

Study No. 170

IMPACT OF NREGA ON WAGE RATES, FOOD SECURITY  
AND RURAL URBAN MIGRATION IN SIKKIM

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## Preface

The present study was undertaken of the instance of Ministry of Agriculture, Government of India, Krishi Bhavana, New Delhi as a co-ordinated study, the act of co-ordination being vested upon ADRTC, Institute for Social and Economic Change, Bangalore. The National Rural Employment Guarantee Act was enacted in 2005 to provide a guaranteed wage employment of 100 days in every financial year to every household whose adult members volunteer to do unskilled manual work. It goes beyond poverty alleviation and recognizes employment as a legal right. The act was enacted to enhance livelihood security in rural areas. Through the process of providing employment on works that addresses causes of chronic poverty such as drought, deforestation and soil erosion, the Act seeks to strengthen the natural resource base of rural livelihood and create durable assets in rural areas. The Act is also likely to arrest rural–urban migration. In view of this, in an attempt to evaluate the performance of NREGA, the present study titled “Impact of NREGA on Wage Rates, Food Security and Rural Urban Migration was entrusted to the Agro-Economic Research Centre, Visva-Bharati by the Ministry of Agriculture, Government of India, New Delhi, to conduct the study in the states of West Bengal and Sikkim.

The present study evaluates the functioning of NREGA in the state of Sikkim and highlights the impact of NREGA in terms of its effect on wage rates, food security and rural urban migration. Apart from this, the study addresses the key areas of progress as well as shortcomings of the programme.

The study is based on both primary and secondary data. Secondary data is obtained from the official website of NREGA ([www.nrega.nic.in](http://www.nrega.nic.in)) and data relate to the years 2008-09, 2009-10 and 2010-11. Primary data is collected from 160 participant and 40 non-participant households spread over 4 districts of the state namely North Sikkim, East Sikkim, South Sikkim and West Sikkim.

The study finds that overall; the scheme of NREGA has the great potential in enhancing income and livelihood security of the rural poor. The present study, in an attempt to evaluate the impact of NREGA has identified the key areas of progress as well as the shortcomings of the programme. Notably, NREGA has not been able to provide the employment that one would have expected. Despite making provision of 100 days of employment in a year, actual employment generation has been below than 100 days in a year. In the matter of wage payment, in many cases, delay in wage payment is noticed. Procedural irregularities are also noticed at the stage of implementation of the scheme such as irregularities in conducting VMC meetings which needs to be conducted for the participation of affected persons in the process of decision making and validation. True that NREGA addressed many of the weaknesses of the earlier wage employment programmes through introducing several features in its design. However, as evidenced by the present study, NREGA is also not free from limitations despite having its positive impact on income generation, asset creation and above all improving standard of living. Obviously, if the remedial measures are taken to address the limitations, the effectiveness of NREGA would increase with experience and would go a long way in ensuring livelihood security to the rural poor in a sustainable manner and in altering the balance of power in rural society. The key lies in proper implementation ensuring participation of affected persons and planning of the scheme as per the guidelines laid down in the Act.

The study report is the product of support, help and contribution from the study team comprising of Dr. J. K. Ghosh, Mr. Snehasish Karmakar, Sri V. Datta, Sri R. K. Biswas and Mr. Deb Sankar Das. Dr. J. K. Ghosh, Sr. Research Officer of the centre shouldered the responsibility of organising the study and drafting was made jointly by Dr.

J. K. Ghosh and Mr. Snehasish Karmakar. The field investigation was done jointly by Mr. Snehasish Karmakar, Sri V. Datta, Sri R. K. Biswas and Mr. Deb Sankar Das. Computation work of field data and secondary data were done by Mr. Snehasish Karmakar and Mr. Deb Sankar Das. At the stage of tabulation, they were assisted by Sri V. Datta and Sri R. K. Biswas. Sri Debajit Roy, Research Fellow of the centre helped in conducting logit-probit analysis at the computer. Mr. Deb Sankar Das, Munshi Abdule Khaleque and Sri Nityananda Maji took all the pains at the stage of word processing. The secretarial assistance was received from Sarbasri D. Mondal, A. R. Patra and P. K. Hazra.

On behalf of the Centre, the undersigned takes the opportunity to thank the officials of Rural Management and Development Department, Government of Sikkim for rendering extra-ordinary help and co-operation in conducting the study. I also take this opportunity to thank the sample respondents in the study area of the state of Sikkim for sparing their valuable time at the stage of collecting primary data. Finally, I am especially thankful to Prof. Parmod Kumar, Professor and Head, ADRTC, Institute For Social And Economic Change, Bangalore for his excellent co-ordination in conducting the study.

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# CONTENTS

Chapter		Page No.
	<b>Preface</b>	
<b>I</b>	<b>Introduction</b>	<b>1 – 8</b>
	1.1: Introduction	1
	1.2 Historical Background	1
	1.3: Main Objectives of the Study	6
	1.4: Data Base and Methodology	6
	1.5: An Overview	7
	1.6: Organization of the Study Report	8
<b>II</b>	<b>Manpower Employment Generated under NREGA and Its Socio-Economic Characteristics</b>	<b>9 - 36</b>
	2.1 The Functioning of NREGA (Three phases district-wise)	9
	2.2 Total Employment Generated - Their Socio-Economic Characteristics	10
	2.3 Number of projects completed and total amount spent	11
	2.4 Performance of NREGA- some quantitative indicators	12
<b>III</b>	<b>Household Characteristics and Their Income and Consumption Pattern</b>	<b>37 - 48</b>
	3.1 Household Profile of the Respondents	37
	3.2 Main Occupation	39
	3.3 Household Net Income	40
	3.4 Household Consumption	41
	3.5 Variability (CV) and Gini Ratios of Income and Consumption	44
	3.6 Determinants of Participation in NREGA–Functional Analysis	45
<b>IV</b>	<b>Work Profile under NREGA, Wage Structure and Migration Issues</b>	<b>49 - 53</b>
	4.1 Work Profile under NREGA	49
	4.2 How successful has been NREGA providing 100 days employment (to the registered families at their door steps)	49
	4.3 Nature of assets created and their durability:	50
	4.4 Wage differentials under NREGA and its comparison with minimum wage Act	51
	4.5 Wage differentials in different activities, among beneficiaries and non-beneficiaries	52
	4.6 How has NREGA affected labour migration (labour migrating back into village and migrated out of village), direction of migration (rural to urban and vice versa)	53
<b>V</b>	<b>The Functioning of NREGA–Qualitative Aspects</b>	<b>54 - 64</b>
	5.1: Household Assets Holdings	54
	5.2: Household Status on Borrowings and their Financial Vulnerability	55
	5.3: Some Qualitative Aspects of NREGA	56
	5.3.1: Job Card Issues and Work Applications	59
	5.3.2: Payment of Wages and Related Issues	59
	5.3.3: Worksite Facilities and Economic Usefulness of the Work	60
	5.3.4: Monitoring of the Work	60
	5.3.5: Nature of Assets Created and Their Durability	61
	5.3.6: Labour Migration and NREGA	61
	5.3.7: Respondents' Awareness about NREGA Implementation	61
	5.3.8: Potential Benefits of NREGA	61
	5.3.9: NREGA and Food Security	62
	5.4: Quantitative Information Related to NREGA Functioning	62
	5.5: Some Qualitative Questions Related to Food Security	63
<b>VI</b>	<b>NREGA Impact on Village Economy</b>	<b>65 - 73</b>
	6.1 Infrastructure available in the Village	65
	6.2 Changes in Occupational Structure in the Selected Villages	66
	6.3 How has NREGA affected wage rates in the selected villages	67
	6.4 How has NREGA affected changes in wage rates for agricultural operations	68
	6.5: Various Changes in the Village Economy After Implementation of NREGA	69
<b>VII</b>	<b>Concluding Remarks and Policy Suggestions</b>	<b>74 - 93</b>
	7.1: Background	74
	7.2: Main Objectives of the Study	76
	7.3: Data Base and Methodology	76
	7.4: Major Findings	77
	7.4.1: Total Employment Generated - Their Socio-Economic Characteristics	77
	7.4.2: Number of projects completed and total amount spent	78
	7.4.3: Performance of NREGA- some quantitative indicators	79

7.4.4:Household characteristics and their income and consumption pattern	81
7.4.5:Work Profile under NREGA, Wage Structure and Migration Issues	84
7.4.6: The Functioning of NREGA- Qualitative Aspects	86
7.4.7: NREGA Impact on Village Economy	89
7.4.8: Policy Implications	91
Selected Bibliography	<b>94 - 95</b>

## Chapter-I

### INTRODUCTION

#### 1.1: Introduction

The frontal attack on poverty was pursued in three successive phases. In the first phase, lasting from the beginning of the 1950s till the end of the 1960s, the major emphasis was on land reforms viz., abolition of functionless intermediaries; tenancy reforms culminating in the principle of 'land to the tiller'; imposition of ceilings on large holdings and re-distribution of ceiling surplus land among the landless agricultural labourers and marginal farmers. By the late 1960s the second phase of the Poverty Alleviation Programme (PAP) started with measures that promised to address directly and exclusively the poor in rural areas. This target group oriented approach started with the programme for backward regions graduated to the programme for the development of small and marginal farmers, land less labourers, etc and finally culminated in the Integrated Rural Development Programme and National Rural Employment Programme. Serious efforts for poverty alleviation were initiated only during this phase. The distinguishing feature of the poverty alleviation programme during this phase was the emphasis on creating employment opportunities and distributing renewable assets among the poor. This was in sharp contrast to the intentions in the earlier phase i.e. redistributing existing, non-renewable assets. In the third - the latest phase starting from the beginning of the 1990s, emphasis has shifted to measures aimed at accelerating economic growth and on creating an environment for ensuring a 'spread effect'. The dominant thought is to create more wealth and to enable the poor to benefit from the secondary effects of growth which it is presumed will percolate down and reach the poor. Thus the relative emphasis placed on poverty alleviation programmes has shifted from structural interventions to a target - group oriented approach, to market oriented policies. All the states in India more or less have acted in all these phases.

Unemployment is a perennial problem of the Indian Economy. In recent years, employment scenario has got worsened as evidenced by the survey data furnished by NSSO pertaining to the years 1993-94 and 1999-2000. During the period between 1993-94 and 1999-2000, rural employment grew at the annual rate of 0.58 percent which was far below the rate of growth of rural population. But employment programmes were not perceived as major instrument of poverty alleviation until the beginning of the 1980s in most states of the country. They were expanded in the sixth plan period with the introduction of the National Rural Employment Programme (NREP) and the Rural Landless Employment Guarantee Programme (RLEGP). In the past, public employment programmes viz. National Rural Employment Programme (NREP), Jawahar Rozgar Yojana (JRY), Employment Assurance Scheme (EAS), Sampoorna Grameen Rozgar Yojana (SGRY), National Food for Work Programme (NFFWP), among others were targeted at the poor and were generally identified with poverty alleviation programmes. Such programmes were treated as schemes which did not involve any legal entitlements. By contrast, the NREGA goes beyond poverty alleviation and recognizes employment as a legal right.

#### 1.2: Historical background

The first step toward elimination of poverty, injustice and inadequacies present in socio-economic system and for providing better quality of life to rural masses was the introduction of community development programme. It visualized a multi pronged effort at total development of rural life.

During the first three plans (1951-65) the development strategy was geared more towards quickening the pace of overall growth, diversification of economy and reduction of inequalities in private wealth and income. The measures taken during this phase halted the growth in incidence of poverty. The slow rate in attaining the reduction in rural poverty gave rise to scepticism about the efficacy of “trickle down process” to speedily eradicate mass unemployment and poverty bordering on destitution. But no one could ignore the gains made during this period and its impact on the poverty stricken rural masses. One of its major achievements was the elimination of major famines that continued to afflict the country right up to independence.

The next phase in evolution of rural development strategy began in early seventies when it was realized that small farmers, marginal farmers and agricultural labour were not getting their due share from development programmes. In addition there was growing regional imbalances as some areas with favourable agro-climatic and resource endowments advanced rapidly than others. In order to specifically benefit the poor and development of backward areas, a series of programmes both areas specific and beneficiary oriented were introduced.

Since the Sixth Five Year Plan the country has evolved a vast array of poverty alleviation programmes accounting for one sixth to one fifth of public sector outlays by mid 1990's. In the sixth five year plan stress was laid on employment and poverty alleviation. In that respect, Ministry of Rural Development, Government of India launched National Rural Employment Programme (NREP) in October 1980 to generate additional gainful employment in rural areas. The creation of durable assets was an important objective of this Programme.

On 15<sup>th</sup> August 1983 Rural Landless Employment Guarantee Programme (RLEGP) – a programme to supplement NREP was introduced by Ministry of Rural Development, Government of India, with the objective of improving and expanding employment opportunities for the rural landless. The prime objective of this Programme was providing guarantee of employment to at least one member of every landless household up to 100 days in a year and creating durable assets for strengthening the infrastructure so as to meet the growing requirements of the rural economy.

Experience in the Sixth Plan in certain states has shown that if integrated projects are developed this would allow substantial scope for productive works to be planned within a decentralized frame-work at the district level. Hence both the projects viz. NREP and RLEGP were merged as Jawahar Rozgar Yojana (JRY) in the last year of 7<sup>th</sup> Five Year Plan. The primary objective of the programme was generation of additional gainful employment on productive works which would either be of sustained benefit to the poor or contribute to the creation of rural economic infrastructure. Under this programme, Centre's contribution was 80 per cent while States' share was 20 per cent. The JRY was implemented in all villages in the country.

After three years of implementation of JRY, it was felt that the resources were being too thinly spread and adequate attention was not being paid to the backward areas of the country. Accordingly, the scheme was revised in 1993 to include two more streams. The second stream of JRY called Intensified JRY (IJRY) was launched in 120 identified backward districts in the country with the stipulation that the allocation of JRY would not be less than Rs. 700 crores or 20 percent of the funds earmarked for the total JRY. The JRY third stream was also introduced for taking up innovative projects. Later on with the launching of Employment Assurance Scheme (EAS), the second stream of JRY was discontinued by merging the backward districts under EAS. The Indira Awaas Yojana (IAY) and the Million Wells Scheme (MWS) earlier sub-schemes of JRY, were made independent schemes with effect from 1<sup>st</sup> January 1996. Thus in January, 1996 JRY was split into three independent programmes namely Jawahar Rozgar Yojana, Indira Awaas



Yojana (IAY) and Million Wells Scheme (MWS). Under the Indira Awaas Yojana (IAY) houses were constructed for the scheduled castes and scheduled tribes and freed bonded labour. Under the scheme dwelling units are provided free of cost to people living below the poverty line. The scheme also seeks to reduce gender inequality and empower women through allotment of houses in the name of female member of the beneficiary household. Under Million Wells Scheme (MWS), the objective was to provide open wells free of cost to poor SC/ST farmers in the category of small and marginal farmers and to freed bonded labourers. However, where such wells were not feasible, the amounts allotted may be utilized for other schemes of minor irrigation like irrigation tanks, water harvesting structures and also for development of lands of SCs/STs and freed bonded labourers including ceiling surplus and bhoodan lands.

The Employment Assurance Scheme (EAS) was launched on 2<sup>nd</sup> October, 1993 in 1778 identified backward blocks situated in drought prone, desert, tribal and hill areas in which the revamped public distribution system was in operation by District Rural Development Agency (DRDA). Subsequently, the scheme was extended to additional Blocks which included the newly identified Drought Prone Area Programme (DPAP)/Desert Development Programme (DDP) Blocks, Modified Area Development Approach (MADA) blocks having a larger concentration of tribal and Blocks in flood prone areas of Uttar Pradesh, Bihar, Assam and to blocks of Jammu & Kashmir in view of special conditions prevailing there. In addition, 722 non-EAS blocks previously covered under Second Stream of Jawahar Rozgar Yojana (JRY) were also brought under the EAS. The EAS has since been universalized to cover all the rural blocks in the country with effect from 1.4.1997.

The main objective of the EAS was to provide assured employment of 100 days of manual work during the lean agricultural season at statutory minimum wages to the rural poor above the age of 18 years and below 60 years who are in dire need and seek employment on economically productive and labour intensive social and community works. Though, the creation of community assets had important spin offs for rural poverty and development, the impact of these programmes on employment and income was limited. The universalisation of the scheme severely eroded its basic objective of providing assured employment in areas of extreme poverty and chronic unemployment. In many states, the works taken up were not labour-intensive. The efficacy of the programme was also affected by faulty project selection and the absence of a coherent plan which integrated EAS projects in a long term development strategy.

It was however; felt that a stage has come when the development of village infrastructure needs to be taken up in a planned manner. This could best be done by the village Panchayats who are closest to the ground realities and who can effectively determine their local needs. Accordingly, the Government had restructured the existing wage employment programme namely Jawahar Rozgar Yojana (JRY). The new programme – Jawahar Gram Samridhi Yojana (JGSY) was dedicated entirely to the development of rural infrastructure at the village level and implemented by the village Panchayats. This programme came into effect from 1<sup>st</sup> April 1999. The primary objective of JGSY was creation of demand driven community village infrastructure including durable assets at the village level for increasing the opportunities for sustained employment. The secondary objective was generation of wage employment for the unemployed poor in the rural areas. JGSY was least understood by the target groups and was seldom in its goal-oriented implementation. So, JGSY lasted only for a short time which was being merged into a new scheme, the Sampoorna Grameen Rozgar Yojana (SGRY). In September 2001, EAS and JGSY were merged into a new scheme, the Sampoorna Grameen Rozgar Yojana (SGRY). The objectives of SGRY were to provide additional wage employment in rural areas and also food security, alongside the creation

of durable community, social and economic assets and infrastructure development. The SGRY also encompasses all food for work programs in the country since it includes a special component for augmenting food security through additional wage employment in calamity affected rural areas.

The Planning Commission identified 150 most backward districts of the country on the basis of prevalence of poverty indicated by SC/ST population, agricultural productivity per worker and agricultural wage rate. Most of them happen to be tribal districts. There was a need for substantial additional investment in these districts to convert their surplus labour into required capital formation solving livelihood issues. The National Food for Work Programme (NFFWP) started on January 2000-01 by Ministry of Rural Development, Government of India, was such an attempt. Substantial resources in the form of cash and food grains were being provided under the programme to generate additional supplementary wage employment and to create productive assets in these 150 identified districts. Through the programme, an attempt was made to coordinate among different on-going schemes which had wage employment potential, so that the focused approach provides a solid base for the districts to take-off on their own. The major objective was to provide additional resources apart from the resources available under the Sampoorna Grameen Rozgar Yojana (SGRY) to 150 most backward districts of the country so that generation of supplementary wage employment and provision of food-security through creation of need based economic, social and community assets in these districts was further intensified. Wages under SGRY and NFFWP Programmes were paid partly in cash and partly in the form of food grains valued at BPL rates. It was felt that there was an excess flow of food grains for the poor through the wage employment schemes.

National Rural Employment Guarantee Act (NREGA) was passed in the year 2005. The ongoing programmes of Sampoorna Grameen Rozgar Yojana and National Food for Work Programme were subsumed within this programme in the 200 of the most backward districts of the country. The act was enacted to enhance livelihood security in rural areas by providing 100 days of guaranteed wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work. In the past, wage employment programmes targeted at the poor are generally indentified with poverty alleviation programmes. Such programmes treated as schemes have failed to bring any security in people's lives. Often people were not even aware of them. The NREGA goes beyond poverty alleviation and recognizes employment as a legal right. It is a step towards legal enforcement of the right to work, as an aspect of the fundamental right to live with dignity.

At the national level, the Ministry of Rural Development oversees the implementation of the act. The states are supposed to first formulate the state specific Employment Guarantee Scheme conforming to the provisions of the act and the operational parameters delineated in the guidelines of the Central Ministry. For each state there will be a State Employment Guarantee Council (SEGC) which acts as an advisory body on the matters of implementation, evaluation and monitoring of NREGA.

The thrust of NREGA is to build a model of governance based on the principles of transparency and grassroots democracy. As per the act, the village, intermediate and district panchayats will be principal authorities for planning and implementation of the scheme. The district programme co-ordinator at district level and the programme officer at the block level (BDO or equivalent officer) co-ordinate the implementation of NREGA. The following are the main provisions of the NREGA Act. Local administrations are legally bound to provide work on demand to any worker or group of workers who apply for work, within 15 days of receipt of a work application on public works operated under the NREGA. In the event that the local administration fails to provide work, an

unemployment allowance is to be paid to the workers. While 90 percent of the cost is borne by the central government, payment of unemployment allowances is borne by the State Governments at their own cost. Under NREGA, emphasis has been placed on labour intensive works prohibiting the use of contractors and machinery.

