CHAPTER 4

MGNREGA IN MIZORAM

Rural development is an important agenda in developing country like India; it is the foundation for development. Time and again we stress on the importance of rural development as it deals directly with the living standards millions of Indians who are residing in rural areas. Unless and until the rural masses are developed, the whole country will always be lagging behind other developed countries. MGNREGA is a very huge step towards rural development covering the whole lot of unskilled manual labourers of rural areas.

4.1: INITIATION OF MGNREGA

Prior to the arrival of MGNREGA, there was numerous rural development programmes, catering to the various needs of the rural population as already mentioned in chapter three of the present study. Rural development that directly or indirectly deals with employment opportunity was evolved since the 1970s. The various programmes rural employment schemes and programmes since then have an important platform for the gradual evolution of MGNREGA, which are- Crash Scheme of Rural Development (1971 Pilot Intensive Rural Employment Project (1972-1976) Food For Work Programme (FFWP, 1976-77), Employment Guarantee Scheme of Maharashtra, (1977), Training of Rural Youth for Self Employment (1979) Rural Employment Programme (NREP, 1980-81), Rural Landless Employment Guarantee Programme (RLEGP)-1983, Jawahar Rozgar Yojana Employment Assurance Scheme (EAS)-1993, Sampoorna Gramin Rozgar Yojana (SGRY)-2001, National Food for Work Programme (NFWP)-2004

Beside the above programmes, the movement for an Employment Guarantee in Rajasthan, as an extension of the employment-based drought relief programmes launched in 2001 and 2003 can be said to be the prologue of MGNREGA.

The promise of a national Employment Guarantee was one of the electoral manifestos of the Congress Party in 2004. When the party came to power as the leading partner in the United Progressive Alliance (UPA) government, the Act became the first item in the National Common Minimum Programme’s list of policy commitments. To pursue this commitment, the National Advisory Council (NAC) drafted a National Rural Employment Guarantee Act in August 2004. This draft was prepared by concerned citizens, which set the framework for
all subsequent discussions of the Act. The draft has undergone many changes as well as revisions before it was transformed into National Rural Employment Guarantee Act 2005.

According to Jean Dreze, the NAC’s draft (NREGA Bill 2004) was severely diluted and it was so weak that it defeated the purpose of a legally enforceable employment guarantee. He pointed out that the government was offering an employment guarantee, but without any guarantee that the guarantee would come into effect¹.

Nevertheless, the draft after being produced before the Parliament in December 2004 was referred to the Parliamentary Standing Committee on Rural Development. The Bill then went through a series of discussions and amendments in July-August 2005 which was based on the recommendations of the Standing Committee. The most controversial issues were settled in August 2005 and then NREGA was finally passed in the Lok Sabha on 23 August 2005.

4.2: MGNREGA IN PRACTICE

National Rural Employment Guarantee Act was notified on September 2005 and came into force in the following year. The nation had high hopes with such an enormous development programme which in fact becomes an Act. This signifies the priority given to the rural employment. The earlier programmes were more or less executed for a short while which does not help much in the long run. On the other hand, the rural masses have a better promise of employment with MGNREGA in practice now since it gives legal guarantee of employment to those rural people who are willing to do manual labour. Moreover the Act gives importance to building assets which will be benefit by the community for present and future. For example, road construction- link road of villages with towns, inter village connectivity will greatly enhance in the transport and community that will further enable selling and purchasing of goods and commodities, access to towns for education, hospitals, etc.

4.2.1: Phases of MGNREGA:

The NREGA was first introduced on 2nd February 2006 in 200 districts of the country that marked its first Phase. The Second Phase commenced on 1st April 2007 covering 130 additional districts, the whole country was then covered from the Third Phase on the 1st of April 2008 with the addition of 295 remaining districts² (excluding the districts which have a hundred percent urban population) which were not covered in the earlier phases.
The NREGA has been renamed Mahatma Gandhi National Rural Employment Act (MNREGA) on 2nd October 2009.

