one ombudsman for each of their district as per Section 27(1) of the MNREGA (Official Circular, 2011). The Ombudsman has power to receive complaints from MNREGA workers and others in the following cases:

i)Gram Sabha ii)registration of job cards and issue of job cards iii)custody of job cards iv)demand for work v)issue of dated acknowledgement receipt against submission of application for work vi)payment of wages vii)payment of unemployment allowance viii)discrimination on the basis of gender ix)worksite facilities x)measurement of work xi)quality of work xii)use of machines xiii)engagement of contractors xiv)operation of accounts in banks or post offices xv)registration and disposal of complaints xvi)verification of muster rolls xvii)inspection of documents xviii)use of funds xix)release of funds xx)social audit xxi)maintenance of records (Official Circular,2009).



---

The ombudsman should consider the complaints and facilitate their disposal in accordance with the law. Complaint disposal in accordance with the law is the key to empowerment of the people and enjoyment of their rights. Another duty of the Ombudsman include sending monthly report highlighting cases where action needs to be taken against wrong actions of MNREGA functionaries for their failure to redress greivance and furnish annual report every year contaaining a general view of activities of his office to the Chief Seretary, and the Secretary State Nodal Department. He is also required to compile a list of awards passed by him during each financial year and report to the Chief Secretary and the text of Award is to be put on the district MNREGA website. Kolasib District also has one ombudsman, however there have been no case of a complaint actually forwarded to the ombudsman in Kolasib District.

When a worker who has not applied for work is not provided employment within 15 days from the date on which work is requested, an unemployment allowance shall be payable by the State Government at the rate prescribed in the Act. The programme officer shall be responsible for the prompt payment of unemployment allowances throughout the Block. However in Kolasib District, since the work is supply based, works employment is provided when the funds arrived and are not demanded by the people. The Village Council membre announce to the local people as soon as the funds arrive and employment is then provided. This method seem to work well for the people since they still get their 100 days wages every year after the implementation of the MNREGA in Kolasib District.

---

Convergence of the MNREGA funds with funds from other sources for the creation of durable assets is permissible. Social sector programmes such as literacy and health missions can also be converged with MNREGA to extend the benefits of these programmes to MNREGA workers and beneficiaries. In Kolasib district due to Bharat Nirman Volunteers, works on private land is possible in a few Village Council of Thingdawl Block.

Financial Audit is mandatory. This should be carried out at the end of the financial year by each District. The audit should be done by local fund auditors or by Chartered Accountants appointed by the State Government. A copy of the audit note have to be sent to the State Government. A concurrent audit has to be undertaken in addition to this. The District Programme Officer have to ensure that the Opening and Closing balance included both in the Audit Report and Utilisation Certificate tally. If there is variation due to any unavoidable reason ,it has to be clearly explained with reasons to the satisfaction of the Ministry, with documentary support if any. If this is not done, the Ministry may stop further release of funds in the next year. In Kolasib District financial audit is done as per this guideline and so far no serious problems or mismatching of records have been faced.

The MNREGA was incorporated in Kolasib District in 2008. The District is divided into two blocks Bilkhawthlir Block and Thingdawl Block. There are two Programme Officers in Bilkhawthlir Block, one urban Programme Officer and one Rural Programme Officer. Thingdawl Block has one Programme Officer. So presently Kolasib District has three Programme Officers.

---

In 2009, twenty four VLA were recruited for the MNREGA cell in Kolasib District. Five Technical Assistants, three Computer Assistants, three Accounts Assistants and four Assistant Programme Officers are recruited for better, more effective and efficient implementation of the Act.

In 2011, DEGSU Cell was set up for the first time in Kolasib District in Project Veng locality, Kolasib. The cell currently employ three Programme Assistants, one Lower Divisional Clerk (LDC), one Data Entry Operator, Four Helper Messenger, one Accounts Manager and one Works Manager, and one Assistant Programme Officer. These administrative staffs are in charge of the effective implementation of the Act as per the Operational Guidelines of the Act. They are in charge disbursement of wages, maintenance of accounts, giving information and uploading datas in the MIS for achieving transparency.

The cheque receipt from April 2011-December 2011 under MGNREGA in the District of Kolasib (collected from Accounts Manager DEGSU Cell in January 2012) are as follows:

1. From Government of India- Rs.926.84 lakhs+ Rs.1162.82 lakhs
2. From Government of Mizoram- Rs.79.957 lakhs

**Table 6: Expenditure during April 2011-December 2011 (Wages, Material and Administration)**

Sl. No	Months	Amount (in rupees)- Wages and Materials	Amount(in rupees)- Administration
1.	April	NIL	5,97,416
2.	May	NIL	7,89,803
3.	June	NIL	21,97,898
4.	July	2,84,47,158	16,13,981
5.	August	96,02,850	8,72,209
6.	September	4,40,93,736	1,77,429
7.	October	4,40,93,736	23,36,120
8.	November	1,94,17,194	11,55,631
9.	December	7,55,59,207	11,00,138

*Source: Accounts Manager (DEGSU Cell), Project Veng, Kolasib*

The cost of MGNREGA budget is divided between the Centre and the State. The entire cost of wages for unskilled manual workers is borne by the Central Government. 75 percent of the cost of material and wages for skilled and unskilled workers is also borne by the Central Government. Administrative expenses is borne by the Central Government as determined by the Central Government. These include the salary and allowances of Programme Officers and their support staff and worksite facilities

---

The State Government bears the costs of 25 percent of material and wages for skilled and semi skilled workers. It also has to bear unemployment allowance payable in case the State Government cannot provide wage employment within 15 days of application. The State Government also has to bear administrative expenses of the State Employment Guarantee Council.

## CHAPTER 4:

### IMPACT ON CONSUMPTION PATTERNS OF HOUSEHOLDS

---

#### Profile of Respondents

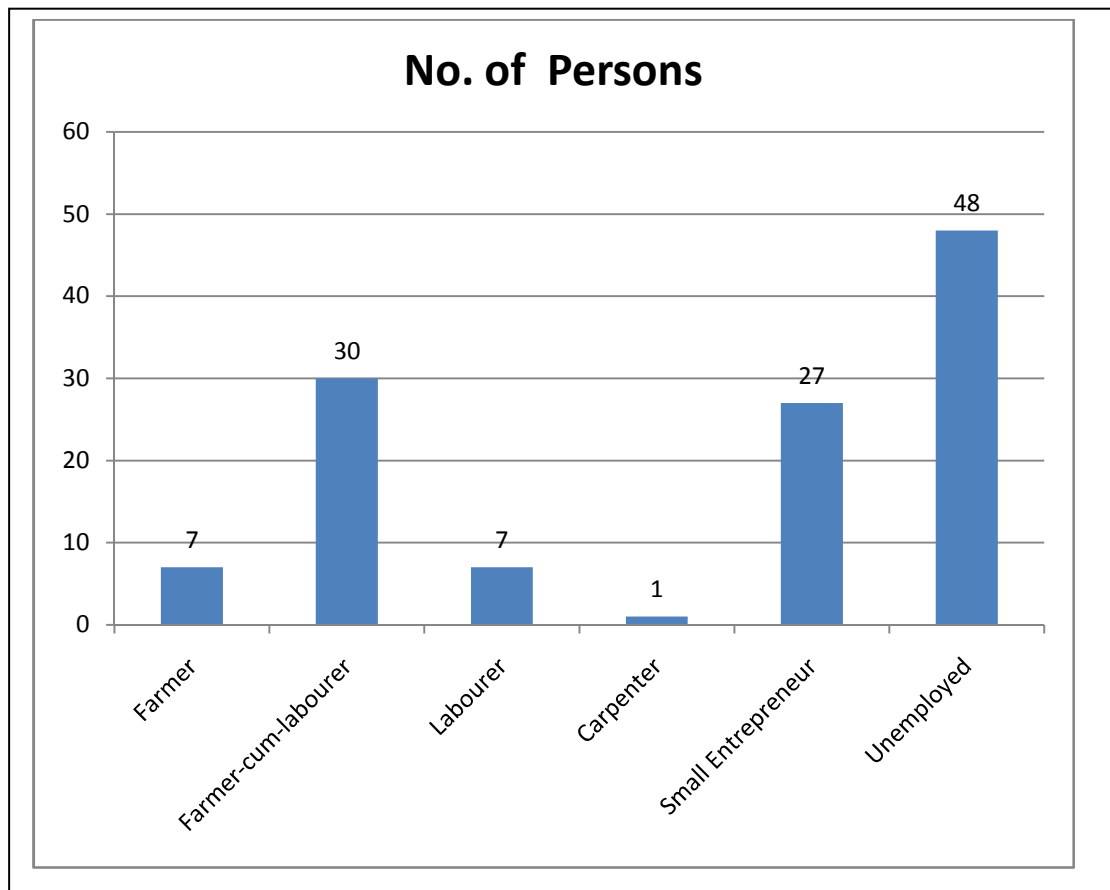
Out of the total 120 respondents, 25.8 percent (31 respondents) are male and 74.1 percent (89 respondents) are female. 69.1 percent (83 respondents) are married, whereas 22.5 percent (27 respondents) are unmarried 5 percent (6 respondents) are widower and 3 percent (4 respondents) are divorced. 50.8 percent (61 respondents) are below 40 years and below whereas 49.1 percent (59 respondents) are above 40 years. 80.8 percent (97 respondents) have a family size of six members and below whereas 19.1 percent (23 respondents) have a family size of seven members and above.