As per the provision of the Act, Gram Sabha is supposed to assist in identification of households, identify and recommend developmental works and conduct social audit of the programme. Based on the gram sabha's recommendation, the village panchayat (gram panchayat) will identify a shelf projects to be taken up in its area, and will forward to the programme officer for scrutiny. The district co-ordinator is supposed to finalize and approve block-wise shelf of projects to be taken up for implementation. Although the list of permissible works under the NREGA is quite restricted, there is ample scope for undertaking projects that provide economically useful assets. There are several provisions which are of special interest to women workers. First, the act mandates that at least one-third of the workers should be women. Second, the wage earned is equal for both men and women. Beside this, the NREGA also provides for childcare facilities at the worksite. Further in order to monitor wage payments under NREGA, the Government of India has shifted from cash payment of wages to settlement through bank /post office accounts. Thus NREGA includes a range of transparency measures to maximize vigilance of public funds by workers themselves.

The cost sharing is done on the following basis: The Central Government is required to pay for the wages of labourers employed under NREGA and for three-fourths of the material costs. The State Government has to pay for one-fourth of the material costs, and also the unemployment allowance. If the labour-material ratio is 60:40 (the "minimum" ratio under the Act.), this means that State Government will pay 10 percent of the employment costs, plus the unemployment allowance.

The key processes in the implementation of NREGA are the following:

- Adult members of rural households submit their name, age and address with photo to the Gram Panchayat.
- The Gram Panchayat registers households after making enquiry and issues a job card which contains the details of adult member enrolled and his/her photo.
- Registered person can submit an application for work in writing (for at least fourteen days of continuous work) either to Panchayat or to Programme Officer.
- The Panchayat/Programme Officer will accept the valid application and issue dated receipt of application, letter providing work will be sent to the applicant and also displayed at Panchayat office.
- The employment will be provided within a radius of 5 kilometers and if it is above 5 kilometers extra wage will be paid.
- If employment under the scheme is not provided within fifteen days of receipt of the application daily unemployment allowance will be paid to the applicant.

In India, NREGA was implemented in three phases: I Phase – notified 200 districts with effect from February 2<sup>nd</sup> 2006. II Phase – extended to 130 districts in the financial year 2007-08 (113 districts from April 1<sup>st</sup> 2007 and 17 districts of UP were notified with effect from May 15<sup>th</sup> 2007). III Phase – remaining districts in all the States/UTs were notified from April 1<sup>st</sup> 2008. In the state of Sikkim, NREGA became operational from February 2006. The scheme had been introduced in phases. Initially, in the first phase, the scheme was introduced in north Sikkim. In the second phase, from 1<sup>st</sup> April 2007 two more districts namely, East and South Sikkim districts were brought under its coverage. One more district viz. West Sikkim was added in the third phase from 1<sup>st</sup> April 2008. Thus the scheme is operational in all districts of the state of Sikkim w.e.f. 1<sup>st</sup> April 2008.

There have been a dearth of studies designed to assess the performance of National Rural Employment Scheme ever since the Act came into force in the country (Ambasta,P,et.al,2008, Gopal,2009, Jha,et.al.2008, Mehrotra,2008, Chakraborty,2007). While some studies have drawn attention to huge leakage in the implementation of the scheme, namely inflated or fake muster roll entries, embezzlement of funds, non-payment of minimum wages, delayed wage payments beyond the stipulated period of 15 days, non-payment of unemployment allowance, irregularities in conduct of social audit etc., others are not that critical, rather have been hopeful recognizing that the programme effectiveness will increase with experience. With the guarantee of demand-driven fund allocation, NREGA scheme opens up tremendous possibilities of creating a livelihood resource base of the rural poor. The scheme has high expectations in terms of employment generation, alleviation of poverty, food security, halting migration and overall rural development. Based on this background, the present study is conceptualized and is undertaken in the state of Sikkim with the following objectives:

### **1.3: Main objectives of the study**

1. To measure the extent of manpower employment generated under NREGA, their various socio-economic characteristics and gender variability in all the districts implementing NREGA since its inception in the state.
2. To compare wage differentials between NREGA activities and other wage employment activities.
3. To examine the effect of NREGA on the pattern of migration from rural to urban areas.
4. To find out the nature of assets created under NREGA and their durability.
5. To identify the factors determining the participation of people in NREGA scheme and to see whether NREGA has been successful in ensuring better food security to the beneficiaries.
6. To assess the implementation of NREGA, it's functioning and to suggest suitable policy measures to further strengthen the programme.

### **1.4: Data base and methodology**

The study is based on both primary and secondary data. The state of Sikkim is divided administratively into four districts viz. North Sikkim, East Sikkim, South Sikkim and West Sikkim districts with districts headquarters at Mangan, Gangtok, Namchi and Gyalsing respectively. Thus primary data is collected from four districts of the state of Sikkim namely North Sikkim, East Sikkim, South Sikkim and West Sikkim districts. From each district, two villages are selected keeping into account their distance from the main city/town. One village is selected from the nearby periphery of around 5 kilometers of the district/city head-quarters and the second district is selected from a farthest location of 20 kilometers or more than that. From each selected village, primary survey is carried out on 20 participants in NREGA and 5 non-participants working as wage employed. In this fashion, from the state 8 villages are selected and total number of 200 households are surveyed in detail with the help of structured household questionnaire. For selecting participant households, a list of all beneficiaries (participants) in the village is obtained from the Gram Panchayat in the village along with the information of caste factor of the workers. After getting the list, a Stratified Random Sampling Method is adopted for selection of the participant households giving proportionate representation to the Caste, i.e. (i) Schedule Caste (ii) Schedule Tribe (iii) Other Backward Caste (iv) Forward Castes (others). A due representation is also given to the gender factor. For the selection of non-participants, no such list is available. Therefore, criterion for selecting non-participant households is that these households are not participating in NREGA but constitute the

similar caste and gender characteristics as that of selected participant households. While the data is collected through questionnaires, the collected data is analyzed through performing tabular analysis. Suitable statistical techniques are also employed in analyzing data.

In addition to household questionnaire, a Village Schedule is canvassed in order to capture the general changes that have taken place in the village during the last decade and to take note of increase in labour charges for agricultural operations after the implementation of NREGA. The village schedule also contained qualitative questions related to change in life style of the villagers taking place during the last one decade. One village schedule in each village is filled up with the help of a Group Discussion with the Panchayat Members, Officials, educated and other well informed people available in the village being surveyed.

### **1.5: An Overview**

Unemployment is a perennial problem of the Indian Economy. Further, in recent years, employment scenario has got worsened as evidenced by the survey data furnished by NSSO pertaining to the years 1993-94 and 1999-2000. During the period between 1993-94 and 1999-2000, rural employment grew at the annual rate of 0.58 percent which was far below the rate of growth of rural population. In the past, public employment programmes viz. National Rural Employment Programme (NREP), Jawahar Rozgar Yojana (JRY), Employment Assurance Scheme (EAS), Sampoorna Grameen Rozgar Yojana (SGRY), National Food for Work Programme (NFFWP), among others were targeted at the poor and were generally identified with poverty alleviation programmes. Such programmes were treated as schemes which did not involve any legal entitlements. By contrast, the NREGA goes beyond poverty alleviation and recognizes employment as a legal right.

For the first time, the Act, provides employment opportunities of rural labourers as a matter of right. The work guarantee is limited to 100 days per household per year. One hundred days of guaranteed employment is not a great privilege but it would matter for those who live on the margin of subsistence. Among the potential benefits of NREGA, firstly, the Act would help to protect rural households from poverty and hunger. Secondly, the Act is likely to lead to a substantial reduction of rural-urban migration. That is, if work is available in the village, many families will stay in the village instead of heading for the towns or cities. Thirdly, the employment guarantee Act is an opportunity to create useful durable assets in rural areas which would strengthen the livelihood resource base of the rural poor. Fourthly, guaranteed employment can be a major source of empowerment for women through providing them economic independence. Lastly, but not the least, guaranteed employment is likely to act as a means of strengthening the bargaining power of un-organized workers resulting in a change of power equations in the rural society. In sum, the employment guarantee Act has high expectations in terms of employment generation, alleviation of poverty, food security, halting migration and overall rural development.

There have been good number studies designed to assess the performance of NREGA ever since the Act came into force in the country. While some studies have provided good success stories of NREGA noting a significant difference to the lives of the people, some other studies are rather critical drawing attention to leakages, inflated or fake muster roll entries, embezzlement of funds under the system of cash payments by the implementing agency, non-payment of unemployment allowance, irregularities in conduct of social audits etc. Against this backdrop, there is a need to investigate the performance of NREGA and to study the impact of the scheme on rural poor on a much wider scale covering a sizable number of sample households participating in NREGA. Keeping these

things in mind, the present study is undertaken in Sikkim as a co-ordinated study, the act of co-ordinating being vested upon ADRT unit, Institute for social economic change, Bangalore.

### **1.6: Organization of the study report**

The present study is divided into seven chapters. Chapter-I is the introductory chapter which spells out the background, objectives, data base and methodology of the study. Chapter-II describes the functioning of NREGA covering various aspects of NREGA inclusive of manpower employment generated under NREGA, the socio-economic characteristics of the participants, projects completed under NREGA and various other performance indicators relating to the implementation of NREGA. Chapter-III analyses the characteristics of sample households, their income and consumption pattern. It also examines the determinants of participation in NREGA. Chapter-IV presents work profile under NREGA and examines the issues of wage structure and migration. Chapter-V analyses the qualitative responses of the households relating to the functioning of NREGA. Chapter-VI, discusses the overall impact of NREGA on village economy. Finally, Chapter-VII provides concluding remarks and policy implications emerging from the study.

## **Chapter–II**

### **Manpower Employment Generated under NREGA and Its Socio-Economic Characteristics**

As per the state Socio-economic census, 2006 of the total workers in the state of Sikkim 46.26 percent are farmers. Persons working as agricultural labourers constitute 3.96 percent of the total workers. Thus the percentage of persons working in the agricultural sector is 50.22 percent and the rest 49.78 percent of the workers are engaged in the non-agricultural sector. It can thus be concluded that the agricultural sector forms the backbone of the state economy. Given the fact that sizable number of workers (11.94 percent) in the state finds their livelihoods by offering themselves as wage labourer in the labour market, implementation of National Rural Employment Guarantee Scheme in extending employment guarantee of 100 days per household per financial year is expected to provide a decent livelihood to the people. In the past, public employment programmes in India were targeted at the poor and treated as poverty alleviation programmes. The NREGA goes beyond poverty alleviation and recognizes employment as a legal right.

#### **2.1: The functioning of NREGA (three phases district-wise)**

The National Rural Employment Guarantee Scheme (NREGS) came into existence after the enactment of a parliament Act ‘National Rural Employment Guarantee Act’ (2005) in September 2005. It provides statutory guarantee under the provisions of the National Rural Employment Guarantee Act (NREGA) for 100 days of employment every year to the adult members of any rural household willing to do unskilled manual work at the statutory minimum wage. The scheme came into force in 200 districts of the country on 2<sup>nd</sup> February, 2006. The act has been universalized with effect from 1<sup>st</sup> April, 2008 and now covers the entire country.

The significance of NREGA lies in the fact that it makes employment a right for the people and in case of failure to provide wage Employment within 15 days of the date of receipt of the application, the State Government is liable to pay an unemployment allowance at the rate prescribed in the Act. There has been a plethora of studies designed to assess the performance of National Rural Employment Programme ever since the Act came into force in the country (Ambasta, P, et.al, 2008, Gopal, 2009, Jha, et.al. 2008, Mehrotra, 2008, Chakraborty, 2007). While some studies have drawn attention to huge leakage in the implementation of the scheme, others are not that critical, rather has been hopeful recognizing that the programme effectiveness will increase with experience. Against this backdrop, the present section intends to examine the functioning of NREGA, in the state of Sikkim as a whole as well as across the phases of districts. In order to examine the functioning of NREGA, secondary data is obtained from the official website of NREGA ([www.nrega.nic.in](http://www.nrega.nic.in)). Data used in the study relate to the years 2008-09, 2009-10 and 2010-11.

As per the provisions of NREGA, the work guarantee under the Act is a Universal entitlement – any adult who is willing to do unskilled manual labour at the statutory minimum wage is entitled to apply. As per the guidelines, households intending to participate in NREGA works are required to register their names with the Gram Panchayet. If a household applies for registration, it is the duty of the Gram Panchayet to register it and issue a ‘job card’. The job card will ensure that workers are in possession of a written record of the number of days they have worked, wages paid, unemployment allowances received and so on. Notably, the unit of registration is the ‘household’ while applications for work are individual applications. The Act defines a household as “the members of a family related to each other by blood, marriage or adoption and normally residing together and sharing meals or holding a common ration card. Members of a ‘joint

family who live together and share a ration card may be treated as a single household, even if the household is quite large. They will be entitled to the same 100 days of work per year as small households even if their needs are much larger. As per the guidelines, every nuclear family is a separate household.

First of all, we discuss worker's entitlement related data like issuing of Job cards. The demand side or the preference for the participation in NREGA scheme among rural households may be captured by enrolment for the work under NREGA scheme. Enrolment is done on the basis of application to the panchayet for a job card by the person demanding employment. The number job cards issued by the panchayet thus would be indicative of the demand or preference for participation in NREGA scheme. Official data furnished in table - 2.1 reveals that till the latest reporting month of the financial year 2010 – 11, a total of 75806 households has been issued job cards out of which 3871 (5.1 percent) are from scheduled caste background, 28213 (37.2 percent) are from scheduled Tribe background and 43722 (57.7 percent) coming from others background. By the end of the financial year 2009-10, a total of 74527 job cards were issued. Among them 3813 (5.1 percent) were from the categories of SC population; 27843 (37.4 percent) were from scheduled tribe population and 42871 (57.5 percent) were from others background. During the year 2008-09 a total of 77112 households have been issued job cards. Among them, 4995 (6.5 per cent) were from the categories of SC population; 28728 (37.3 per cent) were from ST population and 43389 (56.3 per cent) were from others background. Notably, in respect of issuing of job cards i.e. enrolment for employment guarantee, population other than SC/ST recorded majority in all the years under study. The share of scheduled caste and scheduled Tribe population was around 42.30 percent in 2010-11 which was 42.5 percent in 2009-10. Across the districts classified by phases of implementation of the scheme, a total of 6450 job cards were issued till the latest reporting month of the financial year 2010-11 in phase 1 districts as against the figure of 6381 in 2009-10. In phase 2 districts, the corresponding figures were 42,999 in 2010-11 and 42,099 in 2009-10. In phase 3 district viz. West Sikkim district the figure reached the total of 26,357 till the latest reporting month of the financial year 2010-11 which was 26047 in 2009-10. Let us examine the performance of NREGA in the state as well as across the phases of districts using selected indicators including some qualitative indicators in the following analyses.

## **2.2: Total employment generated-their socio-economic characteristics**

Primarily the implementation of NREGA can be evaluated in terms of jobs demanded and provided. The official data shown in table- 2.1 shows that during the financial year 2010-11 a cumulative total of 52,082 households demanded employment and among them 50,615 households (97.2 percent) were provided wage employment under the scheme in the state. The performance shown in terms of jobs demanded and provided has varied from 94.5 percent in phase 1 district to 98.9 percent in phase 3 district in 2010-11. In fact in terms of jobs demanded and provided, phase 1 and phase 2 districts which have more experience, of running the programme have lagged behind the phase 3 district in 2010-11 which do not show any variation in the year 2009-10 providing jobs to the extent of cent percent households in repose to demand during the year.

In terms of person days of employment generated under the scheme, the state of Sikkim generated a cumulative total of 29.96 lakh person days during the financial year 2010-11 under NREGA out of which 1.32 lakh person days (4.4 percent) has been for scheduled caste, 11.80 lakh days (39.4 percent) for schedule tribe and the rest 16.84 lakh days (56.2 percent) for people belonging to other castes. The act mandates that at least one-third of the workers should be women. Notably, in the state of Sikkim, 13.45 lakh



days of employment were generated for women during the financial year 2010-11 which imply that women obtained 44.9 percent of the wage opportunities with their male counterpart getting the remaining 55.1 percent. The Act places no restriction on how each household's quota of 100 days is shared within the household, means that there is ample scope for women's participation in NREGA works.

Importantly, there is a consistent increase in total person days generated in all the districts of Sikkim in 2010-11 compared to the year 2009-10.

The state of Sikkim as a whole had generated 26.33 lakh person days in 2008-09, 15.65 lakh person days in 2009-10, and made significant improvement in the following year 2010-11 creating 29.97 lakh person days. In respect of person days of employment generated per household (by those households who demanded work), the state of Sikkim shows 58 person days of work had been generated during the financial year 2010-11 which were 44 days in 2009-10 and 50 days in 2008-09 (Table-2.1b). Across the districts, in terms of average person days generated per household, North Sikkim district stood first (64 days) and East Sikkim district stood last (50 days) among the 4 districts in Sikkim during the year 2010-11. Phase 3 district called west Sikkim obtained employment to the tune of 60 days during the year. The year 2009-10 however, experienced relatively less employment generated under NREGA, whereas average person days generated for the state as a whole during the year was 44 days, the range of employment being varied from 30-58 days across the districts.

The primary objective of the scheme is to provide 100 days guaranteed wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work. The quota of 100 days per household per year can be shared between adult members of the household provided their combined days of employment do not exceed 100 days in the financial year. However, despite making provision of 100 days of employment in a financial year, there has been wide deviation in term of actual employment generation in all the districts of the state. Among the four districts, North Sikkim, phase 1 district, provided largest number of households (27.7 percent of households who got employment) with full 100 days of employment in the year 2010-11 followed by South Sikkim district (18.6 percent), West Sikkim district (16.2 percent) and East Sikkim district (6.7 percent). During the period 2008-09 -- 2010-11, households completing 100 days of work in the state was highest in 2010-11 when the figure was 7950 (15.7 percent of households who got employment) as against the figures of 2753 (7.8 percent of households who got employment) in 2009-10 and 2863 (5.5 per cent of households who got employment) in 2008-09. That the actual employment generation is much below than 100 days in a year has been experienced by all the districts in the state.

### **2.3: Number of projects completed and total amount spent**

The works carried out under the scheme suggested that a total of 252 works in different work categories have been accomplished during the financial year 2010-11 in the state (table – 2.2). The corresponding figures were 101 for the year 2009-10 and 564 for the year 2008-09. The works undertaken and completed during the financial year 2010-11 indicated that drought proofing accorded top priority which accounted for the maximum share (44.8 per cent) in total number works completed during the year (Table 2.2b). The next in importance was the emphasis on rural connectivity which constituted 17.9 percent of total works accomplished during the year. Other works included land development (13.9 per cent), flood control (11.5 per cent) and micro irrigation (9.5 per cent). Across the districts, all the works undertaken in north Sikkim, phase 1 district during the year 2010-11 are on- going projects. Among other districts drought proofing was given utmost priority (60.6 per cent) in phase 2 districts followed by rural connectivity (11.9 per cent) and micro irrigation (11.3 per cent). In phase 3 district called

west Sikkim district, rural connectivity (28.3 per cent), land development (22.8 per cent), flood control (19.6 per cent) drought proofing (17.4 per cent) constituted the major share of works undertaken and completed during the year 2010-11. Thus in Sikkim works under NREGA mainly concentrated on drought proofing, rural connectivity, land development and flood control in order of importance. During the year 2009-10 works undertaken and completed included drought proofing (34.7 per cent), rural connectivity (27.7 per cent) and land development (21.8 per cent) in order of importance. Across the districts, North Sikkim district accorded top priority in rural connectivity works followed by land development. Phase 2 districts accorded top priority on drought proofing followed by rural connectivity. In contrast in phase 3 district priority was given in land development and drought proofing.

