

# Employment Generation and Asset Creation through Mgnrega in Nagaland: An Evaluative Study

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**ABSTRACT:** *The unemployment and poverty are the most extreme twin problem in the current state of the Indian economy. The government coverage and programmes has been focus on objectives of poverty reduction and provision of employment and infrastructural development to meet the needs of the rural people. For realizing these objectives, one such friendly programme of The government is the National Rural Employment Guarantee Act (NREGA), which was passed in 2005. Consequently this scheme was renamed as Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) in 2nd October 2009. Secondary data as an official report Ministry of Rural Development, magazines, magazines, etc., were used to develop this paper. The present study aims to highlight the extent of employment generated and sustainable assets created during the year 2016-17 to 2021-22 June. The present study found that MGNREGA has been generating significant employment to the job card holders. However, the study revealed that only few households has completed 100 days employment during the study period, which is one of the loopholes of MGNREGA scheme. The data shows that MGNREGA has created durable assets in the villages. However, the rate of completion of work is very weak in every year and the incomplete work or spill over work is being increasing over the year of its implementation. This paper presents some of the challenges in implementation of the scheme and suggests some corrective measures to be done by the implementing agencies for the improvement of MGNREGA in performance.*

**Key words:** MGNREGA, job cards, person days, assets created, SCs, STs, women and VDB.

## **1. Introduction**

‘Poverty and unemployment are two sides of the identical coin when we are going to clear up one problem in the society, second has been taken care of that. The poverty and unemployment in the current situation are the most extreme problems of the Indian economy’<sup>1</sup>. The government coverage and programmes has been focus on poverty reduction and provision of employment and infrastructural development to meet the needs of the rural people. One such friendly programme of the government is National Rural Employment Guarantee Act (NREGA) which was enacted in 2005. Consequently this scheme was named after Mahatma Gandhi in 2nd October 2009 and it is known as Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA).MGNREGA is an Indian labor law and social security measure which promise the ‘right to work’. It was initiated for the livelihood security in rural areas that provide everyone with at least 100 days of paid work each fiscal year to Families where adult members voluntarily engage in unskilled manual labor. Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is the central govt. response to the constitutionally manifested right to work and means to promote livelihood security in India’s rural areas. MGNREGA is the flagship rural employment generation in a financial year. One of the most unique features of MGNREGA is its approach towards empowering citizens including women citizen to play an active role in the implementation of the scheme, through Gram Sabha, social audit, participating planning and other activities.

<sup>2</sup>According to a pilot study, MGNREGA has been implemented in all regions of India since April 2008. The statute is hailed by the govt. as “the largest and most ambitious social security and public works programme in the world”. The World Bank in its 2014 World Development Report termed it as “stellar example of rural development”.

In addition to providing 100 days of guaranteed wages in the fiscal year, MGNREGA aim to create sustainable assets at the village (such as roads, water conservation, culvert, fishery ponds and cemented water tank etc.). MGNREGA is implemented at the grassroots level by the Panchayat village community.

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<sup>1</sup> Harish,N.(2020). “A Study on the Performance of MGNREGA in Karnataka.” Shanlax International Journal of Management, vol. 7, no. 3, pp. 13–27.

<sup>2</sup> <https://simdega.nic.in/en/scheme/mahatma-gandhi-national-rural-employment-guarantee-act-mgnrega/>

The participation of contractors is limited. Prioritize labor-intensive activities, such as building rural infrastructure, water use, drought relief, and rural connectivity.

In India, women make up the majority of the chronically poor. They are facing vulnerabilities of life like Gender discrimination in terms of education, employment, control over property and resources political and domestic spheres etc. Therefore, MGNREGA was frame for the upliftment and empowerment of rural women socio-economically through the provisions of employment under the scheme. The law provides equal wages to men and women. The law also aims to ensure that at least 33% of employees are women. By generating employment for women at fair wages in the village, MGNREGA play a significant Role in empowering women economically and laying the foundation for greater independence and self-esteem. Hence, MGNREGA encourages the women participation in community activities and built a self esteem as they become an earning member in the family.

