

## Some Issues of NREGS: Review of North Eastern States of India with Special Reference to Meghalaya

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### ABSTRACT

The National Rural Employment Guarantee Scheme (NREGS) came into existence after an enactment of the Parliament Act 'National Rural Employment Guarantee Act' (2005) in September 2005. The unique feature which distinguishes this scheme from previous employment programme is that NREGS is endorsed by a legal guarantee and now the citizens have the legal rights to have employment of 100 days if demanded and ready to work in existing wage rate, under NREGA. Focus of the scheme is on essential asset creation which will result in boosting of rural economy. Despite many in-built transparency mechanisms, the scheme is under many scanners like all other public initiatives. Regarding the implementation of the programmes under NREGA performance of different states varies across the states. This paper is an attempt to study the progress of the scheme in North Eastern states of India, especially Meghalaya. The scheme faces severe criticism on the ground of its potential to divert the labour availability in agriculture and affecting the cost of production. Only 4 per cent administrative cost is too less for remote hilly areas. Moreover, absence of Panchayats in Meghalaya made the implementation of the scheme difficult. Close vigilance is required to see that NREGA should not become as just another of the plethora of poverty alleviation schemes that India has had since Independence.

### BACKGROUND

After independence, India has come a long way in all fronts. Once it was importer of food and now it exports to other countries. After independence the percentage of people leaving below poverty line declined but still the absolute number is startling as the country has seen a spurt in its population which is of a great concern. Poverty declined from 36 per cent in 1993-1994 to 28 percent in 2004-2005. However, close to 300 million people still live in chronic poverty on less than one dollar a day. Recent assessments of poverty by the Suresh Tendulkar Committee place 37 per cent below poverty line. The World Bank estimates the BPL population at 40 per cent. Unemployment and out of labour-force days of rural agricultural labourers is 104 days (76 days for male and 141 days for female). It is a fact that the economy, once dependent on agriculture, has managed to grow considerably even when other industrial countries of the world were under the grief of depression but

this growth has not translated into social equity rather the division in between the classes has widened. Moreover, the unethical use of the natural resource base over the last 50 years has adversely impacted agricultural productivity and employment opportunities. As the population increased, the agricultural labour increased significantly from 7.08 million in 1981 to 121 million in 2008. At the same, the percentage of operational land holdings under small and marginal farmers has gone up from 70 per cent in 1971 to 82 per cent in 2001.

Against this background, 'inclusive growth' is considered to be the only policy response option by the policy makers, either politicians or economists. The focus has been put in prioritizing key areas through major programmes aiming at time-bound delivery of outcomes viz., infrastructure through Bharat Nirman, human resource development through Sarva Shiksha Abhiyan (SSA) and National Rural Health Mission (NRHM), and livelihoods through National Rural Employment Guarantee Act (NREGA).

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Off late, there has been a shift in a policy as now 'development' is not seen as a welfare activity of the government but basic development is considered as rights of the citizens and NREGA is a one of such endeavours with legal obligation (Shah and Mohanty 2010).

### **NATIONAL RURAL EMPLOYMENT GUARANTEE SCHEME (NREGS)**

NREGS was launched on 2<sup>nd</sup> February 2006 in 200 backward districts of India (districts were selected from different states to represent the whole country), formulated by the Planning Commission, in the first phase with the notification of "National Rural Employment Guarantee Act in September 2005". In Phase II, another 130 districts were included from April 2007 and followed by the remaining districts with effect from 1 April 2008. The Act is now effective in the rural areas of the entire country, covering 619 districts. Significant in this identification is that the districts selected in the first phase were dominantly tribal, low productivity districts. Almost 50 per cent of the Drought Prone Areas Programme (DPAP) districts were included indicating that the perception of Mahatma Gandhi NREGA was clearly oriented towards rain-fed areas as the geography of poverty, and the socio-economically weak groups as the sociology of poverty (UNDP 2010). The scheme was designed as safety network to reduce rural migration by providing time bound guaranteed employment of 100 days in lean period and wage payment within 15 days. The Act also has the mandate of 33 percent participation for women.