As can be seen from table-2.3 an amount of Rs. 734.97 lakhs was spent for completed works under NREGA during 2010-11 in the state against the figures of Rs.91.21 lakhs in the year 2009-10 and Rs.1078.04 lakhs in the year 2008-09. As recorded for the year 2010-11, rural connectivity accounted for the largest share (24.7 per cent) in total expenditure incurred for carrying out different activities in the state followed by micro irrigation (21.8 per cent), land development (19.1 per cent), flood control (18.6 per cent), and drought proofing (13.6 per cent) (Table 2.3b). In terms of amount spent in different activities phase 1 district accorded top priority in flood control (38.1 per cent) followed by land development (33.2 per cent) and rural connectivity (15.9 per cent). In phase 2 districts priority in terms of Rupees spent was given in micro irrigation (29.0 per cent) followed by rural connectivity (26.8 per cent), flood control (21.2 per cent) and drought proofing (16.5 per cent) the exception being phase 3 district where land development accorded top priority (39.7 per cent) followed by rural connectivity providing all weather roads connectivity (22.1 per cent), flood control (13.5 per cent) and micro irrigation (12.5 per cent). Notably, the same applies to the year 2009-10 in terms of rupees spent, the exception being that similar type of works undertaken and completed with different degrees of priority.

## **2.4: Performance of NREGA- some quantitative indicators**

### **Social Auditing**

An innovative feature of the National Rural Employment Guarantee Act is that it gives a central role to 'social audits' as a means of continuous public vigilance. One simple form of social audit is a public assembly where all the details of a project are scrutinized.

The main factors involved in implementation and monitoring of NREGA are the state council, the district co-ordinator, the programme officer, the gram panchayet and gram sabha. There is an elaborate division of responsibilities between these different authorities. gram panchayet is the main implementing agency.

The role of gram sabha is of great importance in the implementation of the scheme. The gram sabha is expected to monitor the work of the gram panchayet and also to participate in the planning process. In particular, the gram sabha will prioritise the works to be taken up, conduct regular social audits of all works carried out in the panchayet and verify that all the relevant norms are being observed. Under the process, social audits can be seen as a means of promoting some basic norms in public works namely, transparency, participation and accountability.

As can be seen from table-2.4, social audits of NREGA have been conducted in all the gram panchayets in the state during the years 2010-11 and 2009-10. Notably, social audits have been done in all the districts uniformly.

Monitoring of NREGA works has also involved muster roll verification. Gram Panchayats are required to maintain muster rolls for every works issued by programme officer in which name of the person on work, his job card number /by-number, days of work, payment made are entered. Signature or thumb impression of the payees are also recorded in the muster roll. However, in the muster roll verification (table-2.4), out of the total of 9601 muster rolls for the year 2010-11, a total of 9406 (97.97 percent) muster rolls are verified in the state as a whole. The corresponding figures for verified muster roll for the year 2009-10 was 6909 (98.64 percent). Across the districts, phase 2 and phase 3 districts have progressed much showing cent percent muster roll verification in both the years viz. 2010-11 and 2009-10. In this respect, phase 1 district lagged behind other districts where verified muster rolls accounted for about 80 per cent in both the years under study.

For effective implementation of NREGA scheme the state, district and block level officers are supposed to monitor programme at every stage of implementation through field visit. Each district is supposed to draw a schedule of inspection to ensure that district level and sub-divisional/ block level officers together inspect the works separately. In the state of Sikkim, it was found that about 47.01 percent and 99.48 per cent of works in 2010-11 were inspected by district level and block level officers respectively as against the figures of 33.53 per cent and 94.72 per cent respectively in 2009-10 (table-2.4). Across the districts, there exists variation in respect of muster rolls verification. Here phase 3 district has gone much ahead than phase 1 and phase 2 districts and as between phase 1 and phase 2 districts the former district performed much better than the latter districts. The state of Sikkim is a good performer in respect of monitoring the execution of works by the block level officers where the proportion of works inspected accounted for about cent percent having no variation across the districts.

Social audits and vigilance works must be institutionalized in the sense that they must be regularly carried out by Gram Sabhas through the participatory process. Gram Sabha meetings are organized by Gram panchayat and are held twice in a year every 6 month interval. Gram Sabha is expected to monitor the work of gram panchayat and also to participate in the planning process. In particular the gram sabha will prioritise the works to be taken up, conduct regular social audits of all works carried out in the panchayat and verify that all the relevant norms are being observed. As can be seen from table 2.4, as against a total number of Gram Panchayats 163 in Sikkim, Gram Sabha meetings held numbered 860 in 2010-11 and 553 in 2009-10. Thus so far official data is concerned, Gram Sabha meeting held in ensuring transparency in planning and implementation of scheme is good in number in 2010-11 as well as in the previous year 2009-10. Across the districts there exists wide variation in this respect. During the years 2010-11 and 2009-10 phase 3 district took lead in holding gram sabha meeting.

Another critical finding relates to conduct of VMC meetings (gram unnayan samiti or beneficiary committee meetings) in running the programme of NREGA. As per the provision of NREGA, VMC meeting needs to be conducted for the participation of all affected persons in the process of decision making and validation. Evidently however, in the state, the participatory process, the main route to insuring transparency has not been taken seriously by the implementing authority. During the year 2010-11, only a total of 23 VMC meetings were held as against the corresponding figure of 59 in 2009-10 (table-2.4). In phase 2 and phase 3 districts, VMC (beneficiary committee) meetings were not held at all during the year 2010-11. Again in phase 2 districts such meetings were not held at all in 2009-10.

The Act requires that a complaint register will be maintained at the gram panchayat and in the offices of the programme officer and the district programme co-

ordinator. In this respect the official data shows that in the year 2010-11 and 2009-10, no complaint was lodged in the state (table-2.4).

### **Bank accounts**

The Act includes various provisions for transparency and accountability. For instance, apart from regular social audits of all NREGA works, wages are to be paid through banks or post offices. Prior to the introduction of bank payments, NREGA wages were paid in cash based on the entries made in the “muster roll” i.e. attendance sheet by the implementing agency - the gram panchayat. The muster roll is a record of the number of days worked and wages due to each labourer. After the muster roll is submitted to the block officer, funds are transferred to the gram panchayat account. The money is then withdrawn by the implementing agency to make cash payments to the labourers. Under this system of wage payments, the implementing and payment agencies are the same. This makes embezzlement of funds easier. Against this backdrop, in order to monitor wage payments under this system, the NREGA introduced bank payments or post office payments as safeguards against corruption in wage payments to the labourers. Ideally there should be a separate account for each person listed on the job card and in the case of joint accounts, all members including women should be included, otherwise women workers might be deprived of the opportunity to collect and keep their own wages. Official data for the year 2010-11 shows that bank accounts constituted the major which accounted for 62.52 percent of total accounts opened (table-2.5). Further a larger majority of the accounts are individual accounts either at banks (88.82 percent) or at post office (86.39 percent) and the rest are joint accounts (11.18 percent for banks and 13.61 percent for post offices) which of course included the names of female members of the household. Across the districts, the incidence of bank accounts is largest in south district (43.60 per cent), a phase 2 district followed by phase 3 district (28.73 percent) viz. west district. Moreover across the districts, phase 3 district viz. west district led the figure of 96.34 percent and 77.12 per cent in respect of opening of joint accounts in the banks and the post offices respectively. Disbursal of wages through the banking system was to the tune of 64.75 percent of total wage payments during the year 2010-11.

In the year 2009-10, total accounts opened numbered 57769 as against the figure of 63337 for the year 2010-11. Thus the year 2010-11 recorded an improvement of 9.64 percent compared to the previous year in terms of opening of accounts with the financial institutions. In both the years under review, bank accounts accounted for the major share in the total number of accounts opened. With regard to type of accounts, a large majority of workers’ accounts are individual bank or post office accounts.

### **Unemployment allowance**

Under the Act, there is a provision for paying unemployment allowance by the State Government in case the employment demanded is not provided during the stipulated period. The unemployment allowance is to be paid not later than fifteen days from the date on which it became due for payment. The unemployment allowance is to be fixed by the State Government. The level of unemployment allowance must be no less than one-fourth of the wage rate for the first thirty days and not less than one-half of the wage rates after that. However, official data in this regard shows the reluctance of the State Government to disburse unemployment allowance (table-2.6). In the state of Sikkim, unemployment allowance was due for payment to the tune of 30230 days in 2010-11 but it was not paid at all.

### **Work projection**

The well-coordinated planning in advance is key to successful implementation of the scheme. While timely provision of employment (within 15 days of demand) is of utmost importance, the design and selection of work should be such that good quality assets are created under the scheme. Under the act, the gram pachayats are required to forward annual proposal of development project to the programme officer. The programme officer shall scrutinize the annual plan for its technical feasibility and also to make sure that it meets the likely demand for employment. The annual plan clearly indicates works ongoing and works proposed for the next year, likely costs etc. Table 2.7 displays the works projected under NREGA for the year 2010-11. As can be seen from the table, number of works proposed for the next financial year (2011-12) numbered 3453 at an estimated cost of 8933.43 lakhs which would generate person days of employment to the tune of 55.78 lakhs, more than four times of the actual man days generated during the financial year 2010-11 (table – 2.1). The type of works projected is found to be consistent with the eight specific types of works listed in the NREGA. In the shelf of works projected, top most priority was given to water conservation and water harvesting (19.98 per cent) followed by flood control and protection (18.22 per cent), drought proofing (13.64 per cent), rural connectivity (11.64 per cent), micro-irrigation works (10.89 per cent), renovation of traditional water bodies (9.93 per cent), flood control and protection (8.40 per cent) and provision of irrigation facility (7.30 per cent).

Table2.1: Employment generated through NREGA and its socio-economic characteristics

1	2	3				4	5	6	7					8
		a	b	c	d				a	b	c	d	e	
SL. NO.	Name of the District	Cumulative No. of HH issued job cards (Till the reporting month)				Cumulative No. of HH demanded employment (Till the reporting month)	Cumulative No. of HH provided employment (Till the reporting month)	No. of HH working under NREGA during the reporting month	Cumulative Person days generate (Till the reporting month)					Cumulative No. of HH completed 100 days (Till the reporting month)
		SCs	STs	Others	Total				SCs	STs	Others	Total	Women	
<b>Phase –I Year (2010-11)</b>														
1	NORTH DISTRICT	61 (0.9)	6010 (93.2)	379 (5.9)	6450 (100.0)	5190	4906 (94.5)	49	1881 (0.6)	311812 (93.5)	19733 (5.9)	333426 (100.0)	90774 (27.2)	1361 (27.7)
<b>Sub Total Phase I</b>		61 (0.9)	6010 (93.2)	379 (5.9)	6450 (100.0)	5190	4906 (94.5)	49	1881 (0.6)	311812 (93.5)	19733 (5.9)	333426 (100.0)	90774 (27.2)	1361 (27.7)
<b>Phase –II</b>														
2	EAST DISTRICT	1426 (6.6)	5525 (25.7)	14519 (67.6)	21470 (100.0)	12557	12132 (96.6)	5394	35769 (5.7)	160880 (25.8)	426024 (68.4)	622673 (100.0)	322154 (51.7)	816 (6.7)
3	SOUTH DISTRICT	1153 (5.4)	6083 (28.3)	14293 (66.4)	21529 (100.0)	14063	13532 (96.2)	6350	39099 (4.8)	227731 (27.7)	554237 (67.5)	821067 (100.0)	387644 (47.2)	2522 (18.6)
<b>Sub Total Phase II</b>		2579 (6.0)	11608 (27.0)	28812 (67.0)	42999 (100.0)	26620	25664 (96.4)	11744	74868 (5.2)	388611 (26.9)	980261 (67.9)	1443740 (100.0)	709798 (49.2)	3338 (13.0)
<b>Phase –III</b>														
4	WEST DISTRICT	1231 (4.7)	10595 (40.2)	14531 (55.1)	26357 (100.0)	20272	20045 (98.9)	5427	55448 (4.5)	479756 (39.3)	684550 (56.1)	1219754 (100.0)	544303 (44.6)	3251 (16.2)
<b>Sub Total Phase III</b>		1231 (4.7)	10595 (40.2)	14531 (55.1)	26357 (100.0)	20272	20045 (98.9)	5427	55448 (4.5)	479756 (39.3)	684550 (56.1)	1219754 (100.0)	544303 (44.6)	3251 (16.2)
<b>Grand Total</b>		3871 (5.1)	28213 (37.2)	43722 (57.7)	75806 (100.0)	52082	50615 (97.2)	17220	132197 (4.4)	1180179 (39.4)	1684544 (56.2)	2996920 (100.0)	1344875 (44.9)	7950 (15.7)

Note: 1. The figures in the parentheses are respective percentages of total. 2. Percentage of figures in column 5 relate to the figures of column 4. 3. Percentages figures in column 8 relate to the figures of column 5.

Contd...

Contd... Table 2.1: Employment generated through NREGA and its socio-economic characteristics

1	2	3				4	5	6	7					8
		a	b	c	d				a	b	c	d	e	
SL. NO.	Name of the District	Cumulative No. of HH issued job cards (Till the reporting month)				Cumulative No. of HH demanded employment (Till the reporting month)	Cumulative No. of HH provided employment (Till the reporting month)	No. of HH working under NREGA during the reporting month	Cumulative Person days generate (Till the reporting month)					Cumulative No. of HH completed 100 days (Till the reporting month)
		SCs	STs	Others	Total				SCs	STs	Others	Total	Women	
Phase -I Year (2009-10)														
1	NORTH DISTRICT	61 (1.0)	5957 (93.4)	363 (5.7)	6381 (100.0)	4803	4803 (100.0)	2310	1176 (0.4)	258735 (93.1)	17887 (6.4)	277798 (100.0)	82574 (29.7)	1156 (24.1)
Sub Total Phase I		61 (1.0)	5957 (93.4)	363 (5.7)	6381 (100.0)	4803	4803 (100.0)	2310	1176 (0.4)	258735 (93.1)	17887 (6.4)	277798 (100.0)	82574 (29.7)	1156 (24.1)
Phase -II														
2	EAST DISTRICT	1394 (6.6)	5399 (25.6)	14278 (67.8)	21071 (100.0)	11942	11942 (100.0)	3672	36270 (6.2)	131598 (22.3)	421796 (71.5)	589664 (100.0)	299537 (50.8)	716 (6.0)
3	SOUTH DISTRICT	1132 (5.4)	5963 (28.4)	13933 (66.3)	21028 (100.0)	8601	8588 (99.8)	1327	10694 (4.1)	81186 (31.1)	169385 (64.8)	261265 (100.0)	115892 (44.4)	222 (2.6)
Sub Total Phase II		2526 (6.0)	11362 (27.0)	28211 (67.0)	42099 (100.0)	20543	20530 (99.9)	4999	46964 (5.5)	212784 (25.0)	591181 (69.5)	850929 (100.0)	415429 (48.8)	938 (4.6)
Phase -III														
4	WEST DISTRICT	1226 (4.7)	10524 (40.4)	14297 (54.9)	26047 (100.0)	9865	9865 (100.0)	4024	22346 (5.1)	206517 (47.3)	207783 (47.6)	436646 (100.0)	185626 (42.5)	659 (6.7)
Sub Total Phase III		1226 (4.7)	10524 (40.4)	14297 (54.9)	26047 (100.0)	9865	9865 (100.0)	4024	22346 (5.1)	206517 (47.3)	207783 (47.6)	436646 (100.0)	185626 (42.5)	659 (6.7)
Grand Total		3813 (5.1)	27843 (37.4)	42871 (57.5)	74527 (100.0)	35211	35198 (100.0)	11333	70486 (4.5)	678036 (43.3)	816851 (52.2)	1565373 (100.0)	683629 (43.7)	2753 (7.8)

Note: 1. The figures in the parentheses are respective percentages of total. 2. Percentage figures in column 5 relate to the figures of column 4. 3. Percentages figures in column 8 relate to the figures of column 5.

Contd...

Contd...Table2.1: Employment generated through NREGA and its socio-economic characteristics

1	2	3				4	5	6	7					8
		a	b	c	d				a	b	c	d	e	
SL. NO.	Name of the District	Cumulative No. of HH issued job cards (Till the reporting month)				Cumulative No. of HH demanded employment (Till the reporting month)	Cumulative No. of HH provided employment (Till the reporting month)	No. of HH working under NREGA during the reporting month	Cumulative Person days generate (Till the reporting month)					Cumulative No. of HH completed 100 days (Till the reporting month)
		SCs	STs	Others	Total				SCs	STs	Others	Total	Women	
Phase -I Year (2008-09)														
1	NORTH DISTRICT	52 (0.9)	5212 (93.9)	285 (5.1)	5549 (100.0)	5367	5312 (99.0)	4623	8000 (2.6)	290000 (92.9)	14000 (4.5)	312000 (100.0)	104000 (33.3)	234 (4.4)
Sub Total Phase I		52 (0.9)	5212 (93.9)	285 (5.1)	5549 (100.0)	5367	5312 (99.0)	4623	8000 (2.6)	290000 (92.9)	14000 (4.5)	312000 (100.0)	104000 (33.3)	234 (4.4)
Phase -II														
2	EAST DISTRICT	1703 (9.6)	5668 (31.9)	10388 (58.5)	17759 (100.0)	9806	9806 (100.0)	7794	41000 (6.5)	236000 (37.5)	352000 (56.0)	629000 (100.0)	195000 (31.0)	633 (6.5)
3	SOUTH DISTRICT	1271 (4.4)	6628 (23.1)	20780 (72.5)	28679 (100.0)	15438	15438 (100.0)	9615	48000 (5.7)	221000 (26.1)	577000 (68.2)	846000 (100.0)	325000 (38.4)	713 (4.6)
Sub Total Phase II		2974 (6.4)	12296 (26.5)	31168 (67.1)	46438 (100.0)	25244	25244 (100.0)	17409	89000 (6.0)	457000 (31.0)	929000 (63.0)	1475000 (100.0)	520000 (35.3)	1346 (5.3)
Phase -III														
4	WEST DISTRICT	1969 (7.8)	11220 (44.7)	11936 (47.5)	25125 (100.0)	21943	21450 (97.8)	20594	53000 (6.3)	415000 (49.1)	378000 (44.7)	846000 (100.0)	367000 (43.4)	1283 (6.0)
Sub Total Phase III		1969 (7.8)	11220 (44.7)	11936 (47.5)	25125 (100.0)	21943	21450 (97.8)	20594	53000 (6.3)	415000 (49.1)	378000 (44.7)	846000 (100.0)	367000 (43.4)	1283 (6.0)
Grand Total		4995 (6.5)	28728 (37.3)	43389 (56.3)	77112 (100.0)	52554	52006 (99.0)	42626	150000 (5.7)	1162000 (44.1)	1321000 (50.2)	2633000 (100.0)	991000 (37.6)	2863 (5.5)

Note: 1. The figures in the parentheses are respective percentages of total. 2. Percentage figures in column 5 relate to the figures of column 4. 3. Percentages figures in column 8 relate to the figures of column 5.



Table2.1b: Employment generated through NREGA and its socio-economic characteristics

1	2	3	4	5	6	7
SL. NO	Name of the District	Cumulative No. of HH demanded employment (Till the reporting month)	Cumulative No. of HH provided employment (Till the reporting month)	Cumulative Person days generate (Till the reporting month)	Employment generated per HH demanded	Employment generated per HH provided
				Total		
<b>Year (2010-11)</b>						
Phase -I						
1	North	5190	4906	333426	64	68
Sub total Phase-I		5190	4906	333426	64	68
Phase-II						
1	East	12557	12132	622673	50	51
2	South	14063	13532	821067	58	61
Sub total Phase-II		26620	25664	1443740	54	56
Phase-III						
1	West	20272	20045	1219754	60	61
Sub total Phase-III		20272	20045	1219754	60	61
Grand Total		52082	50615	2996920	58	59
<b>Year (2009-10)</b>						
Phase -I						
1	North	4803	4803	277798	58	58
Sub total Phase-I		4803	4803	277798	58	58
Phase-II						
1	East	11942	11942	589664	49	49
2	South	8601	8588	261265	30	30
Sub total Phase-II		20543	20530	850929	41	41
Phase-III						
1	West	9865	9865	436646	44	44
Sub total Phase-III		9865	9865	436646	44	44
Grand Total		35211	35198	1565373	44	44
<b>Year (2008-09)</b>						
Phase -I						
1	North	5367	5312	312000	58	59
Sub total Phase-I		5367	5312	312000	58	59
Phase-II						
1	East	9806	9806	629000	64	64
2	South	15438	15438	846000	55	55
Sub total Phase-II		25244	25244	1475000	58	58
Phase-III						
1	West	21943	21450	846000	39	39
Sub total Phase-III		21943	21450	846000	39	39
Grand Total		52554	52006	2633000	50	51

Note: Figures in cols. 6 & 7 are computed

Table 2.2: District wise works completed/progress under NREGA (number of projects)

District	Phase -I		Phase -II			Phase - III		Grand Total	
	North District	Sub Total	East District	South District	Sub Total	West District	Sub Total		
<b>Year 2010 -11</b>									
Rural Connectivity	comp.	0	0	17	2	19	26	26	45
	Ongoing/Suspended	97	97	212	161	373	180	180	650
Flood Control	comp.	0	0	8	3	11	18	18	29
	Ongoing/Suspended	64	64	68	57	125	112	112	301
Water Conservation And Water Harvesting	comp.	0	0	0	0	0	5	5	5
	Ongoing/Suspended	6	6	0	78	78	10	10	94
Drought Proofing	comp.	0	0	91	6	97	16	16	113
	Ongoing/Suspended	89	89	433	162	595	87	87	771
Micro Irrigation	comp.	0	0	12	6	18	6	6	24
	Ongoing/Suspended	26	26	95	61	156	53	53	235
Provision of Irrigation facility to Land Owned by	comp.	0	0	0	0	0	0	0	0
	Ongoing/Suspended	0	0	1	1	2	0	0	2
Renovation of Traditional Water Bodies	comp.	0	0	0	1	1	0	0	1
	Ongoing/Suspended	0	0	2	8	10	11	11	21
Land development	comp.	0	0	12	2	14	21	21	35
	Ongoing/Suspended	59	59	224	123	347	127	127	533
Any Other activity Approved by MRD	comp.	0	0	0	0	0	0	0	0
	Ongoing/Suspended	15	15	13	2	15	15	15	45
Rajiv Gandhi Seva Kendra	comp.	0	0	0	0	0	0	0	0
	Ongoing/Suspended	0	0	0	1	1	0	0	1
Total no of works	comp.	0	0	140	20	160	92	92	252
	Ongoing/Suspended	356	356	1048	654	1702	595	595	2653

Contd.....