<sup>3</sup>The Act provides many guarantees to support its effective implementation and management. The Act stipulates the values and institutions for direct implementation, and the permitted a list of workers, financing pattern, monitoring and evaluation, and most importantly the detailed measures to ensure transparency and accountability. In addition to ensuring financial security and creation of asset, protect environment, women empowered, it reduces rural-urban migration and promotes social justice.

## **2. Salient Features of MGRNREGA**

Some important salient features of MGNREGA are listed below:

- i) Granted to adult members of each rural family who is willing to do work up to 100 days of unskilled manual labor.
- ii) All recognised villages in the district are eligible for this scheme.
- iii) Under MGNREGA every rural household are entitled to register.
- iv) Within 15 days job card should be issued to the register household from the date of receipt of application.
- v) Works should be undertaken within 5 km radius from the village.
- vi) Wage and material of 60:40 ratio funds has to be maintaining for all works undertake under MGNREGA.

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<sup>3</sup> <https://dclawngtlai.mizoram.gov.in/page/nrega>

- vii) Wages should be pay equally to both men and women.
- viii) Wages should be pay within a fortnight. ix) Use of machinery and involvement of contractor are restricted.
- ix) Women beneficiaries under the scheme should be 1/3.
- x) Worksites facilities such as crèche, drinking water and shade to be provided.
- xi) Under MGNREGA for all works implemented a social audit is must.

### **3. Significance of the study**

Nagaland is under developed economy, where around 71.03% lives in rural areas. Agriculture and allied activities are the main occupation of the Naga people for their livelihood. But since agriculture is seasonal during the lean period many of agricultural workers become out of work. Meanwhile, the wage earners are unable to get sustainable labour work in the village. Therefore, their incomes are low and cannot come out of the poverty, even to the extent of chronic poverty. To fight with this poverty, government implemented a scheme known as MGNREGA. This scheme aims to remove poverty by providing sustainable employment and income in the hands of the poor people in rural area.

### **4. Objectives of the study**

1. To present the current status of MGNREGA in Nagaland.
2. To examine the employment generated and asset created through MGNREGA.
3. To study the problems in implementations.

### **5. Methodology**

The present study was based on the secondary data collected from sources like Ministry of Rural development official records, rural development department, Nagaland websites, articles, journals, news paper etc. This research is an analytical study on the performance of MGNREGA in Nagaland.

### **6. Results and discussion**

According to 2011 census Nagaland has 11 districts, with the population of 19, 78,502. According to the 2011 census, 71.03% of people live in rural areas. The geographical area of Nagaland is 16, 579 sq.km

and has a population density of 119 per sq.km. According MGNREGA, Nagaland report, Nagaland has 74 Rural Development Blocks and 1,255 recognised villages.

### **6.1, Current status of employment and asset creations**

In Nagaland, as per the latest report from rural development official records, the current financial year 2021-22 June, the total number of job card 4.49 lakhs has issued and 8.69 lakhs average days of employment has provided per household. The present average wage rate is Rs.212 per day. The MGNREGA scheme has attracted weaker section of the community like SCs, STs and women. One unique feature of MGNREGA is focussing on women empowerment by giving employment to them and the data also revealed that number of women participation is not worth encourage about 36.22% only. As per the report, the work approved in the current year is 1728, out of these works taken up as by June is 439(25.4%) while 22 (1.27%) works has completed within the three months i.e, April, May and June 2021<sup>4</sup>. The total allocation budget for the current year 2021-22, for the labour materials ratio is Rs.34.7014 lakhs, out of which labour share is Rs.2564.29 lakhs that comprised of 73.9% share and the material cost share is Rs.908.85 lakhs that comprised of 26.1% out of the labour component budget ratio<sup>5</sup>. Since this scheme is primarily a manual labour wage employment, therefore the wage payment share allocation is more than the material cost in every fiscal year.