#### **Objectives of NREGA**

The immediate objective of NREGA is to provide wage employment to unskilled labors through works those mainly address causes of chronic poverty like drought, deforestation and soil erosion; thus leading to strengthening natural resources management and sustainable rural development.

It also has the objective of strengthening grass root institutions, such as Panchayati Raj Institutions (PRI) by involving them in planning, monitoring and implementation of the scheme and infusing transparency and accountability in governance.

#### **Transparency**

In order to monitor wage payments under this system, the NREGA includes a range of transparency measures to maximize vigilance of public funds by workers themselves. These include public disbursement of wages (which also creates an opportunity for the public scrutiny of muster rolls), maintenance of workers' "job cards" (enabling them to check their payment details at any time), and regular social audits.

Like other public works programmes NREGA, in spite of various transparency safeguards being built into the Act, critics are skeptical about the corruption involved. After the mode of payments of wages was switched from cash to bank payments under the NREGA it has been acclaimed by the government of India as the world's largest ever financial inclusion scheme (Adhikary and Bhatia 2010). Initially NREGA wages were paid in cash based on the entries made in the "muster roll" (or attendance sheet) by the implementing agency (such as gram panchayat) under which cash payments, the implementing and payment agencies are the same which makes appropriation of funds easier.

#### **Cost of the scheme**

Whether the country can afford the cost burden of the scheme which was estimated anywhere in between 1 to 5 per cent of gross domestic product (GDP)? Critics were of the view that the programme is too open-ended, i.e. it entitles anyone to obtain employment, which could lead to escalating costs (Patnaik 2006). The affordability of NREGA has been an issue of wide debate in India, and opponents have warned that the programme will contribute to a fiscal crisis. The Ministry of Finance has insisted that the low current absorption of funds means that the additional districts can be accommodated with a marginal increase in the budget, attracting criticism from Dreze and others who maintain that the Government is not living up to its stated principles of 'inclusive growth' (Sjoblom and Farrington 2008).

### **NREGA IN NORTH EAST (NE) STATES OF INDIA**

There is wide variation in performance of NREGA across different states of the country. In

Rajasthan 73 per cent of registered households were provided work whereas it was only 13 per cent in case of Maharashtra, over the three years. The scenario of the scheme in NE states is presented below.

*Employment:* About 65.6 lakh households were issued jobcards in NE states which is only 5 per cent of the all India figure (Table 1). The scheme has provided employment to 38.5 lakh household in the region (which is 7 per cent of all India level) out of which 16 per cent households received 100 days employment in comparison to 10 per cent in overall India. The number of jobcards distributed and employment generated was higher in Assam as the state is much populated than other NE states. As NE states, except Assam, are predominantly tribal dominated share of ST in total person days ranged from 40 to 100 per cent. The share of women

in total person days is around 34 per cent which is found to be lesser in comparison to overall India.

*Types of works:* Maximum of the works under NREGA were taken in rural connectivity followed by land development water conservation and drought proofing related works in NE but in overall India, maximum works under NREGA were taken in water conservation (Table 2). Perusal of the table reveals that Tripura, Manipur, Meghalaya and Mizoram were much ahead of the other NE states in terms of works completed whereas Assam and Arunachal Pradesh found to be lagging behind.

*Fund utilization:* On an average 60 per cent of the total fund was used for payment of wages in different NE states which is little lesser than all India average and administrative expenditure was around 5 per cent (Table 3). Expenditure on wages was found to be maximum in Mizoram and lowest in Assam.

**Table 1: Employment status under NREGA during 2010-11**

States	Cumulative No. of HH issued jobcards	No. of households provided employment	Person days				HHs availed 100 days of employment (%)
			Total (Lakhs)	SCs (%)	STs (%)	Women (%)	
Arunachal Pradesh	170350	134527	31.12	0.03	90.26	33.26	0.45
Assam	4369561	1798372	470.54	10.99	27.26	26.51	2.53
Manipur	444886	433856	295.61	2.58	70.64	35.07	25.20
Meghalaya	398226	346149	199.81	0.38	94.51	43.92	5.66
Mizoram	170894	170894	166	0.01	99.84	33.93	77.22
Nagaland	350815	350815	334.34	0.00	100.00	35.02	54.23
Sikkim	73575	56401	48.14	12.05	39.88	46.68	45.56
Tripura	584900	557055	374.51	17.95	43.45	38.55	14.62
NE	6563210	3848074	1926.07	6.93	64.37	34.73	15.71
India	119824438	54954225	25715.25	30.63	20.85	47.73	10.12