Contd.....Table 2.2: District wise works completed/progress under NREGA (number of projects)

District	Phase -I		Phase -II			Phase - III		Grand Total	
	North District	Sub Total	East District	South District	Sub Total	West District	Sub Total		
<b>Year 2009-10</b>									
Rural Connectivity	comp.	19	19	2	7	9	0	0	28
	Ongoing/Suspended	40	40	127	96	223	122	122	385
Flood Control	comp.	5	5	0	0	0	0	0	5
	Ongoing/Suspended	22	22	47	46	93	63	63	178
Water Conservation And Water Harvesting	comp.	1	1	0	0	0	0	0	1
	Ongoing/Suspended	5	5	0	36	36	3	3	44
Drought Proofing	comp.	8	8	0	26	26	1	1	35
	Ongoing/Suspended	88	88	283	94	377	56	56	521
Micro Irrigation	comp.	5	5	0	1	1	0	0	6
	Ongoing/Suspended	16	16	53	38	91	28	28	135
Provision of Irrigation facility to Land Owned by	comp.	0	0	0	0	0	0	0	0
	Ongoing/Suspended	0	0	1	1	2	0	0	2
Renovation of Traditional Water Bodies	comp.	0	0	0	0	0	0	0	0
	Ongoing/Suspended	0	0	2	6	8	7	7	15
Land development	comp.	16	16	1	4	5	1	1	22
	Ongoing/Suspended	20	20	185	56	241	65	65	326
Any Other activity Approved by MRD	comp.	4	4	0	0	0	0	0	4
	Ongoing/Suspended	15	15	2	1	3	0	0	18
Rajiv Gandhi Seva Kendra	comp.	0	0	0	0	0	0	0	0
	Ongoing/Suspended	0	0	0	0	0	0	0	0
Total no of works	comp.	58	58	3	38	41	2	2	101
	Ongoing/Suspended	206	206	700	374	1074	344	344	1624

Contd.....

Contd.....Table 2.2: District wise works completed/progress under NREGA (number of projects)

District	Phase -I		Phase -II			Phase - III		Grand Total	
	North District	Sub Total	East District	South District	Sub Total	West District	Sub Total		
<b>Year 2008-09</b>									
Rural Connectivity	comp.	75	75	24	119	143	39	39	257
	Ongoing/Suspended	52	52	37	117	154	142	142	348
Flood Control	comp.	58	58	24	12	36	0	0	94
	Ongoing/Suspended	25	25	20	22	42	21	21	88
Water Conservation And Water Harvesting	comp.	5	5	1	52	53	1	1	59
	Ongoing/Suspended	0	0	0	13	13	2	2	15
Drought Proofing	comp.	0	0	12	13	25	0	0	25
	Ongoing/Suspended	0	0	6	0	6	1	1	7
Micro Irrigation	comp.	22	22	10	12	22	7	7	51
	Ongoing/Suspended	15	15	16	13	29	23	23	67
Provision of Irrigation facility to Land Owned by	comp.	0	0	0	3	3	0	0	3
	Ongoing/Suspended	0	0	0	0	0	5	5	5
Renovation of Traditional Water Bodies	comp.	0	0	1	34	35	0	0	35
	Ongoing/Suspended	0	0	1	2	3	1	1	4
Land development	comp.	8	8	2	22	24	8	8	40
	Ongoing/Suspended	19	19	0	39	39	40	40	98
Any Other activity Approved by MRD	comp.	0	0	0	0	0	0	0	0
	Ongoing/Suspended	0	0	0	0	0	0	0	0
Rajiv Gandhi Seva Kendra	comp.	0	0	0	0	0	0	0	0
	Ongoing/Suspended	0	0	0	0	0	0	0	0
Total no of works	comp.	168	168	74	267	341	55	55	564
	Ongoing/Suspended	111	111	80	206	286	235	235	632

Table 2.2b: District wise works completed/progress under NREGA (number of projects)

(Figures are Percentages)

District	Phase -I		Phase -II			Phase - III		Grand Total	
	North District	Sub Total	East District	South District	Sub Total	West District	Sub Total		
<b>Year 2010 -11</b>									
Rural Connectivity	comp.	0.0	0.0	12.1	10.0	11.9	28.3	28.3	17.9
	Ongoing/Suspended	27.2	27.2	20.2	24.6	21.9	30.3	30.3	24.5
Flood Control	comp.	0.0	0.0	5.7	15.0	6.9	19.6	19.6	11.5
	Ongoing/Suspended	18.0	18.0	6.5	8.7	7.3	18.8	18.8	11.3
Water Conservation And Water Harvesting	comp.	0.0	0.0	0.0	0.0	0.0	5.4	5.4	2.0
	Ongoing/Suspended	1.7	1.7	0.0	11.9	4.6	1.7	1.7	3.5
Drought Proofing	comp.	0.0	0.0	65.0	30.0	60.6	17.4	17.4	44.8
	Ongoing/Suspended	25.0	25.0	41.3	24.8	35.0	14.6	14.6	29.1
Micro Irrigation	comp.	0.0	0.0	8.6	30.0	11.3	6.5	6.5	9.5
	Ongoing/Suspended	7.3	7.3	9.1	9.3	9.2	8.9	8.9	8.9
Provision of Irrigation facility to Land Owned by	comp.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Ongoing/Suspended	0.0	0.0	0.1	0.2	0.1	0.0	0.0	0.1
Renovation of Traditional Water Bodies	comp.	0.0	0.0	0.0	5.0	0.6	0.0	0.0	0.4
	Ongoing/Suspended	0.0	0.0	0.2	1.2	0.6	1.8	1.8	0.8
Land development	comp.	0.0	0.0	8.6	10.0	8.8	22.8	22.8	13.9
	Ongoing/Suspended	16.6	16.6	21.4	18.8	20.4	21.3	21.3	20.1
Any Other activity Approved by MRD	comp.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Ongoing/Suspended	4.2	4.2	1.2	0.3	0.9	2.5	2.5	1.7
Rajiv Gandhi Seva Kendra	comp.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Ongoing/Suspended	0.0	0.0	0.0	0.2	0.1	0.0	0.0	0.0
Total no of works	comp.	0.0	0.0	100.0	100.0	100.0	100.0	100.0	100.0
	Ongoing/Suspended	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Contd.....

Contd....Table 2.2b: District wise works completed/progress under NREGA (number of projects)

(Figures are Percentages)

District	Phase -I		Phase -II			Phase - III		Grand Total	
	North District	Sub Total	East District	South District	Sub Total	West District	Sub Total		
<b>Year 2009-10</b>									
Rural Connectivity	comp.	32.8	32.8	66.7	18.4	22.0	0.0	0.0	27.7
	Ongoing/Suspended	19.4	19.4	18.1	25.7	20.8	35.5	35.5	23.7
Flood Control	comp.	8.6	8.6	0.0	0.0	0.0	0.0	0.0	5.0
	Ongoing/Suspended	10.7	10.7	6.7	12.3	8.7	18.3	18.3	11.0
Water Conservation And Water Harvesting	comp.	1.7	1.7	0.0	0.0	0.0	0.0	0.0	1.0
	Ongoing/Suspended	2.4	2.4	0.0	9.6	3.4	0.9	0.9	2.7
Drought Proofing	comp.	13.8	13.8	0.0	68.4	63.4	50.0	50.0	34.7
	Ongoing/Suspended	42.7	42.7	40.4	25.1	35.1	16.3	16.3	32.1
Micro Irrigation	comp.	8.6	8.6	0.0	2.6	2.4	0.0	0.0	5.9
	Ongoing/Suspended	7.8	7.8	7.6	10.2	8.5	8.1	8.1	8.3
Provision of Irrigation facility to Land Owned by	comp.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Ongoing/Suspended	0.0	0.0	0.1	0.3	0.2	0.0	0.0	0.1
Renovation of Traditional Water Bodies	comp.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Ongoing/Suspended	0.0	0.0	0.3	1.6	0.7	2.0	2.0	0.9
Land development	comp.	27.6	27.6	33.3	10.5	12.2	50.0	50.0	21.8
	Ongoing/Suspended	9.7	9.7	26.4	15.0	22.4	18.9	18.9	20.1
Any Other activity Approved by MRD	comp.	6.9	6.9	0.0	0.0	0.0	0.0	0.0	4.0
	Ongoing/Suspended	7.3	7.3	0.3	0.3	0.3	0.0	0.0	1.1
Rajiv Gandhi Seva Kendra	comp.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Ongoing/Suspended	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total no of works	comp.	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Ongoing/Suspended	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Contd.....



Table 2.3: District wise works completed/progress under NREGA (amount spent in lakhs)

District	Phase -I		Phase -II			Phase - III		Grand Total	
	North District	Sub Total	East District	South District	Sub Total	West District	Sub Total		
<b>Year 2010 - 11</b>									
Rural Connectivity	comp.	3.05	3.05	98.37	16.20	114.56	63.80	63.80	181.42
	Ongoing/Suspended	154.71	154.71	605.77	320.83	926.60	584.58	584.58	1665.89
Flood Control	comp.	7.33	7.33	57.12	33.44	90.56	39.12	39.12	137.02
	Ongoing/Suspended	122.23	122.23	198.23	117.84	316.07	453.55	453.55	891.85
Water Conservation And Water Harvesting	comp.	0.55	0.55	0.00	2.18	2.18	7.42	7.42	10.15
	Ongoing/Suspended	3.18	3.18	0.00	236.72	236.72	11.69	11.69	251.59
Drought Proofing	comp.	1.91	1.91	63.60	6.86	70.46	27.66	27.66	100.03
	Ongoing/Suspended	2.83	2.83	230.20	153.95	384.14	88.13	88.13	475.11
Micro Irrigation	comp.	0.00	0.00	96.03	27.79	123.82	36.20	36.20	160.02
	Ongoing/Suspended	31.87	31.87	297.63	200.96	498.59	180.53	180.53	710.99
Provision of Irrigation facility to Land Owned by	comp.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Ongoing/Suspended	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Renovation of Traditional Water Bodies	comp.	0.00	0.00	0.00	5.74	5.74	0.00	0.00	5.74
	Ongoing/Suspended	0.00	0.00	0.00	3.81	3.81	20.20	20.20	24.02
Land development	comp.	6.39	6.39	11.61	8.04	19.65	114.57	114.57	140.60
	Ongoing/Suspended	112.00	112.00	104.34	271.82	376.17	451.45	451.45	939.62
Any Other activity Approved by MRD	comp.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Ongoing/Suspended	0.00	0.00	15.86	2.06	17.92	9.57	9.57	27.49
Rajiv Gandhi Seva Kendra	comp.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Ongoing/Suspended	0.00	0.00	0.00	8.14	8.14	0.00	0.00	8.14
Total	comp.	19.23	19.23	326.72	100.25	426.97	288.78	288.78	734.97
	Ongoing/Suspended	426.81	426.81	1452.03	1316.12	2768.15	1799.71	1799.71	4994.68

Contd.....



Contd..... Table 2.3: District wise works completed/progress under NREGA (amount spent in lakhs)

District	Phase -I		Phase -II			Phase - III		Grand Total	
	North District	Sub Total	East District	South District	Sub Total	West District	Sub Total		
<b>Year 2009 - 10</b>									
Rural Connectivity	comp.	6.45	6.45	1.26	3.73	4.99	0.00	0.00	11.44
	Ongoing/Suspended	17.60	17.60	196.58	32.22	228.79	129.55	129.55	375.94
Flood Control	comp.	1.35	1.35	0.00	0.00	0.00	0.00	0.00	1.35
	Ongoing/Suspended	10.27	10.27	144.74	31.35	176.09	64.32	64.32	250.69
Water Conservation And Water Harvesting	comp.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Ongoing/Suspended	2.27	2.27	0.00	0.49	0.49	0.00	0.00	2.76
Drought Proofing	comp.	7.80	7.80	0.00	32.99	32.99	2.31	2.31	43.10
	Ongoing/Suspended	288.33	288.33	396.49	97.57	494.06	137.45	137.45	919.84
Micro Irrigation	comp.	1.93	1.93	0.00	1.21	1.21	0.00	0.00	3.14
	Ongoing/Suspended	9.15	9.15	104.01	26.10	130.11	45.52	45.52	184.78
Provision of Irrigation facility to Land Owned by	comp.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Ongoing/Suspended	0.00	0.00	0.10	0.56	0.66	0.00	0.00	0.66
Renovation of Traditional Water Bodies	comp.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Ongoing/Suspended	0.00	0.00	0.45	2.97	3.42	0.92	0.92	4.33
Land development	comp.	18.60	18.60	0.00	6.22	6.22	1.87	1.87	26.69
	Ongoing/Suspended	13.32	13.32	214.99	46.78	261.77	32.62	32.62	307.70
Any Other activity Approved by MRD	comp.	5.49	5.49	0.00	0.00	0.00	0.00	0.00	5.49
	Ongoing/Suspended	12.39	12.39	2.24	0.00	2.24	0.00	0.00	14.63
Rajiv Gandhi Seva Kendra	comp.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Ongoing/Suspended	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	comp.	41.62	41.62	1.26	44.16	45.42	4.17	4.17	91.21
	Ongoing/Suspended	353.33	353.33	1059.59	238.04	1297.63	410.37	410.37	2061.32

Contd.....

Contd..... Table 2.3: District wise works completed/progress under NREGA (amount spent in lakhs)

District	Phase -I		Phase -II			Phase - III		Grand Total	
	North District	Sub Total	East District	South District	Sub Total	West District	Sub Total		
<b>Year 2008-09</b>									
Rural Connectivity	comp.	123.26	123.26	62.19	309.91	372.1	96.95	96.95	592.31
	Ongoing/Suspended	85	85	13.06	113.12	126.18	199.11	199.11	410.29
Flood Control	comp.	66.79	66.79	26.43	28.32	54.75	0	0	121.54
	Ongoing/Suspended	81.01	81.01	46.9	44.63	91.53	13.74	13.74	186.28
Water Conservation And Water Harvesting	comp.	9.4	9.4	2.4	29.89	32.29	1.8	1.8	43.49
	Ongoing/Suspended	0	0	0	66.31	66.31	6.94	6.94	73.25
Drought Proofing	comp.	0	0	0	26.33	26.33	0	0	26.33
	Ongoing/Suspended	0	0	0	0	0	1.05	1.05	1.05
Micro Irrigation	comp.	45	45	6.17	56.63	62.8	38.72	38.72	146.52
	Ongoing/Suspended	33.34	33.34	31.54	29.09	60.63	55.28	55.28	149.25
Provision of Irrigation facility to Land Owned by	comp.	0	0	0	7	7	0	0	7
	Ongoing/Suspended	0	0	0	0	0	0	0	0
Renovation of Traditional Water Bodies	comp.	0	0	0	16.73	16.73	0	0	16.73
	Ongoing/Suspended	0	0	59.61	0	59.61	2.1	2.1	61.71
Land development	comp.	35.3	35.3	0	62.38	62.38	26.44	26.44	124.12
	Ongoing/Suspended	22.02	22.02	0	110.6	110.6	57.01	57.01	189.63
Any Other activity Approved by MRD	comp.	0	0	0	0	0	0	0	0
	Ongoing/Suspended	0	0	0	0	0	0	0	0
Rajiv Gandhi Seva Kendra	comp.	0	0	0	0	0	0	0	0
	Ongoing/Suspended	0	0	0	0	0	0	0	0
Total	comp.	279.75	279.75	97.19	537.19	634.38	163.91	163.91	1078.04
	Ongoing/Suspended	221.37	221.37	151.11	363.75	514.86	335.23	335.23	1071.46

Table 2.3b: District wise works completed/progress under NREGA (amount spent in lakhs)

(Figures are Percentages)

District	Phase -I		Phase -II			Phase - III		Grand Total	
	North District	Sub Total	East District	South District	Sub Total	West District	Sub Total		
<b>Year 2010 - 11</b>									
Rural Connectivity	comp.	15.9	15.9	30.1	16.2	26.8	22.1	22.1	24.7
	Ongoing/Suspended	36.2	36.2	41.7	24.4	33.5	32.5	32.5	33.4
Flood Control	comp.	38.1	38.1	17.5	33.4	21.2	13.5	13.5	18.6
	Ongoing/Suspended	28.6	28.6	13.7	9.0	11.4	25.2	25.2	17.9
Water Conservation And Water Harvesting	comp.	2.9	2.9	0.0	2.2	0.5	2.6	2.6	1.4
	Ongoing/Suspended	0.7	0.7	0.0	18.0	8.6	0.6	0.6	5.0
Drought Proofing	comp.	9.9	9.9	19.5	6.8	16.5	9.6	9.6	13.6
	Ongoing/Suspended	0.7	0.7	15.9	11.7	13.9	4.9	4.9	9.5
Micro Irrigation	comp.	0.0	0.0	29.4	27.7	29.0	12.5	12.5	21.8
	Ongoing/Suspended	7.5	7.5	20.5	15.3	18.0	10.0	10.0	14.2
Provision of Irrigation facility to Land Owned by	comp.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Ongoing/Suspended	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Renovation of Traditional Water Bodies	comp.	0.0	0.0	0.0	5.7	1.3	0.0	0.0	0.8
	Ongoing/Suspended	0.0	0.0	0.0	0.3	0.1	1.1	1.1	0.5
Land development	comp.	33.2	33.2	3.6	8.0	4.6	39.7	39.7	19.1
	Ongoing/Suspended	26.2	26.2	7.2	20.7	13.6	25.1	25.1	18.8
Any Other activity Approved by MRD	comp.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Ongoing/Suspended	0.0	0.0	1.1	0.2	0.6	0.5	0.5	0.6
Rajiv Gandhi Seva Kendra	comp.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Ongoing/Suspended	0.0	0.0	0.0	0.6	0.3	0.0	0.0	0.2
Total	comp.	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Ongoing/Suspended	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Contd.....