**Table 7: Occupation of respondents**

Sl.No	Occupation	No. of Persons
1.	Farmer	7
2.	Farmer-cum-labourer	30
3.	Labourer	7
4.	Carpenter	1
5.	Small Entrepreneur	27
6.	Unemployed	48

*Source: Primary data collected in July 2011*

**Chart 1: Occupation of the respondents**



*Source: Computed*

---

The maximum number of respondents is unemployed and constitutes 40 percent (48 respondents). Some are even educated unemployed youths, some of them are housewives and some of them are old people who cannot work in farms on regular basis anymore. 25 percent (30 respondents) are farmers cum laborers, but these framers cum laborers are usually small farmers, they usually have a small farm which they call 'Nul'. These Nul are small patch of farms which they tended and the land in which they make these small farms does not even belong to them in most cases. The land usually belong to the richer section of the society, these richer people let them take care of their free patch of lands. The good thing about this in Kolasib District is that the land owner usually do not exploit the Nul owners from their produce. The Nul owners would usually present the land owners small portions of their produce as a way of saying thanks, and the landowners would accept whatever is presented to them and would never charge more than what the Nul owners feel they can give. on the days they don't have to tend their Nul, these farmer cum laborers would look for manual work with the more well off section of the society. There are 5.83 percent (7) farmers among the respondents. These farmers are usually farmers who own their own patch of land which they call 'leilet' or 'lo'. These leilet or lo are usually far from their own homes and they would spend weeks and weeks in a small hut in their leilet or lo to tend it. The few weeks of free time they have in a year is spent in tending to their own personal odd jobs in their own homes. There is one carpenter among the respondents. In Kolasib District, carpenters are usually in great demands since specific skills are required for carpentry, hence carpenters usually get work for more than 300 days in a year. When



---

he cannot attend the MGNREGA work due to his personal job he would sent his wife for the MGNREGA work. There are 27 small entrepreneurs among the respondent, who are usually female vegetable sellers in the bazaar. Four of these entrepreneurs own small shops selling household non-durable goods.

**Table 8: Educational level of respondents**

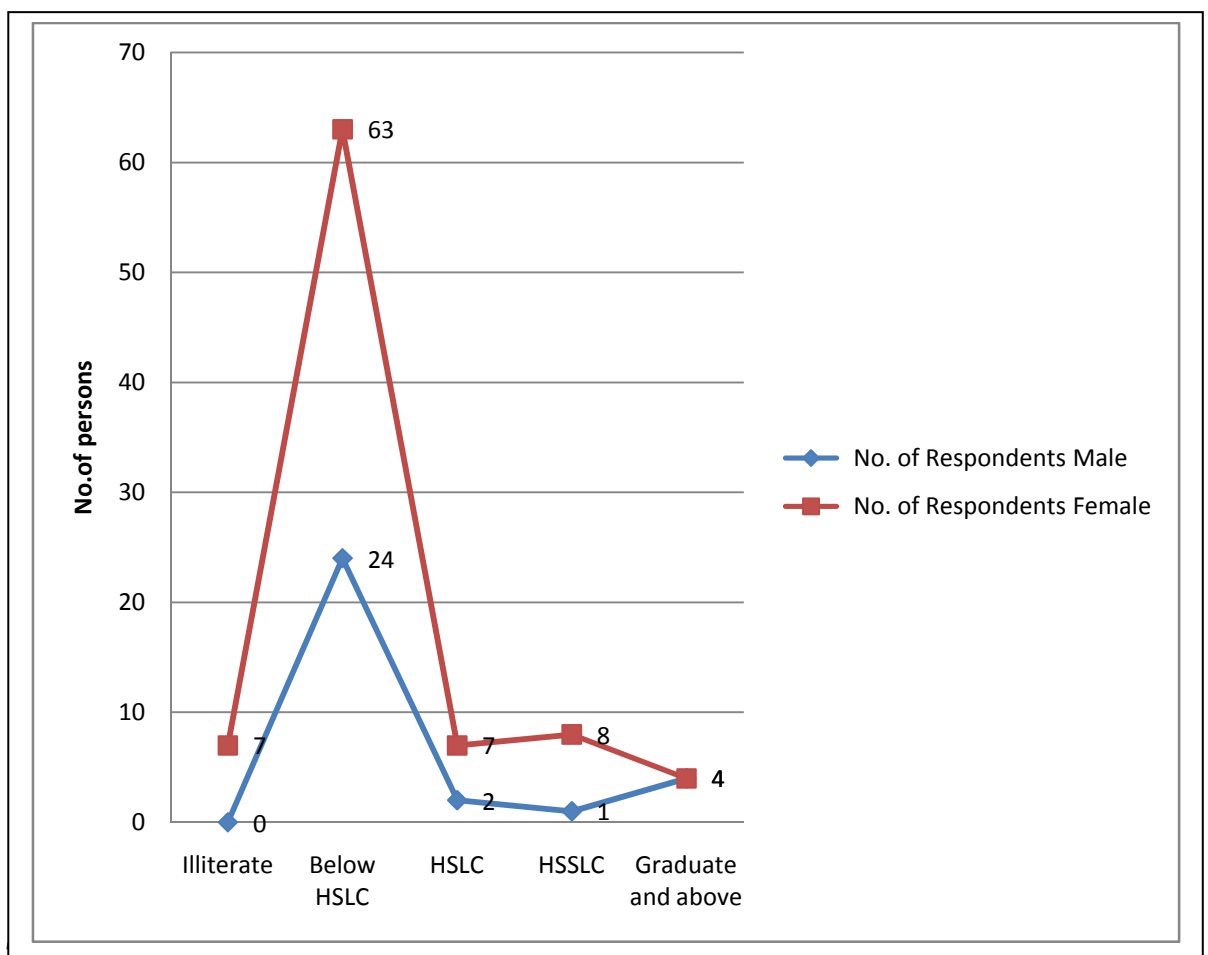
Sl.No	Educational level	No. of Respondents	
		Male	Female
1.	Illiterate	-	7
2.	Below HSLC	24	63
3.	HSLC	2	7
4.	HSSLC	1	8
5.	Graduate and above	4	4
6.	TOTAL	31	89

*Source: Primary data collected in July 2011*

Although the majority of respondents have low educational level the percentage of illiterate respondent is only 5.8 percent (7 respondents). This is because of the high literacy rate in the State. However this does not necessarily mean high educational achievements since 72.5 percent (87 respondents) are below HSLC. The high percentage of low educational achievements among the respondents suggest that there is a relationship between educational level and income,since most of these respondents

have low income and are under HSLC. 7.5 percent (9) of these respondents have HSLC (Class X) certificate, another 7.5 percent (9) have HSSLC (Class XII) certificate, and 6.6 percent (8) are graduates. These graduate respondents are some among the many educated unemployed person in Mizoram who are ready to do manual work at the minimum wage rate

**Chart 2: Educational level of respondents**



*Source: Computed*

---

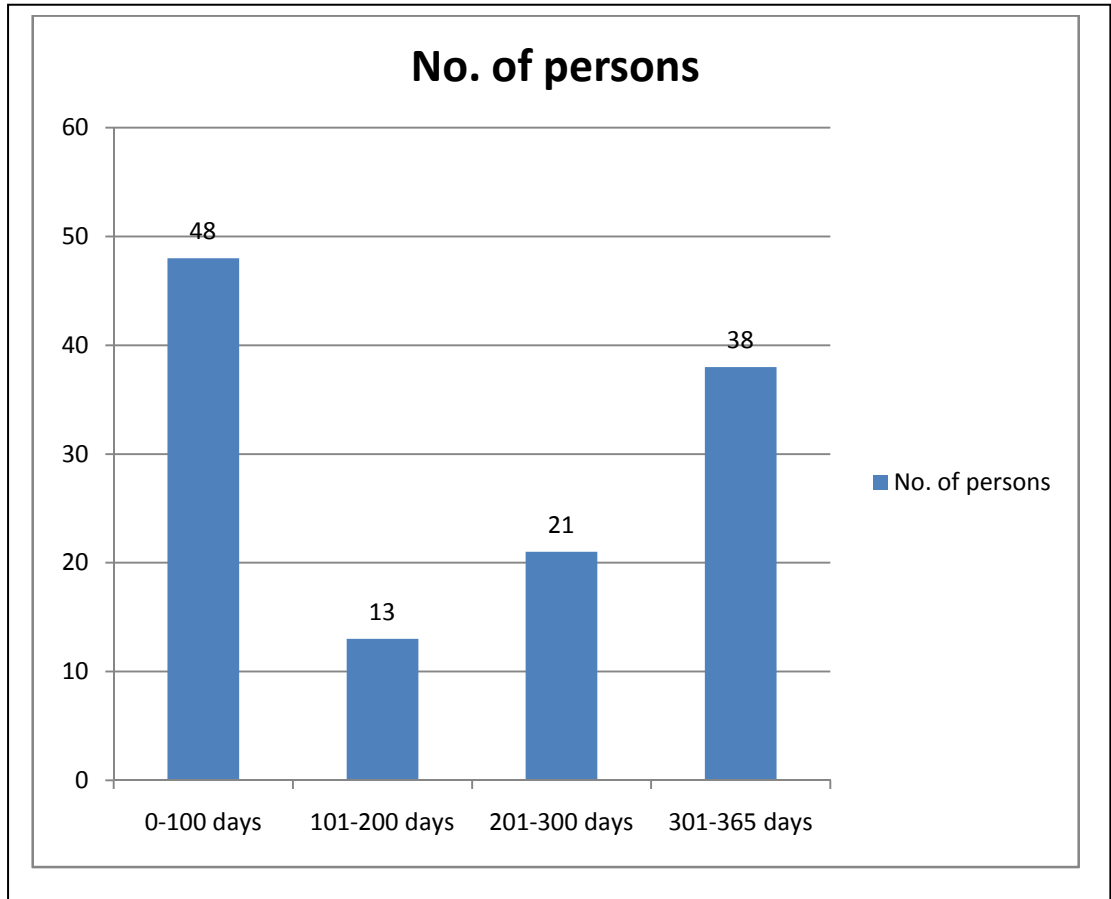
The educational level of majority of these respondents as can be expected is usually not high..7.8 percent of the female respondents are illiterate whereas there is no illiterate among the male respondents. 70.7 percent of female respondents did not pass Class X, whereas 77.4 percent of male respondent did not pass class X. 7.8 percent of female respondents passed class X and 6.4 percent of male respondents passed class X. 8.9 percent of the female respondents pass Class XII and 3.2 percent of male respondents passed class XII. 4.4 percent of female respondents are Graduate and 12.9 percent of male respondents are Graduate. Female respondents have better percentages below graduation among the respondents, but for graduate level, males respondents have better percentage. The percentage of people in HSLC and HSSLC is higher among women and the percentage of people in below class X and graduate group is higher among men.