**Table 2 : Per cent share of different works under NREGA as on 2010-11**

State	Rural Connectivity	Flood Control	Water Conservation	Drought Proofing	Micro Irrigation	Land Development	Others	Total work completed
Arunachal Pradesh	47	15	5	3	17	10	3	926(38)
Assam	46	7	5	24	3	12	4	10650(34)
Manipur	31	13	11	14	7	15	9	7897(90)
Meghalaya	51	4	17	7	4	6	11	7755(55)
Mizoram	47	4	10	18	1	13	8	3253(85)
Nagaland	17	8	17	7	7	41	4	8937(85)
Sikkim	17	12	23	27	7	13	1	1534(66)
Tripura	25	1	19	8	9	24	14	65433(91)
NE	<b>35</b>	8	13	13	7	<b>17</b>	7	106385(68)
India	18	4	<b>21</b>	6	9	16	26	2590422(51)

**Table 3 : Expenditure pattern under NREGA during 2011-12 (in %)**

	Wages	Material	Administrative
Arunachal Pradesh	58.48	36.18	5.34
Assam	54.70	40.52	4.78
Manipur	62.35	32.89	4.76
Meghalaya	62.46	33.37	4.18
Mizoram	65.63	28.57	5.80
Nagaland	56.82	37.50	5.68
Sikkim	56.45	37.78	5.76
Tripura	60.85	33.94	5.20
NE	59.72	35.09	5.19
India	65.23	30.20	4.57

### NREGA IN MEGHALAYA

The Meghalaya Rural Employment Guarantee Scheme was notified on 28<sup>th</sup> July 2006, following the implementation of NREG Act. The Scheme gives legal guarantee of 100 days of wage employment in a financial year, to adult members of households who demand employment and ready to do unskilled manual work. As per Meghalaya State Development Report, at the 1<sup>st</sup> phase the Scheme was implemented by Local Employment Councils in South Garo Hills and West Garo Hills districts. Later during 2007-08, the Scheme was extended to Jaintia Hills, East Khasi Hills & Ri-Bhoi districts and West Khasi Hills and East Garo Hills districts during April, 2008. The Scheme is sponsored by Central and State government in the ratio of 90:10. As the state has no Panchayati Raj Institutions so with the involvement of local tribal

authorities at the village level, Village Employment Council; at cluster level (4-5 villages within the radius of 2.5km), Area Employment Council; at block level, Block Employment Council and at district level, District Employment Council were established and got clearance from ministry for implementation of NREGA. The scheme has been converged with National Rural Health Mission, Mid Day Meal and TLC in West Garo Hills district. All works are inspected by village/block/district level officials. Panda et al. 2009 reported that social audit of about 80per cent works have been completed in the state and labour migration to adjacent towns reduced by 73per cent. But they have not found any complaint registers at village AEC/VEC level.

Only 5 to 8 per cent of the total registered persons received employment across different age groups in Meghalaya (Table 4). The percentages were better for East Garo Hills, Jaintia and East Khasi Hills district in comparison to other districts of the state and it was worst in West Garo Hills district. NREGA provided employment mainly to younger people as about 60 per cent of the work force registered as well as employed were under 40 years (Table 5). Similar trend was found for the number of people registered under the Scheme (Table 6). Table 7 reveals that only 89 households received more than 100 days of employment in the state out of which 79 per cent households were in West Khasi Hills district during 2011-12. Delay in wage payment was reported in four districts of Meghalaya and Jaintia tops the list (Table 8). Generally one to two months of delay was observed in these except Jaintia where delay of more than 90 days was also observed.