### **6.2, Employment generation**

One of the most important objectives of MGNREGA is to provide 100 employments to the unskilled adult member who is willing to offer for work in the rural areas. Table.1 shows the job card issued and household completed 100 days of work in a year among the different categories of households during the year from 2016-17 to 2020-21. The cumulative data shows that job card issued over the years morethan 4 lakhs of household and during the year 2018-19, the households completed 100 days was recorded zero, subsequent years the households getting 100 days was very less. The cumulative data from 2018-19 onwards revealed that the very essence of MGNREGA to guarantee 100 days wage manual employment per family in a financial year is not found to be achieved.

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<sup>4</sup>[https://nrega.nic.in/netnrega/citizen\\_html/wrk\\_spill.aspx?lflag=local&state\\_code=23&state\\_name=NAGALAND&page=S&fin\\_year=2021-2022&Digest=HBxgDmBhLRRYq5AGyWd9VA](https://nrega.nic.in/netnrega/citizen_html/wrk_spill.aspx?lflag=local&state_code=23&state_name=NAGALAND&page=S&fin_year=2021-2022&Digest=HBxgDmBhLRRYq5AGyWd9VA)

<sup>5</sup> [https://nrega.nic.in/Netnrega/writereaddata/state\\_out/wrk\\_mat\\_analysistemp23\\_local\\_2122.html](https://nrega.nic.in/Netnrega/writereaddata/state_out/wrk_mat_analysistemp23_local_2122.html)

Table: 1. shows the job card issued, employment provided to household and 100 days employment to different categories of Household under MGNREGA under 2016-2021.

Years	Cumulative No. Of HHs issue job card				HHs provided employment	HHs completed 100 days
	SC	ST	Others	total		
2016-17	3636	4,10,174	15,208	4,29,018	4,21,037	182
2017-18	3731	4,12,180	15,476	4,33,556	4,10,331	222
2018-19	3737	4,14,349	16,130	4,34,216	3,86,305	0
2019-20	53	4,17,196	19,660	4,36,909	3,90,368	2
2020-21	50	4,24,469	20,312	4,44,831	3,92,312	48
Total	11207	20,78,368	86,786	21,78,530	20,00,353	454

Source: <https://nrega.nic.in/nagaland>.

Table.2, shows the person days generated under MGNREGA by SCs, STs, women and others during the year 2016-17 to 2020-21. It shows that the total number of persondays generated within the last 5years implementation was 122,508,095 lakhs, among which the total number of persondays generated by SCs, STs, women and others were 52, 9216 lakhs, 93,469,106 lakhs, 31,109,843 lakhs and others 3,939,979 lakhs respectively. The analysis of year wise shows that maximum persondays was generated during the year 2016-17 and in the years the persondays generation was reduced till 2018-19.

Table: 2, Person days generated under MGNREGA during the year 2016-2021 in Nagaland by different categories.

Years	Person day's generated (in Lakhs)	SCs	STs	women	others	Women person day's out of total (%)
2016-17	3,76,98,288	2,05,309	2,78,87,637	86,27,583	9,77,759	22.88
2017-18	3,05,36,966	2,14,925	2,26,36,556	68,14,903	8,70,582	22.32
2018-19	1,74,78,869	1,05,096	1,26,78,116	41,93,422	5,02,235	23.99
2019-20	1,87,82,177	1,748	1,31,65,355	49,33,886	6,81,188	26.27
2020-21	1,80,11,795	2,138	1,71,01,442	65,40,049	9,08,215	36.31
Total	12,25,08,095 (100.0%)	5,29,216 (0.4%)	9,34,69,106 (76.3%)	3,11,09,843 (25.4%)	39,39,979 (32.2%)	----

Source: <https://nrega.nic.in/nagaland>

However, during the year 2019-20 to 2020-21, it is observed that the persondays generation is increasing but at a very marginal rate. The total persondays generated categories wise analysis shows that STs is highest (76.3%), followed by others (32.4%), women (25.4%) and SCs (0.4%). As per data, the employment provided to women is not encouraging and the village Development Board (VDBs) should put forward a project proposal which is women employment oriented.