**Table 9: Average number of days respondents enjoy employment in a year before MNREGA job**

Sl.No	No. of days employed in a year before owning job card	No. of persons
1.	0-100 days	48
2.	101-200 days	13
3.	201-300 days	21
4.	301-365 days	38

*Source: Primary data collected in July 2011*

**Chart 3: No. of Days respondents get employment in a year before MNREGA**



*Source : Computed*

---

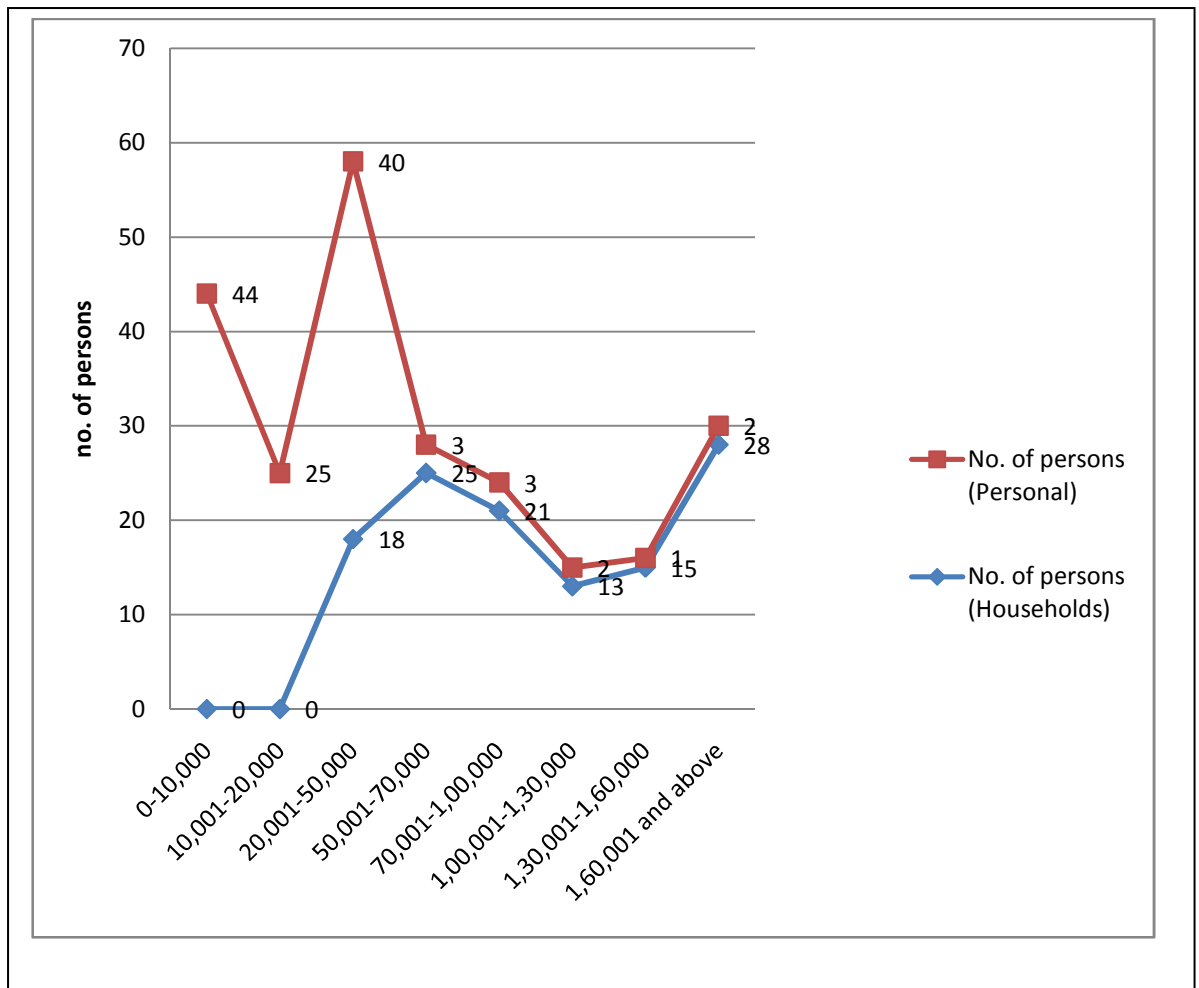
Out of the total respondents 48 percent enjoys employment of 100 days and below in a year, 10.8 percent of the respondents generally get employment between 101 days to 200 days in a year. 17.5 percent gets employment between 201 days to 365 days in year and 32.5 percent gets employment between 302 to 365 days in year. This data show that the highest percentage of respondents belong to the group that cannot get employment above 100 days in a year before the MNREGA work.

**Table 10: Average earnings of individual respondent and the respondent's household before MNREGA**

Sl.No	Earnings in rupees	No. of persons (Households)	No. of persons (Personal)
1.	0-10,000	-	44
2.	10,001-20,000	-	25
3.	20,001-50,000	18	40
4.	50,001-70,000	25	3
5.	70,001-1,00,000	21	3
6.	1,00,001-1,30,000	13	2
7.	1,30,001-1,60,000	15	1
8.	1,60,001 and above	28	2

*Source: Primary data collected in July 2011*

**Chart 4: Average Annual (Personal and Household) income of respondents before MNREGA**



Source: Computed

---

In rural Mizoram majority of the male population are involved in manual work in agriculture, carpentry, animal husbandry etc. the income of a single person in a year is therefore usually not high. However if the household is large, the income of the household is submitted together, usually to the wife of the head of household. These wages submitted together is then used to support the entire household, including the employed and unemployed members. The household incomes of respondents having a government employee in the household are usually higher than those not having a government employee in the household. The majority of respondents 36 percent (44 respondents) has an annual income that falls within Rs.0-10,000 range whereas 23.3 percent (28 respondents) has a household annual income of above Rs.1,60,001.

### **Submission of Wages**

Regarding submission of wages, 65.8 percent (79 respondents) keep their own wages, 19.1 percent (23 respondents) submit to their spouse and 15 percent (18 respondents) submit to their parents. Submission to the female head is more common than submission to the real head of the house, who is usually the husband. This supports common belief that in Mizoram women not only keep their own wages but the husband submits a huge proportion of their wages to their wives, and the wife is the chief accountant in the house.

**Table 11: Approximate Percentage which respondents are at liberty to spent from MNREGA wages**

Sl.No	Amount which respondents are at liberty to spent( in %)	No. of persons	
		Male	Female
1.	0-25	11	20
2.	25-50	5	13
3.	50-75	6	17
4.	75-100	9	39
5.	TOTAL	31	89

*Source: Primary Data collected in July 2011*

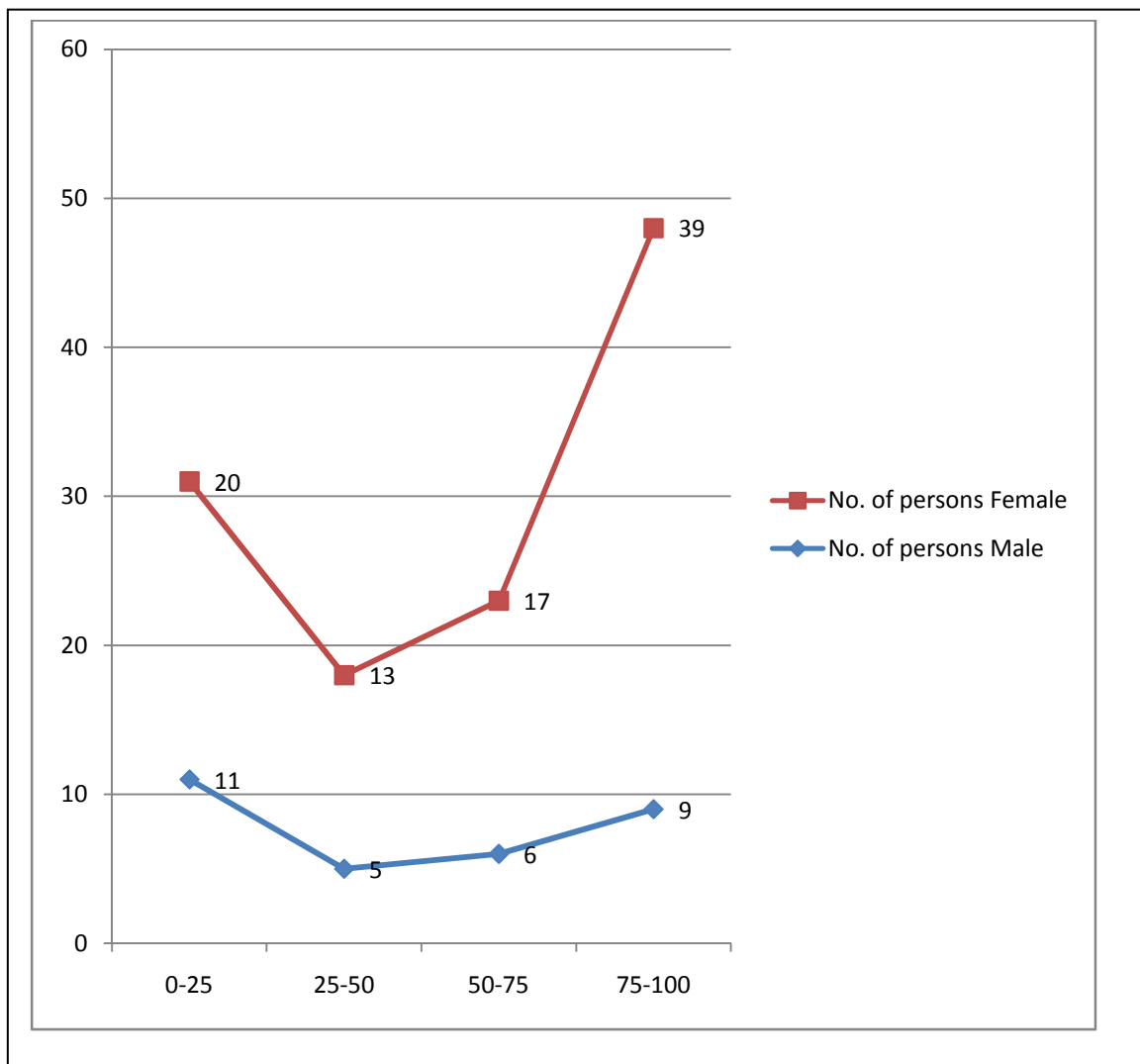
Out of the total respondents, 27.5 percent (33 respondents) spent around 0-25% of their wages, 23.3 percent (28) of them spent around 25-50% of their wages, 5 percent (6) of them spent around 50-75% of their wages and 44.17 percent (53) of them spent 75-100% of their wages. Out of all of them, 71.67 percent (86) are happy with the amount they have in hand to spent, 0.83 percent (1 respondent) is not happy with the amount he has in hand to spent and 27.5 percent (33 respondents) does not really think about whether they are happy or not with the amount they have in hand to spent, hence they cannot say whether they are happy or not with the amount they have in hand for spending. 35.4 percent of male respondents and 22.4 percent of female respondents usually spent between 0-25 percent of their wages. 16.1 percent of male respondents and 14.6 percent of female respondents can usually spent 25-50 percent of their wages.