**Table 4: Percentage of Employed Persons to Registered Persons across age groups during 2011-12**

District	Age				
	18-30	30-40	40-50	50-60	Greater than 60
East Garo Hills	11.40	17.67	18.91	20.23	20.67
East Khasi Hills	10.37	12.54	13.45	12.59	11.05
Jaintia Hills	8.22	12.36	13.24	14.18	13.57
Ri Bhoi	4.78	8.17	9.72	9.36	10.89
South Garo Hills	4.33	4.87	5.32	5.15	5.41
West Garo Hills	0.38	0.67	0.85	0.83	0.84
West Khasi Hills	4.53	5.61	5.89	5.95	5.61
Meghalaya	5.83	8.01	8.42	8.24	7.26

**Table 5. Agewise registered persons during 2011-12**

District	Age (in%)					Total
	18-30	30-40	40-50	50-60	Greater than 60	
East Garo Hills	40.84	27.76	19.28	8.53	3.59	119265
East Khasi Hills	38.30	26.69	18.97	10.00	6.05	147202
Jaintia Hills	41.79	25.88	17.43	8.73	6.17	113364
Ri Bhoi	35.76	28.12	19.94	10.22	5.97	87257
South Garo Hills	34.46	33.44	21.17	8.35	2.58	51632
West Garo Hills	35.41	25.53	20.25	10.73	8.08	262262
West Khasi Hills	40.84	24.58	17.78	10.04	6.75	142377
Meghalaya	38.17	26.58	19.22	9.79	6.23	923359

**Table 6: Agewise Employed Persons during 2011-12**

District	Age (in%)					Total
	18-30	30-40	40-50	50-60	Greater than 60	
East Garo Hills	29.70	31.30	23.26	11.01	4.73	18696
East Khasi Hills	33.66	28.37	21.63	10.67	5.67	17362
Jaintia Hills	31.17	29.05	20.95	11.24	7.60	12487
Ri Bhoi	22.64	30.42	25.68	12.66	8.60	6590
South Garo Hills	31.00	33.82	23.36	8.93	2.90	2487
West Garo Hills	21.16	27.00	27.06	14.10	10.67	1659
West Khasi Hills	35.23	26.24	19.94	11.37	7.21	7476
Meghalaya	30.76	29.45	22.37	11.17	6.25	66757

**Table 7: Households received total 100 days employment during 2011-12**

District	House Hold Employed	Persondays Generated
East Garo Hills	12	1248
East Khasi Hills	1	102
Ri Bhoi	6	612
West Khasi Hills	70	7000
Meghalaya	89	8962

**Table 8: Number of cases of delay in Payment**

District	Age				Total
	16-30 Days	31-60 Days	61-90 Days	After > 90 Days	
East Garo Hills	512	226	2	0	740
East Khasi Hills	224	34	0	0	258
Jaintia Hills	178	461	391	132	1162
South Garo Hills	68	30	19	0	117
Total	982	751	412	132	2277

### CONCLUSIONS

The NREG Act is based on the Maharashtra Rural Employment Guarantee Programme to ensure that a minimum amount of paid work would be

available to those in rural areas who need it. They can also be 'self-targeting', if wage rates are set at an appropriate level, i.e. they attract only those willing to work at basic wage rates. There is considerable discussion on delinking NREGA wage

rates from minimum wages for agricultural labourers, as nothing should be less than the minimum but there is a challenge for the policy makers as it is becoming more and more preferred employment and diverting agricultural labour so its implication on cost of cultivation need to be studied (Kareemulla 2010).

Like all other public programmes this has also raised many eyebrows all of which are not to be ignored. Claw of corruption is one of the major issues in the scheme. However, they require close local supervision, and the assets are poorly constructed, or simply not useful to the poor (Sjoblom and Farrington 2008). Despite the political and economic importance, the scheme faces the problem of implementation as PRI at village level. Moreover, only 4 per cent of administrative cost of is not enough at remote hilly areas. Absence of technical manpower hampers the work and skewed flow of funds in the first and last two months of the financial year are other hurdles. Close vigilance is required to see that NREGA should not become as just another of the plethora of poverty alleviation schemes that India has had since Independence.

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