Table: 3, Personday’s generated according to district wise in Nagaland, April till June 2021.

Districts	Cumulative no of HHs issue job card	Employment demanded		Employment provided		
		Households	persons	Households	persons	person days
Dimapur	75,095	56,304	56,347	46,325	46,331	4,22,911
Kiphiri	24,133	17,796	17,796	**	**	**
Kohima	53,645	30,888	30,894	25	25	250
Longleng	21,740	16,944	17,004	8958	8958	60147
Mokokchung	35,734	4,212	4212	**	**	**
Mon	49,596	10,381	10,381	9095	9095	1,07,174
Peren	28,050	12,541	12,541	**	**	**
Phek	35,582	35,520	35,521	31,716	31,716	3,22,318
Tuensang	48,875	4072	4072	2601	2601	13697
Wokha	34,926	33,165	33,165	31,616	31,616	1,92,583
Zunheboto	37,943	11,962	11,984	3848	3848	30704
Total	4,45,319	2,33,785	2,33,917	1,34,184	1,34,190	11,49,784

Source: <https://nrega.nic.in/netnrega/nagaland>

According to the Ministry Rural development report which is reflected in the table,3. above, shown that for the year 2021-22, Nagaland has generated 1,149,784 person days under MGNREGA by June 2021. District wise data shows that Dimapur district generated highest person days with 4,22,911 followed by Phek with 3,22,318. Since April to June 2021, Kiphiri, Mokokchung, and Mon regions have not generated person-days (data not recorded). As per the district wise, job card issued, Dimapur is the highest job card issued with 75,095 followed by Kohima with 53,645. The district with less job card issued is Longleng with 21,740 followed by Kiphiri with 24,133.

### 6.3, MGNREGA Wage rate

Table: 4, Average wage rate over the years in Nagaland under MGNREGA.

Years	Average Wage rate	Percentage increase (%)
2015-16	159.00	--
2016-17	172.00	8.18
2017-18	177.00	2.91
2018-19	177.00	0.00
2019-20	191.99	8.47
2020-21	204.99	6.77
2021-22	212.00	3.42

Source: <http://mgntrega.cg.nic.in/WageRates.aspx>



Table: 4, shows the average wage rate during the years 2015-16 to 2021-22. The maximum percentage increased is during the year 2019-20 by 8.47 percent against the previous year 2017-18. However, we observed that from 2020-21 onwards the wage rate increasing at a declining rate in Nagaland.

#### **6.4, Asset creations**

*Permissible work under the scheme:* According to the Schedule 1 Act, Para 1B of amended schedule, the following works are permissible under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS).

<sup>6</sup>Water conservation and water harvesting including contour trenches, earthen dams etc.; Drought proofing including a forestation and tree plantation; Irrigation canals including micro and minor irrigation works; Provision of irrigation facility, dug out farm pond, horticulture, plantation, farm bonding and land development on land owned by households specified in paragraph 1C of Schedule 1; Renovation of traditional water bodies including de-silting of tanks; Land development; Flood control and protection works including drainage in water logged areas including deepening and repairing of flood channels, construction of storm water drains for coastal protection; Rural connectivity to provide all weather access, including culverts and roads within a village, whenever necessary.

It is clearly stated in schedule I of the MGNREGA that ‘Creation of durable assets and strengthening the livelihood resource base of the rural poor shall be an important objective of the Scheme’ (Satyajit Saha, 2019). Durable sustainable assets creation on the rural based are one of the main objectives of MGNREGA. Table, 5. Show the pattern of assets creation over the last 4 years under MGNREGA Nagaland.