Contd..... Table 2.3b: District wise works completed/progress under NREGA (amount spent in lakhs)

(Figures are Percentages)

District	Phase -I		Phase -II			Phase - III		Grand Total	
	North District	Sub Total	East District	South District	Sub Total	West District	Sub Total		
<b>Year 2009 - 10</b>									
Rural Connectivity	comp.	15.5	15.5	100.0	8.4	11.0	0.0	0.0	12.5
	Ongoing/Suspended	5.0	5.0	18.6	13.5	17.6	31.6	31.6	18.2
Flood Control	comp.	3.2	3.2	0.0	0.0	0.0	0.0	0.0	1.5
	Ongoing/Suspended	2.9	2.9	13.7	13.2	13.6	15.7	15.7	12.2
Water Conservation And Water Harvesting	comp.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Ongoing/Suspended	0.6	0.6	0.0	0.2	0.0	0.0	0.0	0.1
Drought Proofing	comp.	18.7	18.7	0.0	74.7	72.6	55.4	55.4	47.3
	Ongoing/Suspended	81.6	81.6	37.4	41.0	38.1	33.5	33.5	44.6
Micro Irrigation	comp.	4.6	4.6	0.0	2.7	2.7	0.0	0.0	3.4
	Ongoing/Suspended	2.6	2.6	9.8	11.0	10.0	11.1	11.1	9.0
Provision of Irrigation facility to Land Owned by	comp.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Ongoing/Suspended	0.0	0.0	0.0	0.2	0.1	0.0	0.0	0.0
Renovation of Traditional Water Bodies	comp.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Ongoing/Suspended	0.0	0.0	0.0	1.2	0.3	0.2	0.2	0.2
Land development	comp.	44.7	44.7	0.0	14.1	13.7	44.8	44.8	29.3
	Ongoing/Suspended	3.8	3.8	20.3	19.7	20.2	7.9	7.9	14.9
Any Other activity Approved by MRD	comp.	13.2	13.2	0.0	0.0	0.0	0.0	0.0	6.0
	Ongoing/Suspended	3.5	3.5	0.2	0.0	0.2	0.0	0.0	0.7
Rajiv Gandhi Seva Kendra	comp.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Ongoing/Suspended	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	comp.	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Ongoing/Suspended	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

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Tale 2.4: Social auditing and inspection of NREGA work

Name Of The District	Must Roll Verified		Social Audit		Inspections Conducted			Gram Sabha Held			Complaints	
	NO of Muster Rolls Used	Verified	Total Gram Panchayats	No of GP where social Audit held	Total Works Taken up	NO. of Works Inspected at District Level	NO. of Works Inspected at Block Level	Total Gram Panchayats	No. of Gram Sabhas held	No. of VMC metings held	No. of Complaints Received	No of Complaints Disposed
Phase –I Year 2010-11												
North District	995	800	23	23	177	136	177	23	46	23	0	0
Sub Total	995	800	23	23	177	136	177	23	46	23	0	0
Phase –II												
East District	332	332	42	42	332	32	321	42	42	0	0	0
South District	5164	5164	45	45	872	96	872	45	45	0	0	0
Sub Total	5496	5496	87	87	1204	128	1193	87	87	0	0	0
Phase –III												
West District	3110	3110	53	53	727	727	727	53	727	0	0	0
Sub- Total	3110	3110	53	53	727	727	727	53	727	0	0	0
Grand Total	9601	9406	163	163	2108	991	2097	163	860	23	0	0

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Contd....Tale 2.4: Social auditing and inspection of NREGA work

Name Of The District	Must Roll Verified		Social Audit		Inspections Conducted			Gram Sabha Held			Complaints	
	NO of Muster Rolls Used	Verified	Total Gram Panchayats	No of GP where social Audit held	Total Works Taken up	NO. of Works Inspected at District Level	NO. of Works Inspected at Block Level	Total Gram Panchayats	No. of Gram Sabhas held	No. of VMC metings held	No. of Complaints Received	No of Complaints Disposed
Phase –I Year 2009 -10												
North District	500	405	23	23	417	85	332	23	23	23	0	0
Sub Total	500	405	23	23	417	85	332	23	23	23	0	0
Phase –II												
East District	332	332	42	42	332	32	321	42	42	0	0	0
South District	2860	2860	45	45	627	50	627	45	45	0	0	0
Sub Total	3192	3192	87	87	959	82	948	87	87	0	0	0
Phase –III												
West District	3312	3312	53	53	443	443	443	53	443	36	0	0
Sub- Total	3312	3312	53	53	443	443	443	53	443	36	0	0
Grand Total	7004	6909	163	163	1819	610	1723	163	553	59	0	0

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Contd....Tale 2.4: Social auditing and inspection of NREGA work

Name Of The District	Must Roll Verified		Social Audit		Inspections Conducted			Gram Sabha Held			Complaints	
	NO of Muster Rolls Used	Verified	Total Gram Panchayats	No of GP where social Audit held	Total Works Taken up	NO. of Works Inspected at District Level	NO. of Works Inspected at Block Level	Total Gram Panchayats	No. of Gram Sabhas held	No. of VMC metings held	No. of Complaints Received	No of Complaints Disposed
Phase -I Year 2008-09												
North District	1066	965	23	23	279	28	279	23	23	27	0	0
Sub Total	1066	965	23	23	279	28	279	23	23	27	0	0
Phase -II												
East District	456	456	42	42	148	40	108	42	42	0	3	2
South District	3249	3119	45	17	224	0	160	45	51	12	2	2
Sub Total	3705	3575	87	59	372	40	268	87	93	12	5	4
Phase -III												
West District	3393	3193	53	4	145	55	90	53	47	38	0	0
Sub- Total	3393	3193	53	4	145	55	90	53	47	38	0	0
Grand Total	8164	7733	163	86	796	123	637	163	163	77	5	4



Table 2.5: The NREGA payment processed through banks/post office

Name Of The District	NO. of Bank Account Opened		Amount of wages Disbursed through bank Accounts (Rs. in lakhs)	No. of Post Office Account Opened		Amount of Wages disbursed through post office Accounts (Rs. in lakhs)	Total Accounts			Total Amount Disbursed (Rs.in lakhs)
	Individual	Joint		Individual	Joint		Individual	Joint	Total	
Phase – I Year – 2010-11										
North District	4689	23	411.92	994	0	92.24	5683	23	5706	504
Sub Total	4689	23	411.92	994	0	92.24	5683	23	5706	504
Phase – II										
East District	5042	24	454.4	12041	4	909.9	17083	28	17111	1364
South District	15335	115	1045.663	2505	735	241.1731	17840	850	18690	1287
Sub Total	20377	139	1500.06	14546	739	1151.07	34923	878	35801	2651
Phase –III										
West District	10104	4265	1179.334	4970	2491	439.474	15074	6756	21830	1618
Sub- Total	10104	4265	1179.33	4970	2491	439.47	15074	6756	21830	1618
Grand Total	35170	4427	3091.32	20510	3230	1682.79	55680	7657	63337	4773

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Contd.....Table 2.5: The NREGA payment processed though banks/post office

Name Of The District	NO. of Bank Account Opened		Amount of wages Disbursed through bank Accounts (Rs. in Lakhs)	No. of Post Office Account Opened		Amount of Wages disbursed through post office Accounts (Rs. in lakhs)	Total Accounts			Total Amount Disbursed (Rs.in lakhs)
	Individual	Joint		Individual	Joint		Individual	Joint	Total	
Phase – I Year -2009-10										
North District	4965	23	417.71	727	0	48.78	5692	23	5715	467
Sub Total	4965	23	417.71	727	0	48.78	5692	23	5715	467
Phase – II										
East District	5000	24	345.25	12014	4	735.18	17014	28	17042	1080
South District	9662	0	930.674	4538	0	91.018	14200	0	14200	1022
Sub Total	14662	24	1275.92	16552	4	826.2	31214	28	31242	2102
Phase –III										
West District	9756	4225	754.0261	4813	2018	162.496	14569	6243	20812	916
Sub- Total	9756	4225	754.03	4813	2018	162.5	14569	6243	20812	916
Grand Total	29383	4272	2447.66	22092	2022	1037.47	51475	6294	57769	3485

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Contd....Table 2.5: The NREGA payment processed though banks/post office

Name Of The District	NO. of Bank Account Opened		Amount of wages Disbursed through bank Accounts (Rs. in Lakhs)	No. of Post Office Account Opened		Amount of Wages disbursed through post office Accounts (Rs. in lakhs)	Total Accounts			Total Amount Disbursed (Rs.in lakhs)
	Individual	Joint		Individual	Joint		Individual	Joint	Total	
Phase – I Year – 2008-09										
North District	4700	23	213.03	612	0	10.76	5312	23	5335	224
Sub Total	4700	23	213.03	612	0	10.76	5312	23	5335	224
Phase – II										
East District	680	0	5.06	9467	0	43.29	10147	0	10147	48
South District	3087	0	53.783	4111	0	3.739	7198	0	7198	58
Sub Total	3767	0	58.84	13578	0	47.03	17345	0	17345	106
Phase –III										
West District	6998	475	251.19	0	0	0	6998	475	7473	251
Sub- Total	6998	475	251.19	0	0	0	6998	475	7473	251
Grand Total	15465	498	523.06	14190	0	57.79	29655	498	30153	581

Table 2.6: Unemployment allowance paid in lieu of not providing employment (2010-11)

District	Un Employment Allowance Due	Unemployment Allowance Paid	
	No. of Days	No. of Days	Amount
Phase - I			
NORTH DISTRICT	4086	0	0
Sub Total	4086	0	0
Phase - II			
EAST DISTRICT	5946	0	0
SOUTH DISTRICT	6705	0	0
Sub Total	12651	0	0
Phase - III			
WEST DISTRICT	13493	0	0
Sub Total	13493	0	0
<b>Grand Total</b>	<b>30230</b>	<b>0</b>	<b>0</b>

Table 2.7: Work projection under NREGA for 2010-11

Name of District	Shelf of works Through Which Employment to be Provided	Total No. of Spill over Works From Previous year	Total No. of New Works Taken up in Current Year	No. of Works Likely to Spill Over From Current Financial Year to Next financial	No. Of New Works Proposed for next financial year	Benefit Achieved Unit	Person days To be Generated	Estimated Cost (In Lakhs)		
								On Unskilled Wage	On Material including skilled and semiskilled wages	Total
Phase - I										
North District	Water Conservation and Water Harvesting	46	26	11	62	18.45	63300	63.3	63.29	126.59
	Any Other activity Approved by MRD	17	88	16	56	15.99	88861	88.83	59.2	148.03
	Provision of Irrigation facility to Land Owned by	0	2	0	26	14089.63	32290	32.29	13.84	46.13
	Rural Connectivity	0	97	10	50	280.01	41709	41.71	18.15	59.86
	Renovation of Traditional Water bodies	14	12	7	39	20.226	50575	50.55	50.56	101.11
	Drought Proofing	0	0	0	22	11.84	31500	31.5	27.69	59.19
	Micro Irrigation Works	0	0	0	37	479.76	67178	67.18	28.78	95.96
	Flood Control and Protection	15	33	8	139	930.6	219687	219.69	95.6	315.29
	Land Development	0	0	0	0	0	0	0	0	0
Total	92	258	52	431		595100	595.05	357.11	952.16	
Phase - II										
East District	Water Conservation and Water Harvesting	23	47	16	92	100.798	317982	319.13	247.37	566.5
	Any Other activity Approved by MRD	23	37	17	81	108.343	268715	268.9	164.9	433.8
	Provision of Irrigation facility to Land Owned by	0	8	4	39	5436.6	33552	33.54	15.63	49.17
	Rural Connectivity	4	66	9	92	1262.52	222278	221.78	101.2	322.98
	Renovation of Traditional Water bodies	17	23	6	74	2625.56	152764	152.76	132.11	284.87
	Drought Proofing	20	2	0	10	4	10000	10	10	20
	Micro Irrigation Works	1	7	3	24	302	42980	42.98	19.14	62.12
	Flood Control and Protection	37	35	10	126	1411.82	373909	374.17	163	537.17
	Land Development	0	0	0	0	0	0	0	0	0
Total	125	225	65	538	11251.64	1422180	1423.26	853.35	2276.61	

Contd.....

Contd....Table 2.7: Work projection under NREGA for 2010-11

Name of District	Shelf of works Through Which Employment to be Provided	Total No. of Spill over Works From Previous year	Total No. of New Works Taken up in Current Year	No. of Works Likely to Spill Over From Current Financial Year to Next financial	No. Of New Works Proposed for next financial year	Benefit Achieved Unit	Person days To be Generated	Estimated Cost (In Lakhs)		
								On Unskilled Wage	On Material including skilled and semiskilled wages	Total
South District	Water Conservation and Water Harvesting	54	88	10	93	41.5766	172580	172.58	124.78	297.36
	Any Other activity Approved by MRD	26	90	21	104	1647.429	244647	244.65	151.12	395.77
	Provision of Irrigation facility to Land Owned by Rural Connectivity	12	277	13	581	148757.5	333515	333.52	185.74	519.26
	Renovation of Traditional Water bodies	10	155	11	127	978.5126	150060	150.06	84.32	234.38
	Drought Proofing	5	20	6	29	10.1412	34058	34.06	24.79	58.85
	Micro Irrigation Works	11	24	9	59	768.5167	111955	111.95	54.84	166.79
	Flood Control and Protection	20	98	16	140	1315.66	324912	324.91	175.92	500.83
	Land Development	0	0	0	0	0	0	0	0	0
Total		148	815	107	1228		1554120	1554.12	932.47	2486.59
Phase - III										
West District	Water Conservation and Water Harvesting	157	150	165	155	71.8371	233402	230.76	160.33	391.09
	Any Other activity Approved by MRD	48	87	83	49	18.9707	109116	108.38	69.32	177.7
	Provision of Irrigation facility to Land Owned by Rural Connectivity	51	57	65	44	20958.98	64905	64.9	36.96	101.86
	Renovation of Traditional Water bodies	218	294	343	202	2646.05	359869	359.98	209.34	569.32
	Drought Proofing	140	237	283	191	134.075	305073	305.07	195.91	500.98
	Micro Irrigation Works	281	334	347	223	2809.51	397480	387.36	207.44	594.8
	Flood Control and Protection	250	264	308	224	1331.56	270403	279.69	148.05	427.74
	Land Development	0	0	0	0	0	0	0	0	0
Total		1331	1714	1859	1256	28059.94	2006280	2000.94	1217.11	3218.05
Sikkim	Water Conservation and Water Harvesting	63	344	82	690	189242.8	464262	464.25	252.17	716.42
	Any Other activity Approved by MRD	0	0	0	0	0	0	0	0	0
	Provision of Irrigation facility to Land Owned by Rural Connectivity	165	259	289	252	160.06	380631	380.63	258.39	639.02
	Renovation of Traditional Water bodies	280	311	202	402	232.66	787264	785.77	595.78	1381.55
	Drought Proofing	232	612	373	471	5167.09	773916	773.53	413.01	1186.54
	Micro Irrigation Works	227	389	299	376	8143.27	651764	650.51	503.39	1153.9
	Flood Control and Protection	114	302	137	290	1790.73	711339	710.77	444.53	1155.3
	Land Development	322	430	342	629	4989.64	1188911	1198.46	582.57	1781.03
Total		1696	3012	2083	3453	214085.99	5577680	5573.4	3360.03	8933.43

Contd....

Contd... Table 2.7: Work projection under NREGA for 2010-11

Name of District	Shelf of works Through Which Employment to be Provided	Total No. of Spill over Works From Previous year	Total No. of New Works Taken up in Current Year	No. of Works Likely to Spill Over From Current Financial Year to Next financial	No. Of New Works Proposed for next financial year	Benefit Achieved Unit	Person days To be Generated	Estimated Cost (In Lakhs)		
								On Unskilled Wage	On Material including skilled and semiskilled wages	Total
Sikkim	Water Conservation and Water Harvesting	63	344	82	690	189242.8	464262	464.25	252.17	716.42
	Any Other activity Approved by MRD	0	0	0	0	0	0	0	0	0
	Provision of Irrigation facility to Land Owned by Rural Connectivity	165	259	289	252	160.06	380631	380.63	258.39	639.02
	Renovation of Traditional Water bodies	280	311	202	402	232.66	787264	785.77	595.78	1381.55
	Drought Proofing	293	365	359	343	4359.79	619593	609.48	310.19	919.67
	Micro Irrigation Works	232	612	373	471	5167.09	773916	773.53	413.01	1186.54
	Flood Control and Protection	227	389	299	376	8143.27	651764	650.51	503.39	1153.9
	Land Development	114	302	137	290	1790.73	711339	710.77	444.53	1155.3
	Total	322	430	342	629	4989.64	1188911	1198.46	582.57	1781.03
		1696	3012	2083	3453	214085.99	5577680	5573.4	3360.03	8933.43

## **Chapter–III**

### **Household Characteristics and Their Income and Consumption Pattern**

The purpose of this chapter is to give an account of sample household characteristics and to analyze their income and consumption pattern. More precisely, this chapter analyzes demographic and social characteristics of households, occupational structure, household net income and consumption expenditure and variability in income and consumption across the households. Finally, this chapter intends to look into the determinants of participation in NREGA based on household and member level primary data.

#### **3.1: Household profile of the respondents**

A close look at the demographic profile of the respondents reveals that the size of the household varies among the beneficiary and non-beneficiary households (table–3.1). The relatively large size is to be found among non-beneficiary households who have an average size of 4.47 members per household. In contrast, the beneficiary households have an average size of 4.33. The number of earners works out to 3.12 per beneficiary household whereas for non-beneficiary households the figure comes to 2.03. Beneficiary households are composed of 137 male households and 23 female households, female households thus forming 14.37 percent of the total beneficiary households. This stands in sharp contrast with 37 males and 3 females for non-beneficiary households comprising 92.5 percent male households and 7.5 percent female households.

The age distribution in broad groups is also given in table 3.1. It would be seen from the table that respondents in the age group 16–60 form 91.87 percent for beneficiary households and 90.00 per cent for non-beneficiary households. The rest of the persons belong to the age group above 60 both for beneficiary households (8.13 per cent) and non-beneficiary households (10.00 per cent). A striking feature is that majority of the beneficiary members of households belong to the productive age group 16–60 and there is no indication of the predominance of beneficiary persons in the minor age group. Among the respondents, both to beneficiary and non-beneficiary households, heads of households constitute the majority accounting for 79.37 percent for beneficiary and 80.00 percent for non-beneficiary.

Average education level of the beneficiaries is observed to be relatively low. 94.98 per cent of beneficiary is either literate or studied up to primary standard as against 77.50 per cent of non-beneficiary. A mere 4.37 percent of beneficiaries had studied up to secondary level.

Caste composition of households reveals that 5.00 percent beneficiary households belong to scheduled castes, 53.75 percent of the households belong to scheduled tribes, 40.62 percent belong to other backward castes whereas the balance 0.63 percent of the households goes to general castes. Caste composition of non-beneficiary households is not exactly similar to those of beneficiary households. For such households scheduled castes account for 2.50 percent of households. The proportion of scheduled tribe and OBC households is of the order 27.50 percent and 55.00 percent respectively whereas the balance of 15.00 percent of the households constitutes general castes.

In our sample data, beneficiary households holding BPL and APL card accounted for 93.75 percent and 6.25 percent respectively. Thus beneficiary households are either BPL or APL card holders. Among non-beneficiaries BPL and AAY card holding households together constituted 80.00 per cent. On the other hand a total of 20.00 percent of non-beneficiary households are APL card holders.



Table -3.1: Demographic profile of the respondents (% of households)

Characteristics	Sikkim			
	Beneficiaries	Non beneficiaries	Aggregate	
No of HH	160	40	200	
Household size (numbers)	4.33	4.47	4.36	
Average numbers of earners	3.12	2.03	3.00	
Gender	Male	137 (85.63)	37 (92.5)	174 (87.00)
	Female	23 (14.37)	3 (7.5)	26 (13.00)
Age group	<16	0 (0.00)	0 (0.00)	0 (0.00)
	16-60	147 (91.87)	36 (90.00)	183 (91.50)
	>60	13 (8.13)	4 (10.00)	17 (8.50)
Identity of respondent	Head	127 (79.37)	32 (80.00)	159 (79.50)
	Others	33 (22.63)	8 (20.00)	41 (20.50)
Educational status	Illiterate	35 (21.86)	6 (15.00)	41 (20.50)
	Up to primary	117 (73.12)	25 (62.50)	142 (71.00)
	Up to secondary	7 (4.37)	9 (22.5)	16 (8.00)
	Up to graduate	1 (0.62)	0 (0.00)	1 (0.50)
	Above graduate	0 (0.00)	0 (0.00)	0 (0.00)
Caste	Sc	8 (5.00)	1 (2.50)	9 (4.50)
	ST	86 (53.75)	11 (27.50)	97 (48.50)
	OBC	65 (40.62)	22 (55.00)	87 (43.50)
	General	1 (0.63)	6 (15.00)	7 (3.50)
Card holder	AAY	0 (0.00)	11 (27.50)	11 (5.50)
	BPL	150 (93.75)	21 (52.50)	171 (85.50)
	APL	10 (6.25)	8 (20.00)	18 (9.00)
	None	0 (0.00)	0 (0.00)	0 (0.00)
Decision maker	Male	138 (86.25)	37 (92.50)	175 (87.50)
	Female	22 (13.75)	3 (7.50)	25 (12.50)
Main occupation	Farming	50 (31.50)	18 (45.00)	68 (34.00)
	Self business	10 (6.25)	10 (25.00)	20 (10.00)
	Salaried/pensioners	11 (6.88)	2 (5.00)	13 (6.5)
	Wage earners	87 (54.37)	4 (10.00)	91 (45.50)
	Others	2 (1.25)	6 (15.00)	8 (4.00)
Involved in migration during year 2009	0 (0.00)	0 (0.00)	0 (0.00)	

Note: Figures in brackets indicate percentages

The scheme of NREGA has the transformative potential for women in enhancing economic and social security and thus the scheme can alter the balance of power in the rural family. However, empowerment of women would be easier for the families where the decision maker in the family is the female member. In our sample households, in case of both beneficiaries and non-beneficiaries male members are the decision makers in majority of the families (86.25 percent for beneficiary families and 92.50 percent for non-beneficiary families).