In Mizoram, two districts were included in Phase I, namely- Lawngtlai district and Saiha District. Two more districts, Champhai and Lunglei District were added in the Second Phase. The other four districts, Aizawl, Kolasib, Mamit and Serchhip districts were covered in the third Phase which marked the total coverage of the whole state of Mizoram under MGNREGA in April 2008.

**Fig.4.1: Map of India showing coverage of MGNREGA³**

4.2.2: Implementing Agencies:

At the central level, a Central Employment Guarantee Council has been set up with the Minister of Rural development as its Chairman. The Central Council is responsible to advise the Central Government on matters related to NREGA, and to monitor, evaluate and implement the Act. It will prepare Annual Reports on the implementation of NREGA for
submission to Parliament. The nodal Ministry for the implementation of NREGA is the Ministry of Rural Development (MoRD). It is responsible for ensuring timely and adequate resource support to the States and to the Central Council. Reviewing, monitoring and evaluation of processes and outcomes are also the responsibility of MoRD. Ministry of Rural Development has suggested an administrative pattern that may be adapted by States according to their circumstances. Government of India shall give full funding for the management support at the District, Block and Gram Panchayat level 4.

There are State Employment Guarantee Council at the state level, District Employment Guarantee Scheme Unit and the District Programme Coordinator at the district level, Intermediate Panchayat and Programme Officer at the block level and Gram Panchayat at the village level to implement MGNREGA in their respective area of operation.

The Gram Panchayat is the single most important agency for executing works as the Act authorized allocation of a minimum of 50 per cent of the works in terms of costs to be executed by the Gram Panchayat. The other Implementing Agencies are, line departments of the Government, Public Sector Undertakings of the Central and State Governments, Cooperative Societies with a majority shareholding by the Central and State Governments, and reputed NGOs having a verified record of accomplishment. Self-Help Group can be considered as feasible Implementing Agencies as well.

4.2.3: Organizational Structure of MGNREGA Implementing Agencies in Mizoram:

In the state level there is a State Employment Guarantee Commissioner as the head of the State Employment Guarantee Council. Under him there are Additional Secretary, Joint Secretary, Deputy Secretary, Under Secretary and Superintendent. There is a State MGNREGA cell, in this office there are, one Assistant Engineer, eight Computer Analysts, one Accountant, three DEOs and three Helpers/Messengers (Fig 4.2).

In the district level, there is an Employment Guarantee Scheme Unit which is headed by District Programme Co-ordinator (District Collector), District Programme Officer. There are Additional Programme Officer, Accounts Manager, Works Manager, Programme Assistant, Account Assistant and Technical Assistant, one LDC, DEO, Computer Assistant and one Helper/ Messenger (Fig – 4.3).

At the Block level, there is Programme Officer (Block Development Officer), Additional Programme Officer, Computer Assistant, Technical Assistant, Accounts Assistant
(Fig- 4.4). At the village level, the Village Council (Equivalent to Gram Panchayat) is the main implementing agency; there are Village Employment Committee and Village Level Administration Assistant (VLAA) to help VC in MGNREGA related works. One VLAA will be looking after three or more villages (Fig- 4.5).

4.3: PROCESS OF MGNREGA IMPLEMENTATION:

The implementation process of MGNREGA is carefully laid out in the Act. The process in practice could be somehow different from state to state, district wise, block wise or village wise which might not necessarily be attributed to the serious violation of the Act. The flow of implementation according to the Act with relevance to the practice in Mizoram is discussed in the following paragraphs.

4.3.1: Application and Issue of Job Card:

The Gram Panchayat is responsible to issue Job Cards to every registered household. Any person who is willing to do manual labour can apply for Job card to the Gram Panchayat\(^5\). In Mizoram, one job card per household is the usual norm. The applications of Job Card will be verified and issued as early as possible after verification. The Job Card will be in the safekeeping of the household to whom it is issued. In the present research, the job cards of the registered employee are sometimes kept by the Village Council for maintaining records or for some other purposes, which will eventually be returned to the owner. The Job Card shall be valid for a period of five years and with the provision for the addition/deletion of members eligible to work.