---

19.3 percent of male respondents and 19.1 percent of female respondents spent between 50-75 percent of their wages. 29 percent of male respondents and 43.8 percent of female respondents spent 75-100 percent of their wages. So among the respondents, the percentage who can spend 75-100 percent of their wages is higher among the women.

**Chart 5: Percentage of their wages which respondents are at liberty to spend**



*Source: Computed*

---

**Table 12: Reduction of stress on respondents through MNREGA wages**

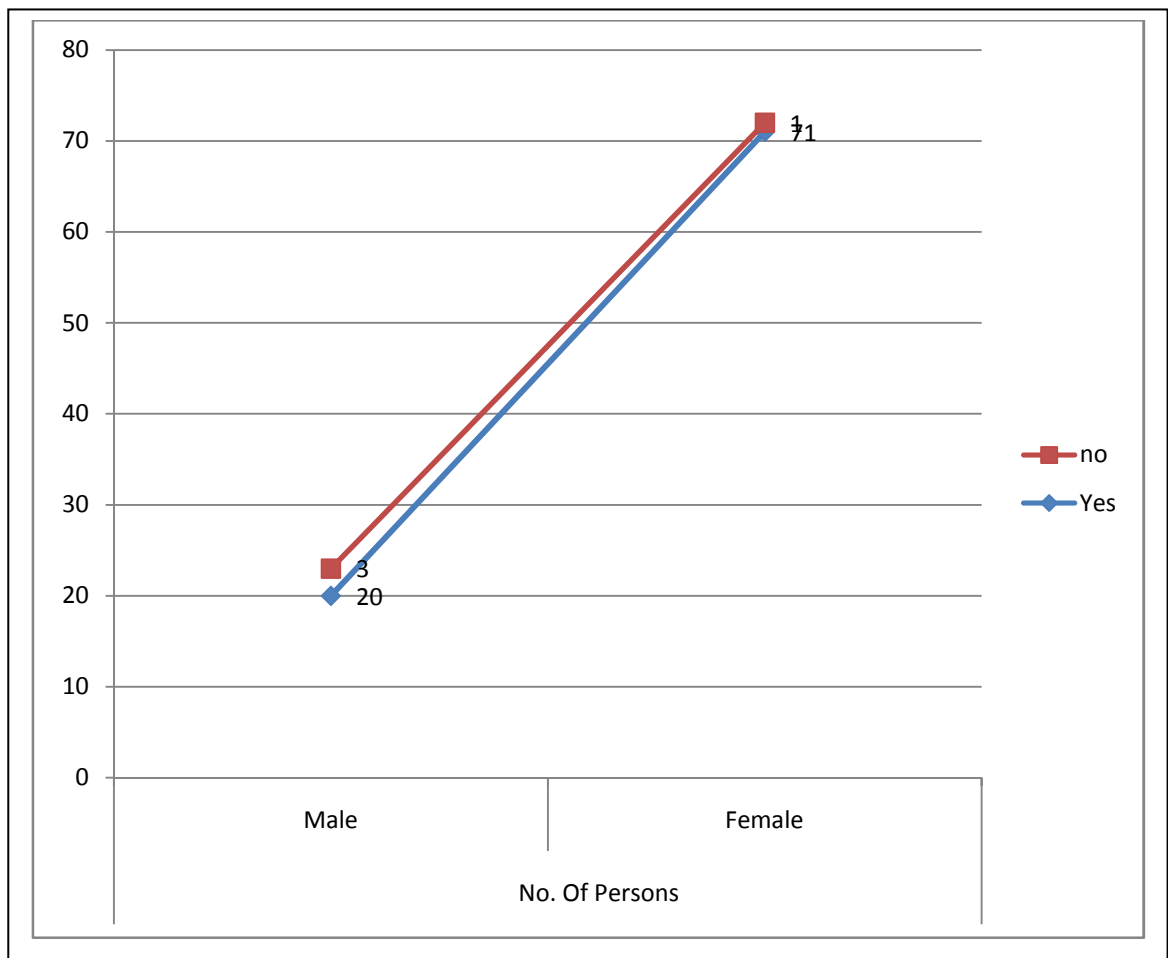
Sl.No	Responses	No. of Persons	
		Female	Male
1.	Yes	79	22
2.	Somewhat	10	9
3.	TOTAL	89	31

*Source : Primary Data collected in July 2011*

Out of the total respondents, 84.17 percent (101 respondents) feel that MNREGA wages indeed reduce their stress over money. They say that they look forward to MNREGA immensely. They can purchase things on credit from shopkeepers also, with the promise to pay when the wages come. So MNREGA job card acted as a security for them. On the shopkeepers side it is revealed that from 4 shopkeeper respondents that there is less stress on their part because the bad debts have reduced considerably after the implementation of the MNREGA. Low income families who purchase vegetable oils, rice, dal, potatoes etc. from their shops contribute a lot to their bad debts percentages. However after the MNREGA wages have reached these lower income people, their amount of bad debts have been declining. 15.83 percent (19 respondents) responded that the MNREGA wages only somewhat reduces stress. 88.7 percent of female respondents say that MNREGA wages reduce their stress levels while 70.9 percent of male respondents say the same thing. 11.2 percent of female respondents and 29 percent of male respondents say that MNREGA wages only somewhat reduces

their stress levels. The percentage of respondents who say MNREGA wages reduces stress is higher among women. This may be because of higher pressure placed on men as bread winner of the family.

**Chart 6: Reduction of stress levels on Respondents**



*Source: Computed*

**Table 13: Reduction of household arguments over monetary issues through MNREGA**

Sl. No	Educational Level	No. of Persons		
		Yes	Somewhat	No
1.	Illiterate	6	1	-
2.	Below HSLC	65	18	4
3.	HSLC	8	1	-
4.	HSSLC	8	1	-
5.	Graduate and above	4	3	1
6.	TOTAL	91	24	5

*Source: Primary Data collected in July 2011*

Extra money received from MNREGA wages not only reduces stress but also reduces arguments over monetary issue inside the household for 44.17 percent (53 respondents). Money becomes less of an issue and the woman of the house also possess more cash in hand to treat herself to some small item of luxury or some extra meat which she cannot do previously. For 22.5 percent (27 respondents) MNREGA wages somehow reduces the arguments over monetary issue, 30.83 percent (37 respondents) are unable to say whereas for 2.5 percent (3) respondents there is no impact. 85.7 percent of illiterate respondents, 74.7 percent of below class X respondents, 88.9 percent of HSLC respondent, 88.9 percent of HSSLC respondents, and 50 percent of graduate respondents say that MNREGA wages reduces household arguments over

---

monetary issues. The percentage for graduate respondent group is the least. 14.2 percent of illiterate respondents, 20.7 percent of below HSLC respondent, 11.1 percent of HSLC respondent, 11.1 percent of HSSLC respondent and 37.5 percent of graduate respondents say that MNREGA wages somewhat reduces arguments over monetary issues inside the household. 4.6 percent of below HSLC respondent and 12.5 percent of graduate respondent say that MNREGA wages does not reduce arguments that arises over monetary issues inside the household. The percentage who says that MNREGA wages does not reduce arguments is the highest among graduates. This may be due to higher expectations by graduates regarding money, earnings and lifestyle.

**Table 14: Lesser seasonal distress due to MNREGA wages**

Sl. No	Response	No. Of Persons	
		Male	Female
1.	Yes	20	71
2.	No	3	1
3.	Cant say	8	17
4.	TOTAL	31	89