Judging by the primary occupation of the head of the households, our survey data showed that among the beneficiary households, 54.37 percent of households belong to the class of wage earner, 31.50 percent have the main occupation farming, 6.25 percent are engaged in self-business, 6.88 per cent are either salaried or pensioners and the rest belonged to the category 'others'. Within the group of non-beneficiary households, 45.00 percent are engaged in farming, 25.00 percent are employed in self-business, 5.00 percent are salaried persons, 10.00 percent are wage earners and the rest 15 percent belong to the category of 'others'.

With regard to migration it is observed that there is no instance of out-migration among beneficiary and non-beneficiary households before and after implementation of NREGA.

### 3.2: Main occupation

The concept of household forms the basis of our analysis. Our approach has therefore been to allocate the working force of the household among occupations on an individual basis. In table - 3.2 households have been allocated occupations on the basis of main pursuit of the heads of households and of other working members in the household measured in terms of man days employed in the occupation. Within the group of the beneficiary households, the more important among the occupational groups are self-employed in agriculture (25.02 percent) regular /salary job (22.03 percent), non-agricultural casual labour (12.77 percent), self employed in livestock (10.72 percent) and agricultural casual labour (6.94 percent) in order of importance (table-3.2). Occupationally, NREGA works employed 16.37 percent of total man days employed. Comparing overall man-days employment level between beneficiaries and non-beneficiaries, the study reveals that beneficiaries worked less by 0.10 per cent than non-beneficiaries, in spite of implementation of NREGA in the state.

Table-3.2: Main Occupation (% of total man-days per hh)

Occupation	Sikkim		
	Beneficiaries	Non beneficiaries	Aggregate
Agricultural casual labour	34.48 (6.94)	21.95 (4.02)	31.97 (6.31)
Non agricultural casual labour	63.48 (12.77)	56.13 (10.29)	62.01 (12.24)
Work for public work programmes other than NREGA	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Self employed in non farming	30.64 (6.16)	138.00 (25.30)	52.11 (10.28)
Self employed in agriculture	124.39 (25.02)	132.27 (24.25)	125.97 (24.85)
Self employed in livestock	53.29 (10.72)	60.27 (11.05)	54.69 (10.79)
Regular/salary job	109.50 (22.03)	136.88 (25.09)	114.98 (22.69)
Worked as a migrant worker	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Worked under NREGA	81.37 (16.37)	0.00 (0.00)	65.10 (12.84)
Any other work	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Total	497.15 (100.00)	545.50 (100.00)	506.82 (100.00)

Note: Figures in the parentheses indicate percentages of total.

Among the non-beneficiary households the most important occupation is self-employed non-farming (25.30 per cent), followed by regular/salaried job (25.09 per cent) self employed in agriculture (24.25 per cent), and non-agricultural casual labour (10.29 per cent) in order (table-3.2).

### 3.3: Household net income

The analysis of occupational structure will not be complete unless some light is thrown on the distribution of income by occupations. In regard to income the study uses the concept of net income available for personal and household expenditure or savings. The figures of income shown against each occupational class relate to the income derived by household working members as a whole. Across the beneficiary and non- beneficiary households, income per non-beneficiary households is higher by 9.50 percent from Rs. 32425.90 for beneficiary households to Rs. 35508.30 for non- beneficiary households. For beneficiary households income from regular job/salary/pension pursuits accounted for the major (19.60 percent) share in total household income. Importantly, net income from works under NREGA accounted for 25.00 percent of the total household income and the remaining receipts are from agriculture including livestock (19.10 percent), income from wages in non-agriculture (17.50 percent), income from wages in agriculture (8.60 percent) and income from self-employed in non-farming (5.70 percent) order of importance (table -3.3).

Table-3.3: Household net income (Annual) (Rs per household)\*

	Sikkim					
	Average Income	CV (across HH)	Average Income	CV (across HH)	Average Income	CV (across HH)
	Beneficiaries		Non beneficiaries		Aggregate	
Income from work under NREGA	8118.1 (25.0)	26.1	-	-	6494.5 (19.7)	58.0
Income from wages in agriculture	2781.9 (8.6)	82.0	1716.8 (4.8)	150.3	2568.9 (7.8)	92.5
Income from wages in non farming	5681.6 (17.5)	78.2	5567.4 (15.7)	112.9	5658.7 (17.1)	85.7
Income from wages in PWP	0.0 (0.0)	-	0.0 (0.0)	-	0.0 (0.0)	-
Income from wages as migrant workers	0.0 (0.0)	-	0.0 (0.0)	-	0.0 (0.0)	-
Income from self employed in non farming	1848.0 (5.7)	291.4	8725.0 (24.6)	148.4	3223.4 (9.8)	247.4
Income from agriculture	6207.6 (19.1)	80.6	7399.2 (20.8)	60.3	6445.9 (19.5)	76.2
Income from livestock	1438.8 (4.4)	217.2	2350.0 (6.6)	147.9	1621.0 (4.9)	198.0
Income from regular job/salary/pension	6350.0 (19.6)	198.7	9750.0 (27.5)	147.9	7030.0 (21.3)	185.4
Income from sale of assets/rent/transfer etc.	0.0 (0.0)	-	0.0 (0.0)	-	0.0 (0.0)	-
Total	32425.9 (100.0)	-	35508.3 (100.0)	-	33042.4 (100.0)	-

Note: Figures in parentheses are respective percentage of total income

\* Income from wages in non agriculture/income from migrant workers is calculated after subtracting their transportation cost, while income from agriculture also includes income from hiring out assets if any.

In case of non-beneficiary households, income per household obtained from regular job/salary/pension accounted to Rs. 9750.00 and constituted the major accounting for 27.50 percent of total household income followed by income from self-employed non-farming (24.50 percent), income from agricultural pursuits (20.80 percent), wage income from non-agriculture (15.70 percent), wage income from PWP (6.60 percent) and income from wages in agriculture (4.80 percent) in order. Notably, non-beneficiary households on account of their non-participation in NREGA works relied more on non-farm activities

and derived considerably higher income (24.60 percent) as compared to beneficiary households (5.7 percent) (table – 3.3).

As measured by the coefficient of variation, income derived from each pursuit exhibited higher degree of variation across the households both for beneficiary and non-beneficiary households (table – 3.3). Further it is interesting to note that occupationally low income per household is associated with high variance in income across the households. This holds true particularly for the beneficiary households.

### 3.4: Household consumption

The following analyses attempt to examine the living standard of households across beneficiary and non-beneficiary households depending on consumption expenditure data collected in course of the study. Apart from this, for the sake of comparison, consumption expenditure data furnished by NSS is used. Most of the contemporary studies of level of living and poverty have concentrated on state-level averages drawing data on consumption expenditure furnished by NSSO. This is understandable because the NSS is the only source which provides more or less comparable time series information on the levels and patterns of consumption.

Now we proceed to analyze household consumption expenditure data separately on food and non-food items which was collected in course of the study. Firstly, we concentrate on household consumption on food items expressed in terms of kgs per capita per month. The figures of consumption expenditure on different food articles separately for beneficiary and non-beneficiary households along with similar data furnished by NSS for the years 1993-94 and 2004-05 are presented in table–3.4A.

Table-3.4A: Household consumption of food items (kgs. per capita per month)

Items	Sikkim					
	Beneficiaries	Non beneficiaries	Aggregate	NSS 1993-94	NSS 1999-00	NSS 2004-05
Rice	9.2	9.1	9.2	9.8	10.2	10.2
Wheat	1.8	1.7	1.8	0.8	0.7	0.5
Other cereals	1.7	1.6	1.7	-	1.1	0.5
Total cereals	12.7	12.5	12.7	10.5	12.0	11.2
Total pulses	0.4	0.3	0.4	0.3	0.5	0.5
Sugar & Gur	0.4	0.3	0.4	0.4	0.3	0.4
Edible oils <sup>1</sup>	0.3	0.3	0.3	0.4	0.6	0.5
Liquid milk <sup>1</sup>	1.2	1.1	1.2	4.8	-	5.6
Milk products	0.0	0.0	0.0	-	-	0.1
Spices <sup>2</sup>	40.7	35.0	39.5	127.9	131.2	54.2
Poultry-meat & egg	0.4	0.4	0.4	0.3	0.7	0.0
Fruits	0.1	0.0	0.1	-	-	0.0
Vegetables	2.6	2.6	2.6	2.5	6.0	0.0
Confectionery	61.0	48.9	58.5	-	-	0.7

1. Edible oil and liquid milk is in litres

2. Spices in gms

The item-wise distribution of expenditure shows that consumption of confectionery of the household population is the largest component of expenditure on food items both for beneficiary and non-beneficiary households. Among cereals, rice intake is the major followed by wheat. This pattern does not vary across the beneficiary and non-beneficiary households in terms of the level of monthly consumption per capita. However, there are little differences when the comparison is made by specific non-cereal food items viz. liquid milk and sugar & gur. The monthly per capita expenditure on these food items is little higher for beneficiary households with no difference in the consumption of vegetables, poultry-meat and egg, and edible oils. In case of spices it is

higher by 16.29 percent in case of beneficiary households. In terms of cereals consumption per capita per month, NSS data (2004-05) gives relatively lower figure by about 11.81 percent for beneficiary households and 10.40 percent for non-beneficiary households. As a whole NSS estimates of food-grains consumption is lower than implied in our survey estimate. In case of food items, viz., poultry meat & egg, fruits and vegetables, NSS show lower level of consumption than our survey estimate. NSS estimates of liquid milk consumption are 366.67 percent higher than implied in our estimate. In case of confectionary consumption, NSS estimate is abnormally lower than the estimate implied in our survey. In fact it is negligible as per the NSS estimate while it is significantly higher as implied in our estimate.

Table- 3.4B: Monthly consumption expenditure of households

Items	Sikkim						
	Monthly per capita (Rs)	Coefficient of variation	Monthly per capita (Rs)	Coefficient of variation	Monthly per capita (Rs)	Coefficient of variation	NSS 2004-05 (Rs)
	Beneficiaries		Non beneficiaries		Aggregate		
<b>Food Items</b>							
Rice	146.9 (25.1)	26.3	142.7 (25.0)	24.6	146.0 (25.1)	25.9	91.2 (13.9)
Wheat	24.8 (4.2)	26.4	23.5 (4.1)	28.9	24.5 (4.2)	26.8	5.8 (0.9)
Other cereals	14.8 (2.5)	29.2	13.6 (2.4)	26.9	14.5 (2.5)	28.8	5.5 (0.8)
Total cereals	186.4 (31.9)	26.1	179.8 (31.6)	24.6	185.1 (31.8)	25.7	102.4 (15.6)
Pulses	21.3 (3.6)	29.6	19.3 (3.4)	31.7	20.8 (3.6)	30.0	14.7 (2.2)
Sugar etc	10.6 (1.8)	31.3	10.2 (1.8)	27.9	10.5 (1.8)	30.6	7.8 (1.2)
Cooking oil	17.3 (3.0)	34.7	15.9 (2.8)	23.5	17.0 (2.9)	32.9	33.7 (5.1)
Spices	6.1 (1.0)	40.1	5.6 (1.0)	29.7	6.0 (1.0)	38.4	5.6 (0.9)
Milk & prods	15.8 (2.7)	43.2	14.2 (2.5)	42.3	15.5 (2.7)	43.1	61.5 (0.9)
Poultry-meat	35.1 (6.0)	29.1	35.7 (6.3)	34.1	35.2 (6.1)	30.2	45.1 (6.8)
Fruits	3.4 (0.6)	46.0	0.0 (0.0)	0.0	2.7 (0.5)	46.0	5.5 (0.8)
Vegetables	13.6 (2.3)	36.3	13.2 (2.3)	33.4	13.6 (2.3)	35.6	62.5 (9.5)
Confectionery	8.5 (1.5)	36.4	8.3 (1.5)	44.2	8.5 (1.5)	38.0	3.5 (0.5)
Total food	318.1 (54.4)	27.0	302.2 (53.0)	24.8	314.8 (54.1)	26.6	342.3 (52.0)
<b>Non food items</b>							
Education	22.2 (3.8)	74.4	17.1 (3.0)	123.9	21.1 (3.6)	74.2	14.9 (2.3)
Clothing	34.9 (6.0)	81.0	39.4 (6.9)	80.6	35.8 (6.2)	81.1	37.8 (5.7)
Footwear	10.3 (1.8)	39.7	12.6 (2.2)	89.5	10.8 (1.9)	59.1	13.2 (2.0)
Other items	165.0 (28.2)	36.1	164.6 (28.9)	31.4	164.9 (28.4)	35.1	171.7 (26.1)
Fuel	34.0 (5.8)	26.2	34.0 (6.0)	27.3	34.0 (5.9)	26.4	78.0 (11.9)
Total Non food	266.5 (45.6)	39.2	267.7 (47.0)	33.7	266.7 (45.9)	38.1	315.6 (48.0)
Gross total	584.6 (100.0)		569.9 (100.0)		581.6 (100.0)		657.9 (100.0)

Note: Figures in parentheses are respective percentages of gross total.

To carry this analysis a bit further we have compared the monthly per capita consumption expenditure of households by broad commodity items groups under food and non-food (table-3.4B). First of all, it is observable that the average level of monthly per capita consumption expenditure (food and non-food) is higher for beneficiary

households which are of the order of Rs. 584.60 for beneficiary households and Rs. 569.90 for non-beneficiary counterpart. In terms of food intake, the pattern of expenditure shows again higher value figure of monthly per capita consumption expenditure for beneficiary (Rs.318.10) as compared to non-beneficiary (Rs.302.20).The pattern of expenditure distribution by broad commodity groups as food and non-food appear somewhat different across the beneficiary and non-beneficiary households. Although, the pattern shows a larger share of expenditure on food items in case of both beneficiary and non-beneficiary households, the observed behavioural tendency of non-beneficiary households has been to expend more on non-food items as compared those of beneficiary households. In case of non-beneficiary households, more consumption on non-food consumer goods involves greater sacrifice in food consumption as compared to beneficiary households. Notably, the estimates of consumption expenditure on non-food items for non-beneficiary households is 2.40 percent higher than implied in non-food expenditure of beneficiary households (table-3.4B). The item-wise distribution of monthly per capita consumption expenditure of households shows that food items together accounted for 54.40 percent of the total expenditure of beneficiary households with cereals alone accounting for 31.90 percent, rice (25.10 percent) being the major among cereals. The point to note is that comparatively the share of per capita monthly intake of food item is lower for non-beneficiary households (53.00 percent) with a little less consumption of cereals (31.60 percent) and accordingly more on non-cereals. With regard to the expenditure on non-food items, both the absolute level as well as the proportion of expenditure on each of the non-food items varied between the beneficiary and non-beneficiary households. In respect of all the items excluding education, the percentage shares of expenditure were higher for non-beneficiary households.

The monthly per capita consumption expenditure data (2004-05) furnished by NSS is also used for the sake of comparison. Evidently, NSS data on consumption expenditure are not in agreement with our survey data in respect of total monthly per capita consumption expenditure of households. The NSS figure of per capita monthly consumption expenditure is estimated at Rs. 657.90 (food and non-food) as against our estimate of Rs. 581.60 combining beneficiary and non-beneficiary households together. NSS estimate for cereal consumption is on the lower side by nearly 44.68 percent than the figure derived from our estimate. Both the beneficiary and non-beneficiary households ranked ahead of NSS estimate in respect of per capita cereals consumption of households. The monthly per capita consumption of milk and products, poultry meat and vegetables in 2004-05 as revealed by NSS is exceptionally above the estimate made in our enquiry. For these items, our estimates are 296.77 percent, 28.13 percent and 359.56 percent respectively less than those of the estimates revealed from NSS data. Notably, the differences are revealed in case of both beneficiary and non-beneficiary households. The monthly per capita consumption of sugar, pulses, spices and confectionary as obtained from NSS estimate is uniformly below the levels of our estimates. In respect of total expenditure on food items, the NSS estimate of Rs. 342.30 per capita per month is above the estimate of our enquiry of Rs. 314.80. Hence if we rely on the NSS estimate, it would appear that monthly per capita consumption expenditure on food items decreased by 8.74 percent during the period after 2004-05. The likely decrease in food intake as evidenced by our survey data is observed both for beneficiary and non-beneficiary households. However, NSS pattern of consumption expenditure shows relatively larger monthly per capita expenditure on non-food items (Rs. 315.60) compared to the corresponding estimate of our survey meant for both beneficiary (Rs. 266.50) and non-beneficiary (Rs. 267.70) households.

### 3.5: Variability (CV) and Gini ratios of income and consumption

There is considerable amount of variation across the households in the consumption of food and non-food items between beneficiary and non-beneficiary households and consequently in the per capita intake of food and non-food items in the consumption basket. Variation is measured by the technique of coefficient of variation as it is commonly used in empirical literature. It would be seen from table – 3.4B that in respect of per capita monthly consumption of food items, variation across the households is low (24.80 percent) for non-beneficiary households as compared to those of beneficiary households (27.00 percent). In respect of non-food items too, the variation is high (39.20 percent) in case of beneficiary households and is relatively small (33.70 percent) in case of non-beneficiary households. As a whole, beneficiary households exhibited high degree of variation in monthly per capita consumption expenditure in food and non-food items across the households in comparison with non-beneficiary households. Within the group of food items, variation in consumption expenditure across households is more observed in non-cereal items both in the case of beneficiary and non-beneficiary households with relatively higher degree of variation for the former group of households.

Table -3.5: Variability in consumption and income

Description	Sikkim		
	Beneficiary	Non beneficiary	Total
Average household Income during the reference year (Rs)	32425.9	35508.3	33042.4
Average household consumption during the reference year (Rs)	15001.1	15533.2	15107.6
Coefficient of variation in income across households	37.3	40.4	38.1
Coefficient of variation in consumption across households	38.4	32.8	37.2
Gini coefficient of income	0.19	0.21	0.20
Gini coefficient of consumption	0.20	0.18	0.20

Source: Field survey data

It is now intended to carry the analysis of disparities in living standards a bit further. The focus is on examining the inequality in income and consumption across the households categorized into beneficiary and non-beneficiary households. Of the several measures of inequality that have been used in empirical literature, the co-efficient of variation, the standard deviation of logarithms, the Gini co-efficient, have been the more favored ones. But since alternate income distributions are not similarly ranked by these measures their relative merits and demerits are widely discussed in the theoretical literature. For our purpose we intend to use co-efficient of variation as a measure of variability and Gini co-efficient (or the Lorenz Ratio as it is frequently called) as the measure of inequality. From the point of view of measuring inequality, the most satisfactory measure is the Gini Co-efficient or Lorenz Ratio (LR) which measures the extent to which the actual distribution deviates from a perfectly egalitarian distribution of consumption or income. The Gini co-efficient is widely used as a measure of inequality because the Gini Co-efficient comparisons are always conclusive, since, one real number must be greater than, equal to, or less than another. But what does it stand for? Higher the value of the Gini Co-efficient, higher is the inequality either in income or in consumption.

Estimates of the average household income and consumption during the reference year and their variation across the households in the category of both beneficiary and non-beneficiary households are presented in table–3.5. The estimates of the degree of inequalities (Gini Ratios) in income and consumption are also given in the same table. Broadly speaking, the average household consumption expenditure is lower than household income both for beneficiary and non-beneficiary households. There are however variations in income and consumption across the households as captured by the co-efficient of variation, the extent of variation being greater for non-beneficiary

households in income and lower in consumption. The table shows that higher household income is associated with higher degree of variance as happened in the case of non-beneficiary households. In contrast, beneficiary households with comparatively lower level of consumption are accompanied by higher variance and low level of variation in income. As between household income and consumption, the extent of variation tended to be lower in consumption than in income both in the case of beneficiary and non-beneficiary households.