4.3.2. Applications for work

The application for work should generally be submitted to the Gram Panchayat. Applications should be given in writing and should include the registration number of the Job Card, the date from which employment is demanded and the number of days of employment required. ‘Joint applications’ may also be submitted by several applicants. The applicant may present himself in the Gram Panchayat office to show willingness for work\(^6\). After necessary verification and official records, a receipt with date of application for work must be issued to the applicant.

In Mizoram, application for work is seldom given individually or by group of individuals, rather the Village Council will propose works needed for the community after
consultation with Village Employment Committee (VEC). Application for those works identified by the VC and VEC will be submitted to the Block Development Office (BDO).

4.3.3: Allocation of Employment:

Schedule I, Section 10 of NREGA states that it shall be the authority of the Programme Officer and the Gram Panchayat to direct any person who has applied for employment to do work of any type permissible under the Act. The work entitlement of ‘100 days per household per year’ may be shared between different adult members of the same household. Upon receiving intimation of shelf of work from the Gram Panchayat, the Programme Officer will allot work and the worksites. Such work will be selected from the shelf of projects that include inter Gram Panchayat works.

In the present study area, the VC will make notice of available employment depending on the availability of funds from the BDO. The job card holders/MGNREGA workers usually work collectively on a given date at a stipulated worksite. The workers were also given a choice to work in their own farm/field, they should work on the same date as others and verification will be done as to whether they do the work as informed to the Village Council or not.

Under MGNREGA the employment is time bound where the Gram Panchayats are responsible for giving wage employment to the applicant within 15 days of the date of receipt of the application. It is the responsibility of the Programme Officer (PO) to provide employment if the Gram Panchayat fails to do so within 15 days. If the PO still failed to provide employment, the District Programme Coordinator will mediate to make suitable arrangements for employment. In Mizoram, these circumstances are thwarted as the application of work was carried out for the whole village job card holders.

4.3.4: Sanction and Execution of work:

All work will be required to attain Administrative Sanction and Technical Sanction in advance, by December of the year preceding the proposed implementation. Once a demand for employment is received, work will commence from the shelf of work which are approved with technical and administrative sanctions. The Gram Panchayats are generally the appropriate authorities empowered to ‘start’ work and to allocate employment among persons who have applied for work. The Programme Officer shall also act as the authority empowered to ‘start’ works. The Gram Panchayat shall notify the Programme Officer, so that
the Programme Officer can hand out the muster rolls. Each muster roll shall have a unique identity number and be certified by the Programme Officer. Kacha muster roll should not be used. To avoid contractors, all work must be executed by the workers who have job cards and who have demanded work. All workers should be above 18 years of age.

In Mizoram, the Village Council will inform to the Job Card holders about the sanctioning of works, to which date and up to what date employment will be provided. Then the work will be commenced on such dates as notified earlier. Project initiation meetings are held after the selection of mates. Workers will be assembled and divided into different groups; each group will be allotted to different pieces of works and different parts in the same worksite. Involvement of contractors is not found as per the primary data collected for the present study.

4.3.5: Payment of Wages:

Once the works are completed, the next step is payment of wages. As per the provision of the Act, every person working under the Scheme shall be entitled to wages at the minimum wage rate endorsed by the State Government (or by any competent authority concerned) for agricultural labourers under the Minimum Wages Act, 1948, unless the wages have been notified by the Central Government under Section 6(1) of the Act. Equal wages shall be paid to both men and women workers and the provisions of the Equal Remuneration Act, 1976 shall be complied with. It is essential to ensure that wages are paid on time. In the event of any delay in wage payments, workers are entitled to compensation as per the provisions of the Payment of Wages Act, 1936 (NREGA, Schedule II, Section 30). Compensation costs shall be conveyed by the State Government Bank /Post Office accounts should be opened pro-actively on behalf of all concerned labourers by an appropriate authority.

In the present study area, wages are not collected by the workers neither from banks nor the Post Offices; the most common practice is that the VC collects wages for all workers which will be distributed by them to the workers. The wage rate for the past ten years (since inception to the latest Financial Year) is changing as per the national norm and new regulations given by the government from time to time.