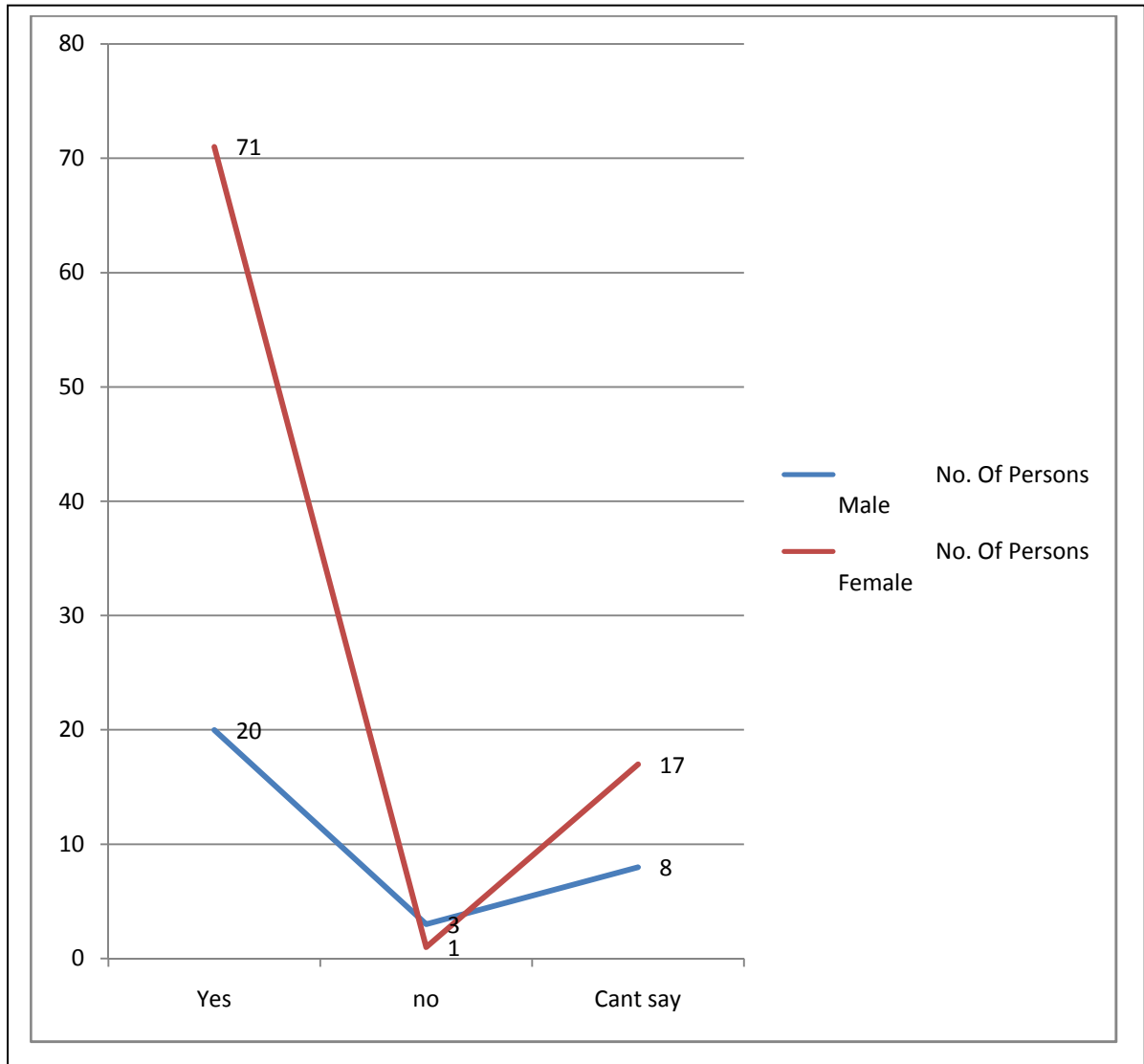
*Source : Primary Data collected in July 2011*

The MNREGA wages reduces seasonal distress for 75.83 percent (91 respondents). Due to the changes in season hard times are faced by all manual workers. There are times when work is scarce for labourers, and agricultural produce is less for

---

farmers due to bad seasons and these manual workers face lean seasons. Distress arises in times of these lean seasons as money is also scarce during lean seasons. However the extra money from MNREGA reduces seasonal distress for the bulk of the manual workers. During these lean seasons the money which comes from the MNREGA helps the people who are facing monetary and work difficulties. 2.5 percent (3 respondents) feel that MNREGA wages does nothing to reduce their seasonal distress. And 21.67 percent (26 respondents) cannot respond if MNREGA wages reduces their distress or not. 64.5 percent of male and 79.8 percent of female say that the MNREGA wages reduces seasonal distress. 9.7 percent of male and 1.1 percent of female say that MNREGA wages does not reduce seasonal distress. 25.8 percent of male and 19.1 percent of female cannot say whether the MNREGA reduces seasonal distress or not. The percentage of respondents who say MNREGA does not reduce seasonal distress and who cannot say if MNREGA wages reduce stress or not is higher among male.

**Chart 7: Lesser Seasonal Distress**



*Source: Computed*

---

**Table 15: Increase in food security as a result of MNREGA**

Sl.No	Responses	No. of persons
1.	Yes	86
2.	No	1
3.	Cant Say	33
4.	TOTAL	120

*Source : Primary data collected in July 2011*

Out of the total respondents, the MNREGA wages improve food security for 71.67 percent (86 respondents) whereas it does not for .83 percent (1 respondent). 27.5 percent (33 respondents) however cannot decide the answer to this question.

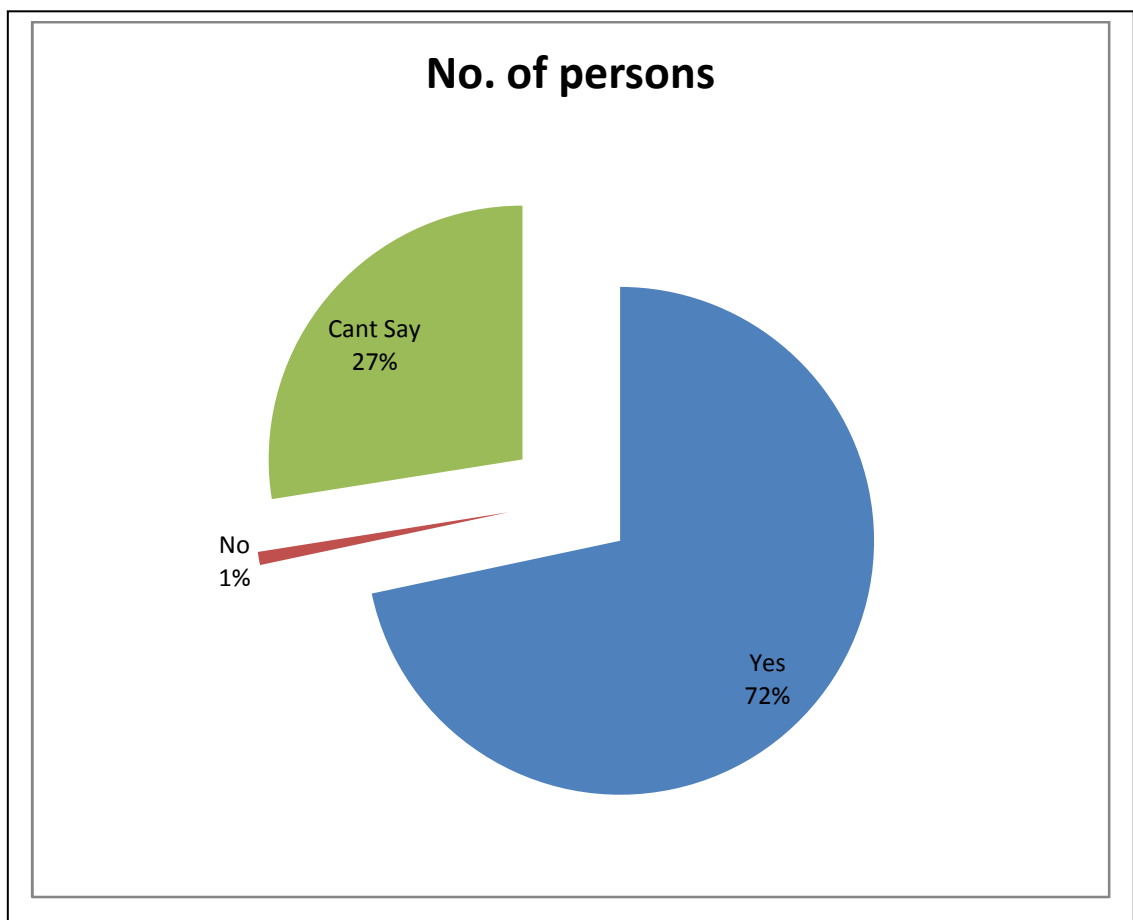
The mode of payment at the time of collection of the data in July 2011 is mostly Cash Payments by the Village Councils a few days after completion of work. However by December of 2011, in the whole area of Kolasib District bank and post office payment is implemented as per Central Government's Direction. However out of 120 respondents 83.33 percent (100 respondents) preferred cash payment as they feel that it is more convenient for them. Only 16.67 percent (20 respondents) prefer bank or post office payments. The conclusions which can be drawn from the reasons cited by these 100 respondents who choose cash payments is that going to post office or banks for collection of wages is a wastage of time and extra money. If wages are given by their own Village Council members, wages are paid in their own locality, this saves time and



---

money for them. In case of Banks or Post Office payments, if these banks or post offices are not located in their own locality they have to walk miles for it, or they have to hire auto-rickshaws and pay the fares for it. So, to them this is wastage of time and money. They are not really aware of the benefits of maintaining accounts and the habit of savings which can be inculcated through maintaining bank account.

**Chart 8: Positive Impact on food security due to MNREGA**



*Source: Computed*

---

### **Consumption of personal healthcare among Respondents**

Personal healthcare includes medicines, vitamins and other forms of nutritional supplements. It is believed that in Mizoram healthcare is neglected especially among the poorer section which constitutes the majority of the population. Unless a person falls very sick they don't visit a doctor especially among the adult males. It is also common belief in the medical circle in Mizoram that poor and lowly educated adult patients in rural as well as urban areas tend not to finish the courses of their prescription unless their sickness is very severe.