Table: 5 Numbers of Assets created in different categories during 2017-18 to 2021-22 till June.

<b>Category of Asset created</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>Total</b>
Rural infrastructure	24	132	60	28		224
Drought proofing	1531	765	910	456	12	3674
Rural drinking water	22	0	0	0		22
Flood control and protection	218	165	213	70	1	667

<sup>6</sup> <https://nagard.in/node/4>



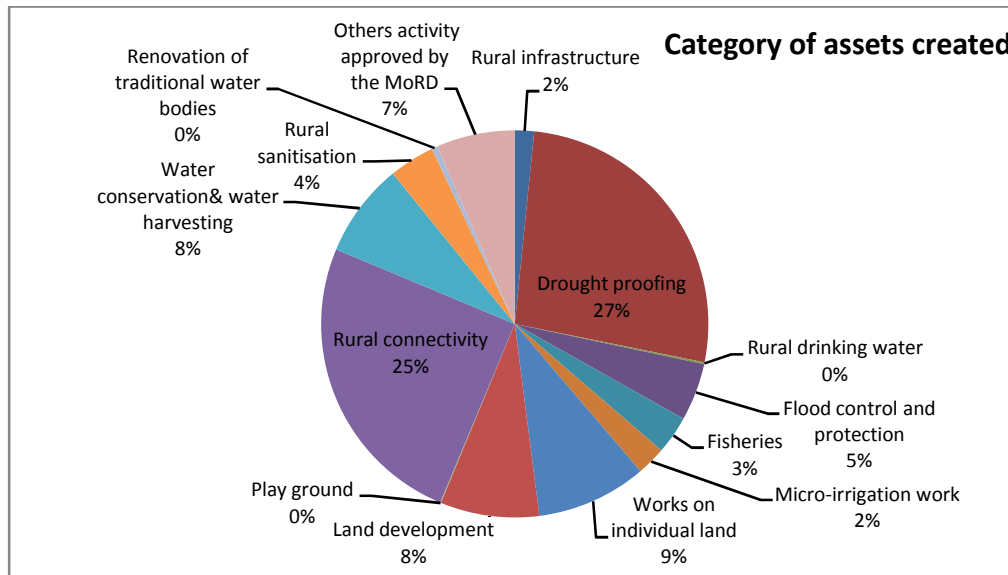
Fisheries	197	73	113	56	0	439
Micro-irrigation work	169	35	59	75	0	338
Works on individual land	939	205	95	35	0	1274
Land development	400	226	323	192	3	1144
Play ground	6	3	0	0	0	9
Rural connectivity	964	956	1043	493	3	3459
Water conservation & water harvesting	447	263	244	129	3	1086
Rural sanitation	263	92	129	42	0	526
Renovation of traditional water bodies	51	1	5	13	0	70
Others activity approved by the MoRD	848	57	1	0	0	906
Total spill over works	3025	1288	2460	3561	6195	16,529
Total works taken up (in current year)	7410	4408	4266	4239	576	20,899
Total works completed	6079	2973	3203	1589	22	13,866
Nos. Expenditure (Rs. in lakhs)	87,384.13	17,283.18	33,893.59	22,090.44	19.32	1,60,670.66
Total expenditure (Rs. in lakhs)	96,963.81	24,331.46	39,369.8	44,290.62	3768.95	2,08,124.64
Wages (Rs. In lakhs)	58,371.59	15,016.93	23,953.43	26,366.21	2864.1	1,26,572.26
Material and skill wages (in lakhs)	36,439.04 (38.43%)	8553.29 (36.29%)	14,553.84 (37.8%)	17,367.71 (39.71%)	905.84 (24.3%)	77,819.72 (37.39)