An unemployment allowance shall be payable by the State Government if a worker who has applied for work under NREGA is not given employment within 15 days from the date on which work is requested. The payment of unemployment allowance shall be made no later than 15 days from the date on which it becomes due for payment (NREGA, Section
7(5). If there is further delay, the recipients shall be entitled to compensation based on the same principles as wage compensation under the Payment of Wages Act, 1936. Compensation costs shall be conveyed by the State Government\textsuperscript{10}. The event of such application for unemployment allowance is not found in the present research, majority percentages of the respondents (63.5\%) are not even aware of their entitlement to unemployment allowance.

**Table 4.1: MGNREGA in Mizoram at a glance\textsuperscript{11}**:

<table>
<thead>
<tr>
<th>Financial year</th>
<th>Released fund from central(Rs in Lakhs)</th>
<th>No. of employment days</th>
<th>Wage Rate in Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007-07</td>
<td>2152.90</td>
<td>15</td>
<td>91</td>
</tr>
<tr>
<td>2007-08</td>
<td>3398.49</td>
<td>36</td>
<td>91</td>
</tr>
<tr>
<td>2008-09</td>
<td>15,562.15</td>
<td>73</td>
<td>91</td>
</tr>
<tr>
<td>2009-10</td>
<td>22,433.83</td>
<td>95</td>
<td>110</td>
</tr>
<tr>
<td>2010-11</td>
<td>26,866.03</td>
<td>99</td>
<td>129</td>
</tr>
<tr>
<td>2011-12</td>
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<td>129</td>
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<td>136</td>
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<tr>
<td>2014-15</td>
<td>11,141.23</td>
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<tr>
<td>2015-16</td>
<td>29,799.809</td>
<td>77</td>
<td>183</td>
</tr>
</tbody>
</table>
4.4: IMPLEMENTATION OF MGNREGA IN TOWNS OF MIZORAM:

MGNREGA is an employment guarantee for rural communities, but it is being implemented in the towns of Mizoram. The reason is that Village Council system vide The Lushai Hills District (Village Councils) Act, 1953 is followed in the state (In Mizoram the Panchayati Raj system is not followed). Areas of the towns and the city are divided into smaller areas where members of the Village Council are elected who govern such areas; so even the towns and the city are like cluster of villages in which MNREGA can be applied as it is meant for rural areas.

The State Legislative Assembly of Mizoram enacted official Bill which has become the Mizoram Municipalities Act, 2007 as amended in 2009. The State Election Commission was accordingly constituted vide Notification No. B.13017/11/2008-UD&PA (M) Dated 28.8.2008. The State Election Commissioner had been appointed by way of selection, from amongst such persons as having sufficient experience in administration, law or process of election. Aizawl Municipal Corporation election was successfully conducted on 3rd November, 2010; there are 19 wards in the corporation area. So, MNREGA is not applicable anymore in the state capital city Aizawl when the corporation starts to function.

4.5: IMPACT OF MGNREGA IN MIZORAM:

The MGNREGA is often said to have the capacity to transform rural lives in various writings, which in fact is no doubt if the Act is properly implemented with regular flow of funds. Since the Act came into force, the wages of manual labourers are increased those who were given very low wages in agriculture, construction sites, tea plantations, etc can demand higher wages to the private employers or the labour contractors. These personnel cannot totally turn down the plea of the labourers as the labourers have a choice to work under MGNREGA with a carefully prescribed daily wage rates. This in turn left the private employers with very few or no labourers for their various works.

Many rural dwellers can send their children to school, afford to get medical care, have a better living standard, with the wages earned from MGNREGA. It also helps them avoid migration and to stay in their villages during lean seasons of employment from private employers as they can get employment under MGNREGA which will be provided in and around their village. In short, MGNREGA has many positive impacts in the lives of millions of rural India.
The impact of MGNREGA in Mizoram is studied under three subcategories which are discussed in the following-

4.5.1: Socio- Economic Impact:

Under this subcategory, there are eight questions; the questions are given in a statement format where Likert’s five point scale was used for obtaining the respondents’ opinion. The questions are- 1) MGNREGA is very important to me 2) MGNREGA help me to avoid hunger. 3) MGREGA helps me in sending my children to school. 4) MGREGA helps me to cope with health problems. 5) MGNREGA helps me to purchase daily necessary commodities 6) MGNREGA helps me to avoid migration 7) MGNREGA helps me to avoid health hazardous occupation 8) MGNREGA gives me a better status in society.