The Gini ratio as a measure of inequality does not vary much between income and consumption. In fact, there are no major instances of savings or dissavings (transfer of income through loans) that could cause the measures of inequality for consumption and income to diverge. The degree of inequality both in income and consumption is low but somewhat varied across the beneficiary and non-beneficiary households. The Gini ratio shows relatively greater inequality in the income earned in case of non-beneficiary households which is indicative of the fact that non-beneficiaries have derived income from occupations diversified in nature. In contrast, beneficiary households through their participations in NREGA activities derived more or less same income and thus produced lower degree of inequality in income within the group of beneficiaries. This suggests that creation of employment opportunities under NREGA has provided an impact on relative poverty through reducing income inequality.

### 3.6: Determinants of participation in NREGA–functional analysis

In order to analyse the determinants of participation of members in NREGA, the Logit and Probit functions were used at the household as well as at the member level. In both the Logit and Probit regression models, dummy participation in NREGA (participation = 1, non-participation = 0), has been taken as dependent variable. Tables - 3.6.1 and 3.6.2 show the predictor variables (explanatory variables) used and significantly related to the dependent variable. The estimated results are similar for both the models in case of household and member levels analysis. Value of  $R^2$  is also found to be low in both cases.

Table- 3.6.1: Determinants of participation in NREGA at the household level (Logit and Probit function)

Dependent variable: dummy participation in NREGA (Participation = 1, Non-participation= 0)

Variable name	Logit function		Probit function	
	Coefficient	'Z' value	Coefficient	'Z' value
Employment other than NREGA	-0.0025861*	-2.15	-0.0015375*	-2.23
Household income other than NREGA	-0.0000209	-1.24	-0.0000108	-1.13
Household size	0.0128391	0.06	0.0053753	0.05
Land ownership dummy	0.7832826	1.13	0.4128525	1.08
Value of household asset	-0.00000501	-1.71	-0.00000288	-1.77
Dummy BPL card holding	2.017466*	3.86	1.157678*	3.86
Dummy SC	2.701574	1.64	1.394959	1.65
Dummy ST	3.22174*	2.47	1.755185*	2.67
Dummy OBC	2.414174	1.91	1.222214	1.95
Intercept	-1.083818	-0.69	-0.4234235	-0.52
Number of observations	200		200	
Pseudo $R^2$	0.3077		0.3141	
Log likelihood	-69.281938		-68.640622	
LR $\chi^2$ (9)	61.60		62.88	

Note: \*indicates significant at 5% level of significance

At the household level the predictor variables which were found significant are employment other than NREGA, dummy for BPL card holding and dummy for ST. Employment other than NREGA has a negative and significant coefficient implying that higher the involvement in activities other than NREGA, lower is the probability of participation in NREGA. The dummy for ST has a positive coefficient suggesting the STs



are more likely to participate in NREGA relative to others. The dummy for BPL card holding is positively related to the household's participation in NREGA and also turned out to be statistically significant. This suggests that larger the incidence of BPL card holders, higher the probability of participation in NREGA. The overall specification of the model is validated by the log likelihood based chi square test.

Table-3.6.2: Determinants of participation in NREGA at the member level (Logit and Probit function)

Dependent variable: dummy participation in NREGA (Participation = 1, Non-participation= 0)

Variable name	Logit function		Probit function	
	Coefficient	'Z' value	Coefficient	'Z' value
Age	0.0618644*	7.60	0.0294844*	7.37
Education	0.1817126	1.25	0.09681	1.18
Household size	-0.369583*	-4.06	-0.2066503*	-4.02
Dummy BPL card holding	0.208017	0.50	0.1329398	0.55
Dummy sex	0.5807665*	2.81	0.3357395*	2.82
Dummy SC	1.179119	0.98	0.688554	0.92
Dummy ST	1.254071	1.09	0.7270325	1.02
Dummy OBC	1.000908	0.88	0.5930908	0.84
Intercept	-1.549798	-1.15	-0.7578844	-0.92
Number of observations	615		615	
Pseudo R <sup>2</sup>	0.1395		0.1220	
Log likelihood	307.76289		-314.0292	
LR Chi <sup>2</sup> (8)	99.78		87.29	

Note: \*indicates significant at 5% level of significance

Member level Logit Probit estimates of regression coefficients are reported in Table -3.6.2. At the member level analysis the predictor variables included were age, education, household size, BPL card holding dummy, sex dummy, dummy for SC, dummy for ST and dummy for OBC. The results are similar for both the models. Among the predictor variables, the coefficients of level of education, household size and sex dummy turned out to be statistically significant. The level of education is positively related to NREGA participation. This implied that higher the level of education, higher the probability of participation in NREGA. Sex dummy is having positive impact on NREGA participation which suggested that males had significantly high probabilities of participation in NREGA. Household size has a negative coefficient suggesting that the larger the household size, the lower is the probability of participation in NREG. The log likelihood based chi-square test used for testing goodness of fit suggests that the model used is a good predictor model.

Overall, the Logit Probit analysis conducted at both household and member levels suggest that a set of socio-economic characteristics of households such as caste, sex, educational attainment, number of members in the household (household size) and employment other than NREGA explain the household's participation status (whether participating in NREGA or not).

The analysis has also been undertaken with the help of OLS (Ordinary Least Square) method. For OLS regression analysis at household level, number of days per household worked in NREGA is taken as the dependent variable. Among the explanatory variables, four are continuous variables and others are dummy variables. The continuous variables are employment other than NREGA (no of working days), household income other than NREGA (Rs per household), household size (number), household assets (Rs per household). The dummy variables are land holding dummy (have land = 1, otherwise = 0) BPL card holding (having BPL card = 1, otherwise = 0), schedule caste dummy (SC = 1, otherwise = 0), schedule tribe dummy (ST = 1, otherwise = 0), OBC dummy (OBC = 1, otherwise = 0). The results of the household level OLS estimates are presented in table -3.6.3.

At the household level table 3.6.3 it can be seen that the variables which are positively and significantly related to the dependent variable are dummy for BPL card holding and caste dummies for SC, ST and OBC. The positive coefficient for BPL card holding implied that holding of BPL cards influenced employment under NREGA. Caste dummies have positive coefficients suggesting that SC, ST and OBCs have more participation days in NREGA relative to other castes. The statistically significant variable, employment other than NREGA has negative influence on NREGA employment suggesting that households having employment other than NREGA are likely to have lesser NREGA working days relative to others.

Table-3.6.3: Determinants of participation in NREGA (household level OLS regression)  
Dependent variable: no of days per household worked in NREGA

Explanatory variables	Coefficient	Standard error of estimate	T value	Significant/insignificant
Intercept	0.271375	0.1728178	1.57	Insignificant
Employment other than NREGA (no of working days)	-0.0003473	0.0001518	-2.29	Significant
Household income other than NREGA (Rs.)	-0.0000034	0.00000227	-1.50	Insignificant
Household size	0.0114015	0.0223126	0.51	Insignificant
Land holding dummy	0.0936852	0.0794711	1.18	Insignificant
Value of household assets (Rs.)	-0.00000688	0.00000365	-1.88	Insignificant
Dummy for BPL card holding (Y=1, N=0)	0.3641976	0.0741119	4.91	Significant
Caste dummy for SC (Y=1, N=0)	0.430197	0.177398	2.43	Significant
Caste dummy for ST (Y=1, N=0)	0.4603595	0.1420096	3.24	Significant
Caste dummy for OBC (Y=1, N=0)	0.3863103	0.139773	2.76	Significant

R<sup>2</sup> = 0.3366 No of observations = 200  
F value 10.71 with 9 and 199 df.

Table-3.6.4: Determinants of participation in NREGA (member level OLS regression)  
Dependent variable: no of days per household worked in NREGA

Explanatory variables	Coefficient	Standard error of estimate	T value	Significant/insignificant
Intercept	0.2011546	0.2498934	0.80	Insignificant
Age in years	0.0102909	0.0012039	8.55	Significant
Level of Education	0.0390281	0.0241432	1.62	Insignificant
Household size (no)	-0.0630826	0.0145579	-4.33	Significant
Dummy for BPL card holding (Y=1, N=0)	0.044918	0.0701398	0.64	Insignificant
Sex dummy (male=1, female=0)	0.1048945	0.0341641	3.07	Significant
Dummy for SC (Y=1, N=0)	0.2253409	0.2284426	0.99	Insignificant
Dummy for ST (Y=1, N=0)	0.2466023	0.2201742	1.12	Insignificant
Dummy for OBC (Y=1, N=0)	0.2028719	0.2182388	0.93	Insignificant

R<sup>2</sup> = 0.1499 No of observations = 615  
F value 13.36 with 8 and 614df.

At the member level analysis (table-3.6.4), the explanatory variables included the continuous variables like age (in years), level of education, household size (number) and the dummy variables inclusive of dummy for BPL card holding, sex dummy, dummies for SC, ST and OBC. At the individual member level, the variables which were found to be statistically significant included age, household size, and sex dummy. Of them household size is found to statistically influence NREGA employment negatively suggesting that larger the household size, the lower is the NREGA participation days. The positive coefficient for age implied that aged persons participated more in NREGA employment. Sex dummy has positive coefficient suggesting that male members participated more in NREGA than females.

## **Chapter–IV**

### **Work Profile under NREGA, Wage Structure and Migration Issues**

The present chapter deals with the issues of wage structure and migration after presenting a work profile under NREGA. The examination of the issue of wage structure dealt with wage differentials under NREGA and its comparison with the minimum wage provided under the Statutory Minimum Wage Act. It also includes the analysis of wage differentials in different activities among beneficiaries and non-beneficiaries. One important issue involved in this context is the wage rate offered under the NREGA. Depending upon the prevailing wages within the village and the outside, the households would take decision regarding out-migration. Thus the issue of labour migration after the implementation of NREGA is also analyzed with reference to the data obtained from the sample districts.

#### **4.1: Work profile under NREGA**

The act provides that every rural household will be given 100 days of wage employment during a financial year. In order to get the employment, an applicant has to be registered who will be issued a Job Card. He has to apply for work and then it is the duty of the implementing agency to provide work to the applicant within 15 days from the receipt of the application. There is also a provision for unemployment allowance by the State Government in case the Government fails to provide work within 15 days of his application seeking employment. In the following section, work profile under NREGA is presented describing caste-wise data regarding number of members per household employed, number of days per household employed, wage rate obtained, average distance of work place from the residence and assets created under NREGA including their durability.

#### **4.2: How successful has been NREGA providing 100 day's employment (to the registered families at their door steps)**

As shown in table–4.1, the size of working members employed per household numbered 2.8 on an average in the state. Across the districts the number of workers per household employed in the NREGA works varied from 2.0 to 3.6. Households employing 2 workers are observed in the North District and 3.6 workers in the South District. Across the caste categories, greater size of worker employed under NREGA is located in case of scheduled caste households followed by schedule tribe and OBC households respectively.

Evidently, despite making provision of 100 days of employment in a financial year, it is seen that there have been a deviation in terms of actual employment generation. In terms of person days employed under NREGA works, the average number of person days employed per household was of the order of 81.2 days in the state. Person days employed per household was highest for scheduled tribe households (46.4 days) followed by OBC (29.7 days), scheduled caste (4.7 days) and General (0.4 day). The number of person days employed per household for women was about 37 days which remained well below their male counterpart (44 days).

The district wise figures for person days of employment per household are also summarized in table- 4.1 which shows considerable variation across the districts. Among the selected districts, North District in phase- I is showing the highest number of person days of employment (94.4 days per household) followed by west district in phase –III (85.3 days per household) and South and East Districts in phase-II (81.9 days and 63.1 days per household respectively). Caste wise, scheduled tribe households received highest employment in all the districts except West District. For scheduled tribe households,

Table-4.1: The work profile under NREGA (Reference period – Jan-Dec 2009)

Characteristics		East District	North District	South District	West District	Sikkim
No of members per hh employed during the year	Aggregate	2.4	2.0	3.6	3.2	2.8
	General	0.0	0.0	2.0	0.0	0.5
	SC	0.0	0.0	3.0	3.4	1.6
	ST	2.5	2.0	4.0	3.3	3.0
	OBC	2.4	2.0	2.7	3.2	2.6
	Women	1.2	1.2	1.6	1.5	1.4
	Men	1.2	0.8	2.0	1.7	1.4
No of days per hh employed during the year	Aggregate	63.1	94.4	81.9	85.3	81.2
	General	0.0	0.0	1.6	0.0	0.4
	SC	0.0	0.0	6.8	12.0	4.7
	ST	34.0	75.0	56.3	20.4	46.4
	OBC	29.1	19.4	17.3	53.0	29.7
	Women	30.5	48.3	33.2	36.9	37.2
	Men	32.6	46.1	48.7	48.4	44.0
% of hh employed 100 or more days		10.0	72.5	7.5	17.5	26.9
Wage rate obtained (Rs)	Aggregate	100.0	100.0	100.0	100.0	100.0
	General	100.0	100.0	100.0	100.0	100.0
	SC	100.0	100.0	100.0	100.0	100.0
	ST	100.0	100.0	100.0	100.0	100.0
	OBC	100.0	100.0	100.0	100.0	100.0
	Women	100.0	100.0	100.0	100.0	100.0
	Men	100.0	100.0	100.0	100.0	100.0
Average distance from residence where employed (Kms)		0.5	0.7	1.9	1.3	1.1

the North District recorded highest employment days (75 days) followed by South District (56.3 days), while the West District, phase- III district showed lowest employment days (20.4 days). Scheduled caste households received highest employment (12 days per household) in West District followed by South District (6.8 days per household) and in the other two districts no scheduled caste households received employment under NREGA in our sample. Other backward classes (OBCs) obtained highest employment in the West District (53 days per household) followed by East District (29 days per household) and North District (19.4 days per household). Thus given the fact that majority of the poor in our country are SCs, STs, or OBCs, the coverage in terms of employment provided per household is rather poor for SC although good for ST and OBC in the state. Despite making the provision of 100 days of employment in a financial year, households completing 100 days of work was 26.9 per cent in the state. However, district wise the proportion of households varied from 7.5 per cent in South Sikkim district (Phase-II district) to 72.5 per cent in North Sikkim district, (Phase-I district). It is observed that the wage rate obtained under NREGA by the beneficiaries was Rs. 100 per man-day irrespective of caste and gender.

The average distance of the work places from the residences of workers was found to be within 5 km. as provided under the Act. The average distance of work place from residence is on an average 1.1 km. The distance is relatively higher in South District (1.9 km.)

#### 4.3: Nature of assets created and their durability

Eight types of works are permitted to be carried out under the NREGA. There is however provision for undertaking any other new work, other than the permissible eight with the concurrence of the central ministry of rural development. Evidently, the works undertaken in the state across the districts are consistent with the types of works listed in the NREGA. The works undertaken consisted of (i) rural connectivity (ii) Flood control and protection and drought proofing. As observed in the study, overall in the state, the works undertaken mainly related to rural connectivity (50.6 per cent) followed by flood

control and protection (42.9 per cent) and drought proofing (6.4 per cent) (table - 4.2). However, there existed variation across the districts in respect of works undertaken under NREGA. Notably in all the districts of the state viz. East, North, South, and West equal importance was attached to rural connectivity, where almost half of the sample households were found to be employed in the activity. In the East District, majority of the households were employed in rural connectivity (50 per cent) followed by flood control and protection (25.00 per cent), and drought proofing activities (25.00 per cent). In North District equal importance was attached to rural connectivity and flood control and protection where 50 per cent of the households were found to be employed in each of the activities. In South District proportion of households employed accounted for the larger share in rural connectivity (52.1 per cent) followed by flood controlled and protection (47.9 per cent). In West District, priority was given to rural connectivity where 50.6 per cent of households were found to be employed and the next in importance was flood control and protection in which 49.4 per cent of households were employed.

One issue that needs attention is the quality of the assets created under NREGA works. In fact, quality works would ensure increase in land productivity as well as labour productivity. In this regard, the opinions received from the sample beneficiary households are summarized in table-4.2. Quality of the assets is ranked in the sequence of very good, good, bad and worst. Evidently, the majority of households in all the districts ranked 'very good' about the assets created under NREGA.

Table-4.2: The activity in which employed under NREGA and the quality of assets created

Characteristics		(Reference period – Jan-Dec 2009) (% of hh)				
		East District	North District	South District	West District	Sikkim
Name of the activity under which employed	1.Rural connectivity	50.0	50.0	52.1	50.6	50.6
	2.Flood control and protection	25.0	50.0	47.9	49.4	42.9
	3.Water conservation and water harvesting	0.0	0.0	0.0	0.0	0.0
	4.Drought proofing	25.0	0.0	0.0	0.0	6.4
	5.Micro irrigation works	-	-	-	-	-
	6.Provision of irrigation facility to land owned by (Panchayat)	-	-	-	-	-
	7.Renovation of traditional water bodies	-	-	-	-	-
	8.Land development	-	-	-	-	-
	9.Any other activity approved by the Min of Rural Development	-	-	-	-	-
Quality of the assets created through NREGA activities	1. Very good	100.0	100.0	67.5	57.5	81.3
	2. Good	0.0	0.0	30.0	37.5	16.9
	3. Bad	0.0	0.0	2.5	5.0	1.9
	4. Worst	0.0	0.0	0.0	0.0	0.0
Average unemployment allowance received by the household for not getting work under NREGA after registration (Rs per hh)		0.0	0.0	0.0	0.0	0.0

It has been specified in the Act that if the applicant seeking employment is not provided such employment within 15 days of his application he/she shall be entitled to receive a daily unemployment allowance which will be paid by the state government. As specified in the Act, the rate of unemployment allowance must be no less than one-fourth of the wage rate for the first thirty days, and not less than one-half of the wage rate after that. It has to be paid not later than fifteen days from the date on which it became due for payment. The present study however noticed that all the work-applicants were provided employment within 15 days of his /her application, and thus there was no question of paying unemployment allowance in the state.

#### 4.4: Wage differentials under NREGA and its comparison with minimum wage Act

According to NREGA Act, persons working under the scheme are entitled to receive the statutory minimum wage fixed by the state government applicable to agricultural workers in the state, unless the central government overrides this by notifying

a different wage rate. In Sikkim, the state government has fixed the minimum wage of Rs. 100.00 during the financial year 2008-09 which is same as of Rs. 100.00 in year 2009-10.

The primary data collected from the sample districts reveals that the wages received under NREGA scheme by the beneficiaries, irrespective of castes and sex, in all the districts of the state were the same as stipulated minimum wage of Rs. 100.00. However, NREGA wages were higher than market wages for agricultural workers in the state and this has led to distort the wage labour market by exerting upward pressure on market wages.

#### **4.5: Wage differentials in different activities, among beneficiaries and non-beneficiaries**

Wage rates accruing to different activities among workers in beneficiary and non-beneficiary households are presented in table-4.3. These data relate to the wage rate received by the workers. In rural India, with increasing casualisation of the workforce, the incidence of agricultural casual labour is increasing, majority of them coming from marginal land holdings households. On the other hand, with the diversification of activities, diversification of workforce into the non-agricultural sector is taking place in the rural labour market. The employment potentials created under NREGA has been the added dimension in the rural labour market creating upward pressure in agricultural wage rate. Thus both agricultural and non-agricultural wage rates of both males and females are presented in table- 4.3. Evidently, non- agricultural casual labour wage rates compares unfavorably to agricultural wage rates both for males and females. The ratio of non-agricultural to agricultural wage rates of both the males and females worked out to 1.12. Across the category of households, the ratio stood at 1.11 for male beneficiary and 1.14 for male non-beneficiary counterpart. In case of females' non-agriculture-agriculture wage ratio also varied across beneficiary and non-beneficiary households, the ratio being 1.11 for beneficiary and 1.13 for non-beneficiary households.

The gender issue has figured prominently in respect of receiving wage rate both in agricultural and non-agricultural activities. For agriculture operation on an average, female wage rate formed 86.38 per cent of male wage rate and the same for non-agricultural activities worked out to 88.20 per cent. Across the beneficiary and non-beneficiary categories of households gender difference is quite sharp for beneficiary household both for agricultural and non-agricultural activities. Evidently, there is no instance of migration in Sikkim. Under the NREGA, females are paid the same wage rates as males which stood at Rs. 100.00. It is also noticeable that NREGA wage rates are higher than market wage rates for agricultural and non-agricultural casual labour. This is especially noticeable in the case of females who are paid markedly lower market wage rates as compared to males in agricultural activities working as casual labourer. As a whole, gender disparity is noticed in respect of female-male wage ratio for agricultural and non-agricultural wages while under NREGA wage payments, gender disparity is totally removed.