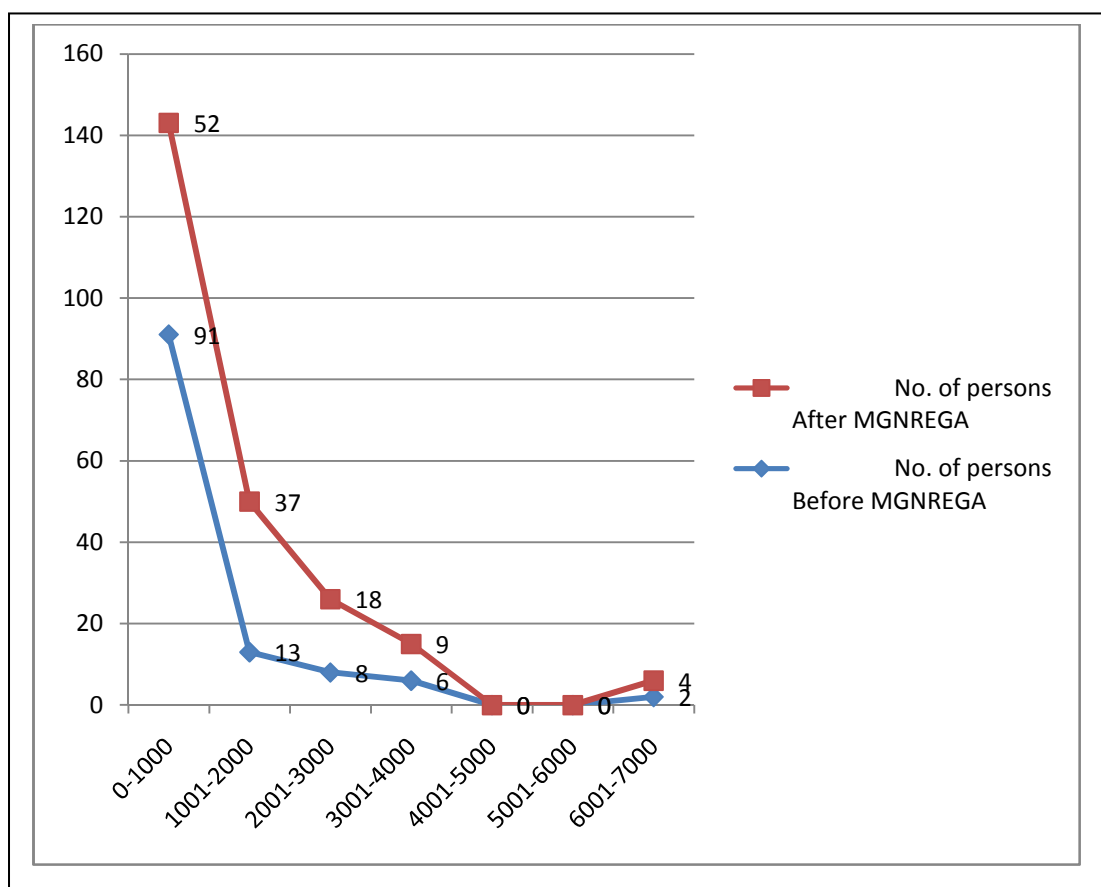
**Table 16: Average amount spent on personal healthcare the year before and after getting MNREGA wages**

Sl.No	Amount (in Rupees)	No. of persons	
		Before MNREGA	After MNREGA
1.	0-1000	92	49
2.	1001-2000	14	40
3.	2001-3000	8	19
4.	3001-4000	6	9
5.	4001-5000	0	0
6.	5001-6000	0	0
7.	6001-7000	0	3

*Source: Data collected in July 2011*

Average Consumption (Before MNREGA) = Rs. 992.17 Average Consumption (After MNREGA) = 1533.83. Hence there is an average increase of Rs.541.66. Wilcoxon Signed rank Test was used to test the significance level of changes after MNREGA. The result is (Pre v/s Post):  $Z = 7.00$   $p < 0.001$ . Therefore the change is highly significant.

**Chart 9: Increase in consumption of Healthcare after MNREGA wages**



Source: Computed

---

### **Shift in Personal Consumption Pattern of Respondents**

Personal consumption includes consumption on clothes, trinkets, tidbits etc. In Mizo society taking of betel and smoking is very common. It is common observation that among the poorer section male population they would rather have their betel and 'Zoial' (a Mizo cigarette rolled with the smoker's own hand) than buy new clothes or other form of personal durable or non-durable items. Among the women this habit of smoking and betel is observed to be less common. However the women in the poorer section are also observed as frugal in purchasing their personal items in the rural areas. Poorer Mizo women hardly wear trinkets. Richer Mizo women may own gold ornaments and are very fashionable but the poorer section in rural areas live very frugally in terms of clothing and they don't feel the need to own ornaments and trinkets. However among the youths of Mizoram fashion is very important. Many Mizo youth likes to purchase fashionable clothes with whatever money they have in their hands. This habit is common both among the richer and poorer section youths.

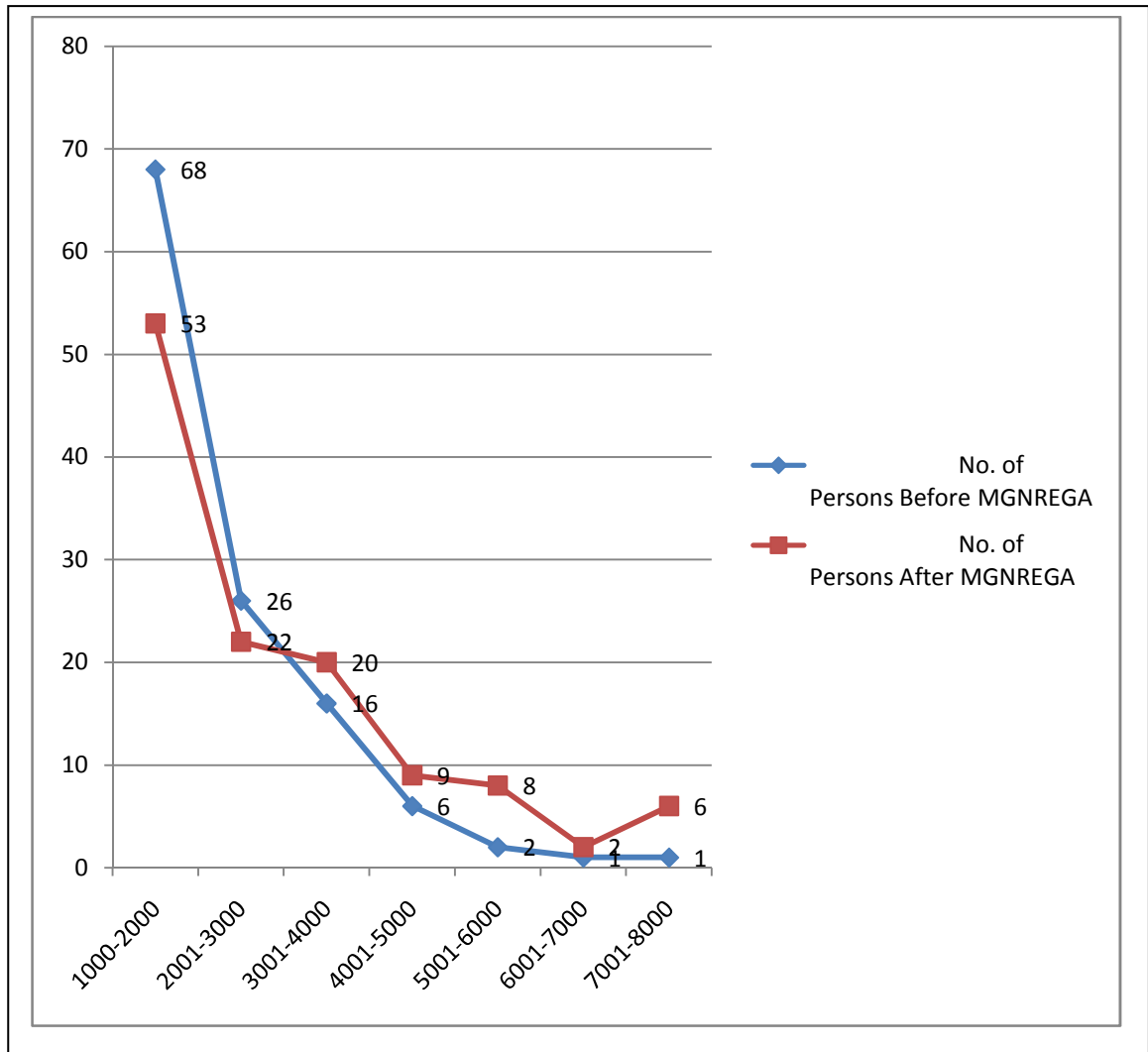
**Table 17: The average amount spent on personal consumption the year before and after getting MNREGA wages**

Sl.No	Amount (in Rupees)	No. of Persons	
		Before MNREGA	After MNREGA
1.	1000-2000	68	52
2.	2001-3000	27	22
3.	3001-4000	15	21
4.	4001-5000	6	9
5.	5001-6000	2	8
6.	6001-7000	1	2
7.	7001-8000	1	6

*Source: Data collected in July 2011*

Average Consumption (Before MNREGA) = Rs. 2292.17. Average Consumption (After MNREGA) = Rs. 2892.17. There is an average increase of Rs.600 in personal consumption of the respondents after getting MNREGA wages. The result of Wilcoxon Signed Rank Test is:  $Z = 6.46$   $p < 0.001$ . Therefore the shift in consumption pattern after MNREGA in personal consumption is also highly significant according to this test.

**Chart 10: Increase in Personal Consumption after getting MNREGA wages**



*Source: Computed*

---

### Shift in consumption of household Durables

Household durables include furniture, utensils, cooking gas etc. there are some respondents who used only fire for cooking and does not own a gas cylinder before the MNREGA wages. These respondents have purchased gas cylinders from their MNREGA wages.