In the questionnaire collected for the present study 46.7 percent agree and 49.3 percent strongly agree on “MGNREGA is very important to me”. This shows that MGNREGA is important for very high percentage of the respondents as adding up agree percentage (96) is close to 100. We can see from this result that MGNREGA occupies an important place in the lives of rural Mizoram. On MGNREGA help me to avoid hunger, again more number of respondents are on agree side which is 84.8 percent out of the total number of 540 respondents. This shows that the Act is beneficial in the most important way that helps the people in providing the basic need of human beings.

Regarding the efficacy of MGNREGA in education, it seems somewhat confusing in the present study area, as half of the respondents are neutral to “MGREGA helps me in sending my children to school”. But it is not totally undermined as 38.1 percent of the respondents are on agree side which is much more than the disagree side (8.1 percent Disagree). The 63.2 percent of the respondents agree to the significance of MGNREGA in coping with their health problems (getting healthcare needs). This percentage is quite reflective of the positive impact of MGNREGA in the study area.

Before the inception of MGNREGA, the wage of unskilled labour was at the hands of the private employer. The rural workers are at mercy of these private employers and their contractors who sometimes give them very meagre wage for their hard work. The rural poor workers can hardly afford daily square meals. MGNREGA is found to enhance the purchasing power of the rural masses with the provision of fair and square wages under its employment. In the present study area, majority of the respondents (75.7 percent) agree to
“MGNREGA helps me to purchase daily necessary commodities”. This shows the utility of MGNREGA in improving the basic living standard of the study area.

In relation to the influence of MGNREGA in avoiding migration, 41.9% of the respondents Disagree while 33.5% percent are neutral. This result can be attributed to the rare practice of migration in the state. Unlike many parts of India, migration is a very rare case in Mizoram, so when the respondents are asked if MGNREGA helps them to avoid migration, majority of them disagree as they hardly migrate anyway. In preventing to take up health hazardous occupation, MGNREGA has quite satisfactory impact as almost half of the respondents which are 46.1% agree to “MGNREGA helps me to avoid health hazardous occupation”.

It is pleasing to find out that 61.5% percent of the respondents agree to “MGNREGA gives me a better status in society”. When the morale of the villagers is boosted up, their development in many other areas will follow. Better confidence in society will enable them to mingle with others that in turn can widen their outlook; this will further lead to interest in gaining more knowledge and participation in the development process.

4.5.2: Impact on Present Occupation:

There are two questions under this category, 1) I have other means of earning wage other than MGNREGA and 2) MGNREGA employment clashes with agricultural works. The “Agree”, “Neutral” and “Disagree” percent are very close in “I have other means of earning wage other than MGNREGA” 38.9%, 27.4% and 33.7% respectively. It is interesting to note that there is a mere 5% difference in the “Agree” and “Disagree” response. So we can say that employment under MGNREGA even though a slight difference still has an important role in earning of wages in Mizoram. Moreover the result mentioned here is a research carried out from 540 samples only that does not necessarily represent the whole state.

There are 208 Agriculture labourers out of the 540 respondents in the present research which comprise the biggest number out of other occupations included in the questionnaire. On “MGNREGA employment clashes with agricultural works” 43.3% percent “Disagree” while the next majority (36.3 percent) are neutral. We can see from this that the MGNREGA works in the selected study area does not clash with the majority of the respondent’s occupation.
4.5.3: Impact on Psychology:

There is a popular saying that “MGNREGA has influenced the psychology of the people in connection with working”. It is often said that “It makes the people lazy”, on the notion that ‘MGNREGA employment allows people to idle in the worksites, but those idling people will receive same wage as those who work hard'. It was also often heard that people become lazy because ‘the working hours in MGNREGA are short, still they receive their wages, this makes the other workers hired in private farm/field/manual works become sluggish’. So two questions are included under the impact on psychology- 1) MGNREGA has negative moral impact on me and 2) MGNREGA has negative moral impact on the society. When the questionnaire was conducted, the main concept of the questions is explained to each respondents that the “negative impact” here signifies “laziness”.