Source: <https://nrega.nic.in/nagaland>

In the table 5, shows the asset created in different categories under MGNREGA during 2017-18 to 2021-22 June in Nagaland. The data indicates out of the total works 4,239 taken up in the financial year 2021, total works completed was 1,589. The total completion works in a given year is declining. The data shows that every year the total spill over works or incomplete work in one financial year is found to be increasing over the given years. The works incomplete in the preceding year will be carrying over in the current year. The increase in spill over works operations since the year 2019-20 is due to delay in release of funds or insufficient funds from the state government or even few work days were allotted. Topography and climatic condition are also another reason for the increasing number of incomplete work in the stipulated time. The household's completion of 100 days employment is minimum and none of the households have provided 100 days employment during the years 2018-19 and 2019-20. In regard to the wages and material expenditure ratio share, the data analysis has shown that more than 60% of the funds

released are made for wage payment over material cost during the given years. This has depicted that MGNREGA is labour employment scheme.

Fig.1, cumulative share of asset created in different category under MGNREGA from 2017-18 to 2021-22 till June Month.



Source: <https://nrega.nic.in/nagaland>

The fig.1 has shown the different category of asset created during the year from 2017-18 to 2021-22 till June. Data shows that in rural areas of Nagaland, drought protection and rural connectivity are prioritized, creating 27% and 25% of assets respectively was completed, followed by works on individual land, water conservation & water harvesting and land development which comprised of 9%,8% and 8% respectively. Few works on playground, rural drinking water and renovation of traditional water bodies were completed.

### 6.5, Problems in implementation

*Delay in payment of wage:* Though the Central government releases the funds, the state government delay in payment of wages and this is one of the persistent issues face by the workers. This problem was also highlighted in one of the research paper by Research scholar, Nagaland University (Moameren, 2020). Thus, it affects not only the efficient functioning but also the work quality of the asset created under the scheme.

*Low wage rate:* under MGNREGA, the present existing wage rate is Rs.212 in the current financial year 2021-22, while normal daily wage rate is around between Rs.400 to Rs.500. some of the job card holders are not willing to work due to low wage rate which will affect and not fulfilled the objectives of MGNREGA.

*Increasing number of incomplete work:* Due to unique topographical features and climatic condition of Nagaland there is increasing in the number of incomplete works. Sometimes only few works days were allotted. Hence, works cannot complete in the works taken up year.

*Lack of proper awareness:* There is proper lack of awareness on the provision of Scheme like unemployment allowance if not provided employment within 15 days and worksites facilities to worker among the job card holders.

*Use of machinery:* Use of machinery in the worksites has decrease the labour employment in the work under MGNREGA.

## **6.6, Conclusion**

MGNREGA aims to provide employment to people through creation of sustainable assets in the rural areas and to eradicate the rural poverty. MGNREGA is said to perform well in providing significant employment and creating sustainable assets in the rural areas of Nagaland during the study years. The person days generated under MGNREGA by SCs, STs, women and others during the year 2016-17 to 2020-21 were 52, 9216 lakhs, 93,469,106 lakhs, 31,109,843 lakhs and others 3,939,979 lakhs respectively and the total employment generated was 122,508,095 lakhs. However, the completion of 100 days employment in a financial year per households is not satisfactory. Nagaland post dated 14 Feb.2020 has reported an anomaly in the implementation of MGNREGA. The report stated that it is ‘unfortunate that those targeted groups were not given priority in Nagaland’. Hence, the implementing agencies should rectify the loopholes in implementation and should ensure 100 days of wage employment to every household as stipulated in the act. MGNREGA has created a substantial numbers of assets in the villages. However, the rate of completion of work is very weak in every year and the incomplete work or spill over work is being increasing over the years of implementation. The mismanagement of funds and corruption should be checked so that payment of wages will be smooth and works will be completed in time. The implementing agencies should focus more on completion of work rather than works creation which may

reduce corruption and wastage of funds. Therefore, MGNREGA if implemented with full commitment would lead to development of the rural economy and would created sustainable assets in the villages.

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