**Table 18: The average amount spent on household durables the year before and after getting MNREGA wages**

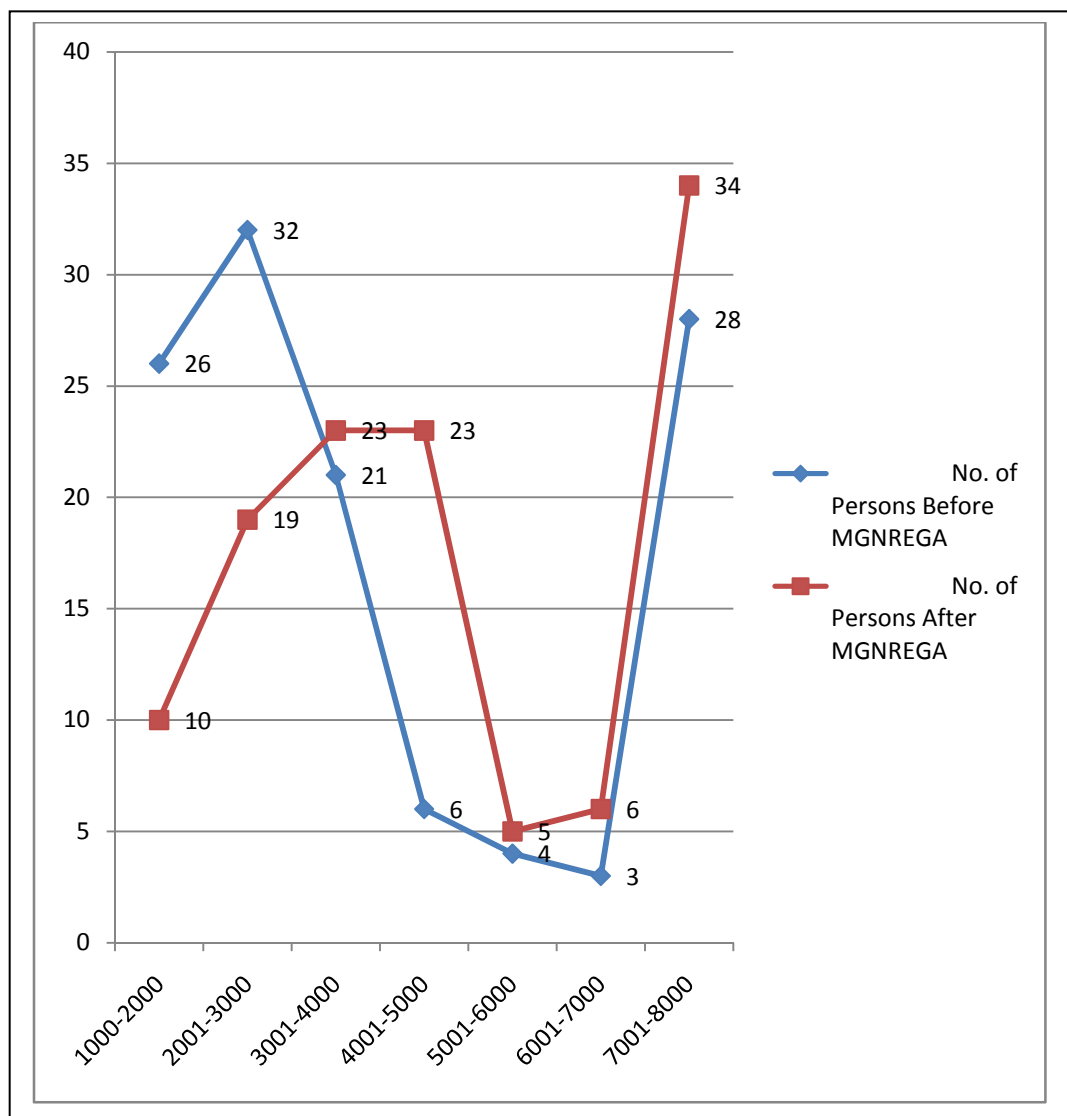
Sl.No	Amount (in Rupees)	No. of Persons	
		Before MNREGA	After MNREGA
1.	1000-2000	28	10
2.	2001-3000	32	20
3.	3001-4000	20	23
4.	4001-5000	6	22
5.	5001-6000	4	6
6.	6001-7000	3	5
7.	7001-8000	28	34

Source : Primary Data collected in July 2011

Average Consumption (Before MNREGA)= Rs.3925.50. Average Consumption (After MNREGA)= Rs. 4733.83. Hence there is an average increase of Rs.808.33 in household non-consumables after getting MNREGA wages.

According to Wilcoxon Signed Rank Test the shift in consumption of household durables after is :  $Z = 8.11$   $p < 0.001$ . So the shift is highly significant.

**Chart 11: Average increase in household durables after MNREGA wages**



Source: Computed



---

### Shift in Consumption Patterns of Household Non-Durables

Household non-durables include food items.

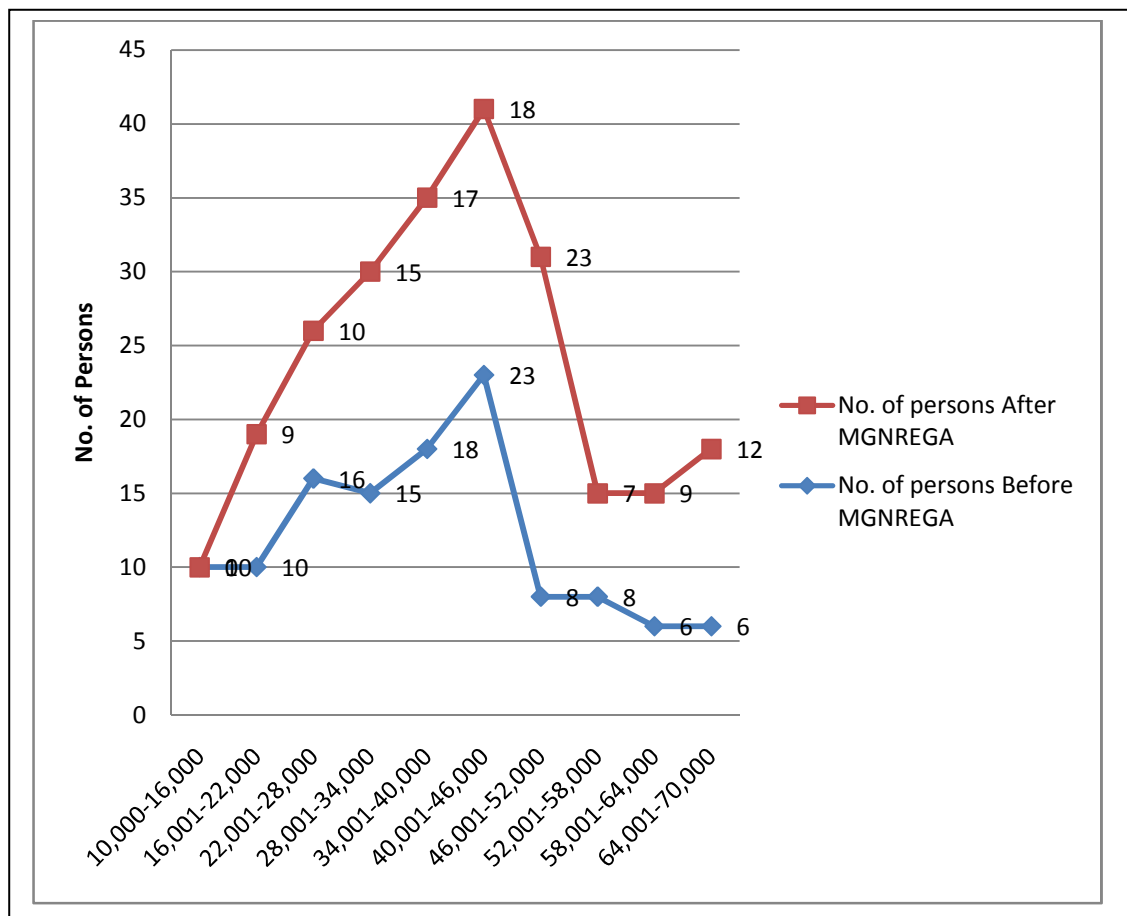
**Table 19: The average amount spent on household non durables the year before and after getting MNREGA wages**

Sl.No	Amount (in Rupees)	No. of persons	
		Before MNREGA	After MNREGA
1.	10,000-16,000	10	0
2.	16,001-22,000	10	9
3.	22,001-28,000	16	10
4.	28,001-34,000	15	15
5.	34,001-40,000	18	17
6.	40,001-46,000	23	18
7.	46,001-52,000	8	23
8.	52,001-58,000	8	7
9.	58,001-64,000	6	9
10.	64,001-70,000	6	12

*Source: Primary Data collected in July 2011*

Average consumption (Before MNREGA) = Rs.37000.50. Average consumption (After MNREGA) = Rs.42950.50. The Average Increase is Rs.5949.50 for household non-durable items. The significance of the change in consumption pattern of household non-durable items according to Wilcoxon Signed Rank Test is:  $Z = 10.46$   $p < 0.001$ . Therefore the change is highly significant.

**Chart 12: Average Increase in Consumption of household non-durables after getting MNREGA wages**



Source: Computed

## **CHAPTER 5:**

### **CONCLUSIONS AND SUGGESTIONS**

---

The MNREGA is one of the largest rights based employment guarantee initiative in the world. It is implemented for the development of the poorest in Rural India. It is the first law that is passed for guaranteeing wage employment at an unparalleled scale. It is one of the largest measures taken up for financial inclusion of the poorest people so that they will have access to the formal banking system.

The programme changes the way the Indian State has customarily dealt with issues and pictures a complete change in the method of dealings of the state, the local power and the local working classes in rural India.

This study was conducted with the aim of finding out the level of impact the MNREGA has on the consumption patterns of households in Kolasib District of Mizoram. The study also reviews the functioning of the MNREGA in Kolasib District. The study seeks to find the problems which prevents the effective implementation of the MNREGA , and suggest ways to overcome difficulties.

This Chapter notes the findings and conclusions of the research. It also gives suggestions for achieving improvement in the workings of the MNREGA in the area under study.

The findings of the study are

- 
- 1) Majority of the beneficiaries are women- The respondents are selected randomly from the chosen districts by going to their households. Out of that 74.1 percent of the respondents are female. Majority of the beneficiaries are women. This support the aim of the Act. The Act aims to provide employment for one third (33 percent) of women in the country.
  - 2) Timely and regular payment of wages- In the area under study wages are always paid within a fortnight after completion of the work. The implementing agency in the area under study is very regular in this regard. The respondents did not report any incidences of payment of wages later than a fortnight. When they undertake the MNREGA works they feel secure that their wages will come within a fortnight. Also noteworthy is that 100 percent of the beneficiaries in the studied area gets the stipulated wage rate which is Rs.129 per day.
  - 3) Reduction of Stress- Majority of the respondents 84.17 per cent reveal that the MNREGA reduces stress and 75.3 percent reveal that seasonal distress is reduced by the MNREGA wages. 44.1 percent even admitted that the MNREGA wages reduces arguments over monetary issues inside the household. There seem to be a general feeling of calm over monetary issues because of their awareness that the MNREGA wages will come from time to time.
  - 4) Wide reach of the targeted beneficiaries- Majority of the respondents are unemployed. This Act channels employment to those who finds no work and direct wages in the pockets of people who are poor and unemployed. It also gives employment to people who cannot find work through the whole year.