On “MGNREGA has negative moral impact on me” there are 46.5% who disagree while exactly half (50.0 %) are neutral and only 13.6% admitted that it has a negative impact on them. There are 36.9% who Agree, 48.3% neutral and 14.8% disagree on “MGNREGA has negative moral impact on the society”.

It is interesting to find out that when it comes to individuals, people are inclined to disagree (46.5%) that MGNREGA has negative moral impact on them. And when it comes to concerning others “negative impact on the society” they tend to agree (36.8%) on it compared to agree percentage (13.6%) of “negative impact on me”. We therefore can say that MGNREGA has some negative impact on morale of the people.

4.6: FINANCE PATTERN OF MGNREGA:

The central government and the state government share financing of the MGNREGA in the ratio of 75:25. The funding of MGNREGA by central and state government is properly laid down as follows\(^\text{12}\):

4.6.1: Funding from Central Government:

The Central Government will bear the entire cost of wages for unskilled manual workers and 75 percent of the cost of material and wages for skilled and semi-skilled workers. Administrative expenses as may be decided by the Central Government. These will include, inter alia, the salary and allowances of Programme Officers and their support staff and worksite amenities and Administrative expenses of the Central Employment Guarantee Council.
4.6.2: Funding from State Government:

The State Government will bear the following costs i) 25 percent of the cost of material and wages for skilled and semi-skilled workers. ii) Unemployment allowance payable in case the State Government cannot provide wage employment within 15 days of application. iii) Administrative expenses of the State Employment Guarantee Council\textsuperscript{13}.

4.6.3: Employment Guarantee Fund

A National Employment Guarantee Fund has been set up by the Central Government to be administered according to the Rules laid down for this purpose. The grants to State Governments or Districts for implementation of NREGA shall be released from this Fund. The State Government may, by notification, establish a fund to be called the State Employment Guarantee Fund. This Fund is to be expended and administered as a Revolving Fund, with Rules that govern and ensure its utilization according to the purposes of the Act. Similar Revolving Funds should be set up under NREGS at the District, Block, and Gram Panchayat levels. Separate bank account must be opened for funds under the Scheme at the State, District and Block levels. The accounts shall be opened in public sector banks. Funds allocated to NREGS should not be used for other purposes under any circumstances.

4.7: RELEASE OF FUND:

The first release to a district when it is notified under NREGA as seed money to the District NREGS account will be, made as decided by the Ministry of Rural Development. Subsequent disbursement will be made upon the submission of a Labour Budget. Funds may flow from the district to the Gram Panchayat directly under intimation to the Programme Officer.
Fig-4.2: Diagram showing Organizational Structure of MGNREGA implementing agency at State level
Fig-4.3: Diagram showing Organizational Structure of MGNREGA implementing agency at District level

District Employment Guarantee Scheme Unit

District Programme Coordinator

District Programme Officer

Additional Programme Officer

Programme Assistant

LDC (I)

DEO

Accounts Manager

Accounts Assistant

Computer Assistant

Helper/Messenger

Works Manager/AE

Technical Assistant (JE)

Fig-4.4: Diagram showing Organizational Structure of MGNREGA implementing agency at Block level

Programme Officer (BDO)

Additional Programme Officer

Computer Assistant

Technical Assistant (JE)

Accounts Assistant
Fig-4.5: Diagram showing Organizational Structure of MGNREGA implementing agency at Village level

End Notes:


2 http://nrega.nic.in/mnrega_dist.pdf, viewed on August 24, 2016

3 https://www.slideplayer.com, viewed on August 23 2016


5 Ibid, p.22

6 Ibid, p.23

7 Ibid, p.24

8 Ibid, p.30

9 Ibid, p. 34-36

10 Ibid, p.37

11 2015-2016 a NREGS sum hmuh zat, https://mizoarchive.wordpress.com

12 Ibid, p.38

13 Ibid, p. 38