- 
- 5) It serves as a tool for inclusive growth through positively impacting the rural poor people and lessens their poverty by positively impacting their consumption patterns on food and non-food items. These section of the society which was not previously included in the country`s development process are now included through the implementation of this Act.
  - 6) The Act helps in improving rural connectivity by building kachha road which is very helpful. These people have to go too far off places with very bad roads to reach even their own farms. The MNREGA works helps in building better roads and improved connectivity for the rural people.
  - 7) Access to Formal Banking- Majority of these people does not have accounts. They do not deal with the formal banking system and they do not practice even simple things like maintaining accounts in a Bank. Through effecting payment of wages through banks in the whole of Kolasib District, the beneficiaries now have their own accounts and are starting to access the formal banking system on a more regular basis.
  - 8) The area under study is the first District in Mizoram to set up a Village Employment Council.
  - 9) Verification and photographs of work is done by Village Level Administrative Assistants.
  - 10) After the MNREGA wages, it is found that the consumption Patterns of repondents significantly increases.

---

11) Social audit is to be conducted regularly. However the social audit is conducted very infrequently. And the social audit, even in the rare cases when they are conducted is not conducted as it should be conducted. They are conducted like Gram Sabha. As per the respondent's reports, the implementing agencies are not creating enough awareness among the people regarding social audits and the benefits of it.

12) Preference for cash payments due to ignorance and lack of awareness.-Majority of the respondents preferred cash payments. They are of the opinion that payment of wages through cash is more convenient. This is because they feel that time is saved through cash payment. Through cash payments they collect their wages in their own locality through a Village Council member. These respondents are not aware of the benefits of Post office or bank payments. Through Post office or Bank Payments these poor respondents can get access to institutional service. They can learn how to operate accounts and at the same time inculcate the habit of thrift.

13) Employment of machinery- One of the implications of the Act is that machinery should not be employed. The works under MNREGA should be done only manually. However through observation the researcher finds that a lot of work is done by machinery. One of the common practise in the area under study is that when a work is supposed to be done , for example, construction of Kachha road for seven days, a machinery like JCB will be employed for two days to do the work which the workers are suppose to do in seven days. And then the workers

---

get five days wages without working. Each of the workers will forego their two days wages to pay for hiring the JCB. The JCB in turn will complete their seven days job in two days, and the job card holders get a five days wages without doing any work. This kind of practise spoils the whole objective of the Act

14) Opportunity for making fake job cards- There is 14053 households in Kolasib District (Statistical Handbook 2010). The total number of households having job cards as on 28<sup>th</sup> February 2008 is 19150. Even if the number of households has gone up to 19150 in 2011 from 15709 in 2008, all the households will have to own a job card to provide 19150 job cards. But from observations and personal interviews the researcher finds that there are still many household that does not apply for Job Cards. Not only that, it is revealed from these informal interviews that there is opportunity for making fake job cards.

15) Opportunity for tampering of muster rolls- From observation it is learnt that there is opportunity and chances for manipulation of muster rolls when machinery is employed. It is possible to fill up the attendance sheets of the workers for the number of days the wages are supplied. Manipulation of muster rolls can also happen if fake job cards are created by personnel in the implementing agency.

16) Little works on private lands- There is little work done on private lands in the area under study. Although sometimes, though not frequently, works are done in a private land the people are not aware that they can apply for works in their own land. There is a common misconception that they can do works on their

---

land only when the implementing agency requests them to do so. The respondents are not aware that they can apply for works in their own lands.

- 17) Nature of work done is limited- The nature of works done is very limited. Most of the respondents answered that they construct Kachha road. In the area under study building Kachha road seems to be mostly the nature of work conducted so far under the scheme. There are so many other scopes for other kinds of work under the scheme. But the area under study seems to limit their works mostly for constructing Kaccha road. Rural connectivity is important, and the farmers who have farms in far places with bad roads benefit greatly from this but there are so many other kinds of works which could benefit the area besides building kachha road.
- 18) Delay in updating in MIS- The Management Information System has to be updated frequently to ensure transparency and accessibility to information. However the researcher finds that the area under study is very slow on updating information in the MIS. This causes delay in accessing in information which can be collected through the MIS.
- 19) Not creating permanent and durable assets- Since the nature of work is limited to construction of Kaccha road in the area under study, and rare cases of community cleaning, the MNREGA works does not contribute enough in the creation of permanent and durable assets.



- 
- 20) Not upgrading rural skills- The MNREGA works when done manually involves little skills. Moreover in the area under study sometimes the work is done by machinery. All these practices do nothing to improve the skills of the rural people.
- 21) Destroying work culture- Payment of wages is done in time rate system in Mizoram. The problem with this system is that workers know they are going to be paid whether they complete their work or not. Through observation the researcher finds that many of the workers were slack. Not only that, there is a common practise of going off early to do personal errands. This results in low quality output.
- 22) Lack of awareness among people- There is lack of awareness among the people. Through informal interview it is found that most of them are not even aware that they can apply for jobs. They are not aware of the importance of social audit nor the importance of it. Many are not aware that they can make official complaints. They are not aware of the types of works they can undertake. They are not even aware that machinery cannot be employed. All they seem to be aware of is that they are entitled to a 100 days wages in a year if they have a job card.
- 23) Using other peoples job card- The informal interaction with the job card holder revealed that it is common practise that a person who is not willing to do manual work under the scheme will apply for a job card. When the job card is granted, he or she will let someone else who is willing to do manual work under the

---

scheme do the work. When the wages are paid the wage will be split between the worker and the job card holder with an amount agreed between them. This prevents the targeted beneficiaries from getting the benefits of the Act while the benefit is diverted to untargeted groups.

- 24) Lack of commitment in works done- There is lack of commitment in the works done for many people because their focus is on the wages and not on the works. Job card holders feel that they are entitled to their wages if they show up for work and their names are in the attendance sheet. They do not give too much commitment in the MNREGA works as they would in their own work. There is a general feeling of slack among the workers
- 25) Still supply based- MNREGA is supposed to be demand-based. But till date the works are all supply based. Most of the respondents are not even aware that they can demand for a job. They just simply believe that the Central Government is going to supply them 100 days wages and wait for the supply of the wages or disbursement of wages to their respective districts.
- 26) Payment of wages without completing the number of days- Sometimes when the wages are supplied, if it is supplied for eight days the implementing agency would let the workers work for five days and still pay them for eight days.

---

## **Suggestions**

- 1) Active Participation of all Concerned parties on Social Audits- The implementing agency should make the beneficiaries aware of the importance and implications of social audits to develop a responsible and responsive forum. This would ensure active participation of the beneficiaries in the social audits. It is found from observation that social audits are not conducted regularly nor in the way it should be conducted. The researcher suggests a more regular conduct of social audit attended by all parties, conducted in the way stipulated under the Operational Guidelines. This would ensure an inclusive study of the implementation of the Act and a thorough feedback from all levels.
- 2) Create awareness among beneficiaries about the benefits of bank payment- There is a general feeling of discontentment among the beneficiaries regarding bank payments since the general preferences lean towards cash payments. Therefore it is necessary to educate the beneficiaries about the benefits of bank payments and the advantages of maintaining accounts and accessing formal banking system. The beneficiaries could also be made aware about the benefits of inculcating the habit of savings and thrift through maintaining of bank accounts.
- 3) The monitoring committee exists at various levels. It is perhaps difficult for the vigilance and monitoring committee at high levels to monitor all the details of

---

the implementation process. However the committee at the Block Level, District Programme Coordinator, Programme Officers and VLAs should make sure that no machinery is hired for doing MNREGA works. Hiring of machineries destroy the whole purpose of the Act. Through education and awareness the beneficiaries, the supervisors of the work and the Village council members should be reminded not to hire machineries at all in MNREGA works.

- 4) The Village Council members, technical assistants, village level administrators and other clerical staffs in the MNREGA cell have opportunity to create fake job cards. Checking of creation of fake job cards will require hiring ethical and incorruptible group of people for MNREGA administrative staffs and election of such kinds of people for the Village Employment Council. Also the Programme officers could also check for fake job cards and take actions against it. Action should include cancellation of all such fake job cards and imposing heavy fines to the parties responsible for making the fake job cards.
- 5) The supervisors of the work have opportunity to manipulate muster rolls to pay wages to absentees or non-existent job card holders. This can be checked by the VLAs who go for work verification. Also a committee should be formed comprising of ethical people of high moral values to verify the muster rolls in each village council. The committee should preferably include men and women of good moral standing in the society.
- 6) The nature of work in the area under study is limited to construction of Kachha roads. The nature of works should be broadened and include projects like

---

Irrigation, canals, afforestation and water harvesting so that the area can get diverse sustainable and durable benefits from the works undertaken.

- 7) The computer assistants should not lag in updating the Management Information System. Like payment of wages has to be done within a fortnight, any new developments should be updated within a fortnight. The supervisors should be more strict in their supervision of works and see that workers stay from 9 a.m till 4 p.m as is the normal labour working hours in Kolasib District.
- 8) Increase awareness- Seminars, workshops and training should be conducted and pamphlets and booklets should be distributed to increase awareness of their rights among the beneficiaries. Also translation of the MNREGA Operational Guidelines in Mizo will be very helpful in educating the masses about their rights under the Act.
- 9) The job cards of all the beneficiaries who are not willing to participate in manual works should be cancelled. If a job card holder sends someone else besides his or her family member whose name is included in the job card the supervisors should report to the Village Council Members and the Programme Officers and such job cards should be cancelled.
- 10) The importance of the MNREGA works and its impact in building valuable assets for the community as a whole should be stressed so that workers will be motivated to be more committed. Also workers should be asked to decide the kind of projects to be undertaken so that they will be encouraged to do better

---

works. In the area under study the usual practise is that the Village Council decides the projects. This practise should be stopped and be replaced with active participation of the workers in choosing a project. This will give them a feeling of ownership in the project and motivate them to be more committed.

- 11) The Act although it is supposed to be demand driven is still supply based till today. The central and State Government should take necessary steps to make it a demand driven scheme based Act.
- 12) Practice of payment of wages exceeding the number of days actually worked should be stopped. Wages should be paid to the workers only for the actual number of days worked.
- 13) There is a need for regular assessment and review and revision of the implementation and functioning of the Act by independent research organisations.
- 14) MNREGA can be used to improve the skills of the poor people of rural area by providing technical skills based jobs. But the Act itself prohibits the jobs which are skill based. Therefore there is a need for extending the list of permissible works to include skill based works.