Variations in wage rates in different activities across gender for beneficiary and non-beneficiary households are also presented in table-4.3. Variation is examined by calculating the co-efficient of variation (CV). Evidently, variation in agricultural wages appears to be comparatively lower than in the case of non-agricultural wages both for males and females. Across beneficiary and non-beneficiary households, the observed variation does not differ indicating higher variation in agricultural wages as compared to non-agricultural wages both for males and females. In respect of NREGA wage rates, the coefficient of variation is nil indicating no wage differential irrespective of their gender.

Table- 4.3: Wage differentials among different activities

Occupation		Sikkim					
		Beneficiaries		Non beneficiaries		Aggregate	
		Average	CV	Average	CV	Average	CV
Wage rate in agricultural casual labour (Rs)	Male	82.32	21.9	82.50	22.3	82.41	22.1
	Female	78.06	21.3	78.75	28.0	78.41	22.3
Wage rate in non agri casual labour (Rs)	Male	91.53	12.0	93.75	15.5	92.64	12.6
	Female	86.93	14.7	89.06	14.8	88.00	14.7
Wage rate in public work programmes (Rs)	Male	-	-	-	-	-	-
	Female	-	-	-	-	-	-
Wage rate earned by migrant workers (Rs)	Male	-	-	-	-	-	-
	Female	-	-	-	-	-	-
Wage rate under NREGA (Rs)	Male	100.00	0.0	0.00	0.0	100.00	0.0
	Female	100.00	0.0	0.00	0.0	100.00	0.0
Any other work (Rs)	Male	-	-	-	-	-	-
	Female	-	-	-	-	-	-

#### 4.6: How has NREGA affected labour migration (labour migrating back into village and migrated out of village), direction of migration (rural to urban and vice versa)

One major concern particularly, in rain-fed areas is distress-induced seasonal migration. NREGA scheme provides local opportunities for employment and thus workers do not need to migrate to other areas. Manual works provided under NREGA are thus expected to bring down the level of out-migration. As noted earlier, there was no instance of in-migration or out-migration in the state of Sikkim both before and after implementation of NREGA. Hence, the net effect of NREGA on migration is not visualised.

Table -4.4: The migration incidents recorded during the Reference period – Jan-Dec 2009

Characteristics		East District	North District	South District	West District	Sikkim
No of members migrated from the village because of not getting work under NREGA even after registration (per household)		0.0	0.0	0.0	0.0	0.0
No of out-migrated members returned back to village because of getting work in NREGA (per household)		0.0	0.0	0.0	0.0	0.0
In the case some members returned back to the village to work under NREGA where were they earlier working (% of returned members)	Nearby village	0.0	0.0	0.0	0.0	0.0
	Nearby town	0.0	0.0	0.0	0.0	0.0
	Same district	0.0	0.0	0.0	0.0	0.0
	Same state	0.0	0.0	0.0	0.0	0.0
	Other state	0.0	0.0	0.0	0.0	0.0
In the case some members returned back to the village to work under NREGA which activity earlier working in (% of returned members)	Other country	0.0	0.0	0.0	0.0	0.0
	Const/ manufacturing/mining	0.0	0.0	0.0	0.0	0.0
	Trading/services and transport	0.0	0.0	0.0	0.0	0.0
	Private work/self business	0.0	0.0	0.0	0.0	0.0
	Other government work	0.0	0.0	0.0	0.0	0.0
	Agriculture labour	0.0	0.0	0.0	0.0	0.0
Year in which shifted (% of shifted hh)	Any other	0.0	0.0	0.0	0.0	0.0
	Shifted last year	0.0	0.0	0.0	0.0	0.0
Is your family better off now compared to previous occupation (% of shifted hh)	Shifted before last year	0.0	0.0	0.0	0.0	0.0
		0.0	0.0	0.0	0.0	0.0

## Chapter-V

### The Functioning of NREGA–Qualitative Aspects

NREGA addressed many of the limitations and weaknesses of earlier wage-employment programmes through introducing several features in its design. The NREGA, being a demand-driven programme, if implemented properly, fund requirement of the programme while rising initially, will fall over time with the fall in demand for work on the part of labourers. Since its launch the programme has crossed a number of years and it is now high time to examine its performance. The present chapter deals with key issues of implementation and examine the performance of the programme based on the experiences of the participating households in the programme. In this chapter, after assessing households' asset position and borrowing, qualitative responses of the beneficiary households on some aspects of NREGA are presented and analyzed.

#### 5.1: Household assets holdings

The asset position of borrowing households is an important indicator of economic well-being of the household. Further, economic status of household is an important correlate of participation in NREGA. The value of assets owned by households is shown in table-5.1. It can be seen that item-wise as well as in the aggregate, assets per beneficiary household was substantially lower than that of non-beneficiary household. On the aggregate, total value of assets of non-beneficiary household (Rs.1,93,542.3) is higher by 1.36 times than that of beneficiary households (Rs.1,42,417.5 per household). This simply asserts that asset base and living standard of the non-beneficiary households is better than beneficiary households.

Table 5.1: Assets holdings (Rs per household)

Particular	Sikkim		
	Beneficiaries	Non beneficiaries	Aggregate
Land	69212.5	80472.2	71280.6
House Property	50200.0	62375.0	52635.0
Live stock	4323.5	6822.6	4744.6
Agricultural implements	783.0	935.0	813.1
Consumer assets	4445.9	8450.0	5250.8
Financial assets	2308.6	14531.3	5769.9
Ornaments	5361.7	14656.3	7993.8
Utensils	3368.8	4312.5	3557.5
Others	2413.4	987.5	2128.3
Total	142417.5	193542.3	154173.5

Among different types of assets, land property stood the highest for both beneficiary and non-beneficiary households. The value of land property per household was of the order of Rs.69,212.5 and Rs.80,472.2 for beneficiary and non-beneficiary households respectively. Thus non-beneficiary households possessed land 1.16 times higher than the corresponding figure of beneficiary households. Obviously, owing to substantially higher land-base, non-beneficiary households are found to have invested more on house property, consumer assets and ornaments. Further, owing to larger sized land holdings, non-beneficiary households invested more in agricultural implements and livestock as compared to beneficiary households. Overall, the comparison reveals that the beneficiary households are poorer than non-beneficiary households.



## 5.2: Household status on borrowings and their financial vulnerability

When income falls short of the requirement for meeting expenses like daily consumption need and certain other non-recurring expenses for social ceremony, purchase of land, livestock and other assets, consumer durables, construction of house, health treatment etc. households are compelled to borrow the required amount of money either from institutional or non-institutional sources.

### Household status on borrowings

The data relating to borrowing of sample households (source-wise and purpose-wise) are presented in table-5.2. The examination of borrowing data reveals that the average amount of loan availed by the non-beneficiary households (Rs.3887.5 per household) is higher than that of beneficiary households (Rs.1437.5 per household). It can be seen that for beneficiary households (table-5.2), the important source of loan is institutional loan (73.48 per cent) followed by friends and relatives (10.43 per cent). For those households, other important source is trader cum moneylender (8.26 per cent). In case of non-beneficiaries also the main source of loan is institutional loan (82.96 per cent) followed by commission agent (6.10 per cent) and friends and relatives (5.79 per cent) and trader cum moneylender (5.14 per cent). It is however revealing that the access to institutional loan is better for non-beneficiary households but have used multiple sources of loan, institutional loan being one of them.

Table – 5.2: Borrowings by sample households (Rs. Per household)

Source and purpose		Sikkim		
		Beneficiaries	Non beneficiaries	Aggregate
Source of loan	Institutional loan (banks)	1056.25	3225	1490
	Traders-cum-Money Lenders	118.75	200	135
	Commission Agent	56.25	237.5	92.5
	Landlord/Employer	56.25	0	45
	Friends/Relatives	150	225	165
	Others	0	0	0
	Total	1437.5	3887.5	1927.5
Purpose of loan	Daily consumption	143.75	387.50	192.50
	Social ceremony	150.00	200.00	160.00
	Purchase of land, livestock or other assets	475.00	1050.00	590.00
	Consumer durables	0.00	150.00	30.00
	Construction of house	356.25	100.00	305.00
	Health treatment	62.50	0.00	50.00
	Others	250.00	2000.00	600.00
	Total	1437.5	3887.5	1927.5
Rate of interest (percent per annum)		17.75	19.33	18.54

Purpose-wise examination of borrowing data reveals that beneficiary households borrowed 33.04 per cent of the total amount for the purpose of purchase of land, livestock and other assets, 24.78 per cent for the purpose of construction of house. For such households, it was 10.43 per cent of total amount borrowed for the purpose of meeting the expenses of social ceremonies. The most important purpose for taking loan is 'others' (51.45 per cent) for the non-beneficiary households. The amount borrowed for the purpose of investment i.e. purchase of assets is relatively higher for beneficiary households (33.04 per cent) than the non-beneficiary households (27.01 per cent).

The rate of interest which the beneficiary households had to pay is 17.75 per cent. Non-beneficiary households had to pay relatively higher rate of interest which amounts to 19.33 per cent. As the non-beneficiary households availed loan in the main from traders-cum-moneylenders, commission agents other than institutional sources, they had to pay higher rate of interest. In contrast as the beneficiary households, in major, obtained loans

from friends and relatives apart from institutional loan, the interest rate charged is reasonably low and hence they had to pay relatively lower interest rate.

### Household strength on borrowing and other household assets

The respondents were asked questions relating to availability of various formal and informal institutions including the existence of self-help-groups supplying credit to the respondent households. The respondents were also asked whether they are having account in bank/ post office, having ownership of bonds/ shares and having life insurance policy. The responses on these aspects are presented in table-5.3.

Table 5.3: Household strength on borrowing and other household assets(% of households)

Occupation	Sikkim		
	Beneficiaries	Non beneficiaries	Aggregate
Doing wage work to those whom they are indebted	0 (0.0)	1 (2.5)	1 (0.5)
Availability of co-operative credit society in village	60 (37.5)	15 (37.5)	75 (37.5)
Family member being member of such society	50 (31.3)	12 (30.0)	62 (31.0)
Availability of informal credit society/SHG in village	80 (50.0)	20 (50.0)	100 (50.0)
Family member being member of such society	29 (18.1)	8 (20.0)	37 (18.5)
Having account in a bank/post office/other institution	160 (100.0)	40 (100.0)	200 (100.0)
Having any stocks/bond/shares/other similar assets	0 (0.0)	12 (30.0)	12 (6.0)
Having life insurance policy	13 (8.1)	16 (40.0)	29 (14.5)
Total Household	160 (100.0)	40 (100.0)	200 (100.0)

Evidently, 37.5 per cent of households each in beneficiary and non-beneficiary groups have the facility of co-operative credit society in the village (table 5.3). The family members of 31.3 per cent beneficiary and 30.00 per cent of non-beneficiary households possess membership of the co-operative credit society. Many of the beneficiary (50 per cent) and non-beneficiary (50 per cent) households reported the existence of informal credit society/ self-help-groups (SHGs) in the village for availing credit facility. However, family members of 18.1 per cent beneficiary and 20 per cent non-beneficiary households possessed membership such credit societies/ SHGs. Having ownership of account in bank/ post office is reported by cent per cent beneficiary and non-beneficiary households. A total of 40 per cent of non-beneficiary households has life insurance policy as against 8.1 per cent of beneficiary households. It is however, unpleasant to note that in case of 2.5 per cent of non-beneficiary households, loans are repaid through rendering labour services as wage labour by their family members. The happy thing however is that this was not the case for beneficiary households.

### 5.3: Some qualitative aspects of NREGA

Here in this section attempt has been made to assess the performance of NREGA based on the responses received from the participants on various aspects of NREGA. The qualitative questions asked to the sample beneficiaries covered various issues of NREGA which included issuance of job cards, work applications, payment of wages, worksite facilities, monitoring of work, quality of assets created, labour migration, respondents'

awareness about NREGA implementation and impact of NREGA on food security. The answers to these questions are documented in table-5.4.

Table 5.4: Qualitative questions related to functioning of NREGA (Percentage of hh)

Description		Sikkim		
		Yes	No	Not sure
Job card issuance	Paid any fees/charges or bribe to get a job card	0 (0.0)	160 (100.0)	0 (0.0)
	The amount paid for job card (exorbitant)	0 (0.0)	0 (0.0)	0 (0.0)
	The amount paid as bribe (exorbitant)	0 (0.0)	0 (0.0)	0 (0.0)
Irregularity in the job card	No entries were made, even though the job card holder(s) had worked on NREGA	0 (0.0)	113 (70.6)	47 (29.4)
	Some entries were incomplete or missing or fake information was entered	0 (0.0)	113 (70.6)	47 (29.4)
	Some entries had been over-written	0 (0.0)	113 (70.6)	47 (29.4)
	The signature column was blank or partly blank	0 (0.0)	88 (55.0)	72 (45.0)
Where was the card generally kept	With the card holders	160 (100.0)	0 (0.0)	0 (0.0)
	With Sarpanch or Sachiv	0 (0.0)	0 (0.0)	0 (0.0)
	With contractor	0 (0.0)	0(0.0)	0 (0.0)
	With the gram rojgar sevak	0 (0.0)	0 (0.0)	0 (0.0)
	Elsewhere	0 (0.0)	0 (0.0)	0 (0.0)
Work application	Are you employed in response to an application for work	160 (100.0)	0(0.0)	0(0.0)
	If applied, did you get a dated receipt for the application	125 (78.1)	28 (17.5)	7 (4.4)
	If applied, did you get work within 15 days of application	136 (85.0)	24 (15.0)	0 (0.0)
	In case of failure to provide work within 15 days, is unemployment allowance paid	-	24 (100.0)	-
Payment of Wages	Are the wage rates same for men and women	160 (100.0)	0(0.0)	0(0.0)
	Wage rates higher for men	0 (0.0)	0 (0.0)	0 (0.0)
	Wage rates higher for women	0 (0.0)	0 (0.0)	0 (0.0)
	wage paid on "daily-wage" basis	160 (100.0)	0 (0.0)	0(0.0)
	wage paid on "piece-rate/task-wage" basis	0(0.0)	0 (0.0)	0 (0.0)
Measurement of work	Work was measured by individual's work	0(0.0)	0 (0.0)	0 (0.0)
	Work was measured by team measurement	0(0.0)	0 (0.0)	0 (0.0)
	Work was measured by collective measurement	160 (100.0)	0 (0.0)	0 (0.0)
Period of wage payment	Wages were paid within a fortnight	117 (73.1)	0 (0.0)	0 (0.0)
	Wages were paid within a month	43 (26.9)	0 (0.0)	0 (0.0)
	Wages were paid more than a month	0 (0.0)	0 (0.0)	0 (0.0)
	Wages were paid after one year	0 (0.0)	0 (0.0)	0 (0.0)
Who made the wage payment	Sarpanch or Sachiv	0 (0.0)	0 (0.0)	0 (0.0)
	Post Office	120 (75.0)	0 (0.0)	0 (0.0)
	Bank	40 (25.0)	0 (0.0)	0 (0.0)
	Representative of line department	0(0.0)	0 (0.0)	0 (0.0)
	Other government official or any other	0 (0.0)	0 (0.0)	0 (0.0)
In case wage payment made in the bank	Bank account was on self's name	0 (0.0)	0 (0.0)	0 (0.0)
	Spouse's name	0 (0.0)	0 (0.0)	0 (0.0)
	Parent's name	0 (0.0)	0 (0.0)	0 (0.0)
	Children's name	0 (0.0)	0 (0.0)	0 (0.0)
	Others	0 (0.0)	0 (0.0)	0 (0.0)
	Individual account	40 (100.0)	0 (0.0)	0 (0.0)
	Joint account	0 (0.0)	0 (0.0)	0 (0.0)
	Did bank follow usual procedure of banking	40 (100.0)	0 (0.0)	0 (0.0)
In case wages were not paid through bank	Wages paid in front of all labourers	40 (33.0)	80 (67.0)	0 (0.0)
	Wages paid on the worksite	0 (0.0)	0 (0.0)	0 (0.0)
	Wages paid in Panchayat Bhawan	0 (0.0)	0 (0.0)	0 (0.0)
	Wages paid on other public/private place	0 (0.0)	0 (0.0)	0 (0.0)
	Wages paid on some one's private residence	0 (0.0)	0 (0.0)	0 (0.0)

Contd.....

Contd.....Table 5.4: Qualitative questions related to functioning of NREGA

(Percentage of hh)

Description		Sikkim		
		Yes	No	Not sure
Complaints regarding wage payment	There were delays in wage payments	24 (15.0)	136 (85.0)	0 (0.0)
	Wage paid less than the minimum wage	0 (0.0)	160 (100.0)	0 (0.0)
	Wage paid less than asked for sign/thumb impression	0 (0.0)	160 (100.0)	0 (0.0)
	Task was too much compared to the wages paid	0 (0.0)	160 (100.0)	0 (0.0)
	Faced problems in accessing post office/bank accounts	104 (65.0)	52 (32.5)	4 (2.5)
	On what basis wages were calculated not clear	40 (25.0)	120 (75.0)	0 (0.0)
	Others	0 (0.0)	0 (0.0)	0 (0.0)
Details of worksite facilities	A Board/GP member gave details of the sanctioned amount, work dimensions and other requisite details	160 (100.0)	0 (0.0)	0 (0.0)
	The worksite had drinking water facility	80 (50.0)	80 (50.0)	0 (0.0)
	Worksite had shade for periods of rest	80 (50.0)	80 (50.0)	0 (0.0)
	Worksite had child care facility	80 (50.0)	80 (50.0)	0 (0.0)
	Worksite had first aid kit/medicines	80 (50.0)	80 (50.0)	0 (0.0)
Monitoring	Was there any authority to monitor the functioning of the NREGA administration	160 (100.0)	0 (0.0)	0 (0.0)
	Any complaint lodged relating to worksite etc., to the Gram Panchayat, Programme Officer or other officials	0 (0.0)	160 (100.0)	0 (0.0)
	If yes, was any action taken on your complaint	0 (0.0)	0 (0.0)	0 (0.0)
Economic usefulness of the work	Work is very useful to the villagers	121 (75.6)	3 (1.9)	2 (1.3)
	Work is quite useful to the villagers	30 (18.8)	0 (0.0)	0 (0.0)
	Work is not particularly useful to the villagers	4 (2.5)	0 (0.0)	0 (0.0)
	Work is useless for the villagers	0 (0.0)	0 (0.0)	0 (0.0)
Nature of assets and their durability in which the interviewee involved	The structure created may last up to one year	40 (25.0)	0 (0.0)	0 (0.0)
	The structure created may last up to five year	24 (15.0)	0 (0.0)	0 (0.0)
	The structure created may last up to ten year	55 (34.4)	0 (0.0)	0 (0.0)
	The structure created may last more than ten year	41 (25.6)	0 (0.0)	0 (0.0)
	Is it worth creating the structure	160 (100.0)	0 (0.0)	0 (0.0)
	Was the structure created adequate	116 (72.5)	44 (27.5)	0 (0.0)
	No, structure needed more attention to be able to last long	40 (25.0)	120 (75.0)	0 (0.0)
How has NREGA affected labour migration	Did any your family members migrated out for job after implementation of NAREGA (year 2005 onwards)	0 (0.0)	160 (100.0)	0 (0.0)
	If yes, only one member of the family migrated	0 (0.0)	0 (0.0)	0 (0.0)
	More than one member of the family migrated	0 (0.0)	0 (0.0)	0 (0.0)
	Are wages higher in city or other states than NREGA	160 (100.0)	0 (0.0)	0 (0.0)
	Any family members migrated back to village to work under NREGA	0 (0.0)	0 (0.0)	0 (0.0)
	If yes, only one member of the family migrated back	0 (0.0)	0 (0.0)	0 (0.0)
	More than one member of the family migrated back	0 (0.0)	0 (0.0)	0 (0.0)
	Any family member migrated as wage labourer with dissatisfaction from NREGA	0 (0.0)	160 (100.0)	0 (0.0)
	If yes, only one member of the family migrated	0 (0.0)	0 (0.0)	0 (0.0)
More than one member of the family migrated	0 (0.0)	0 (0.0)	0 (0.0)	
Respondents' awareness about NREGA implementation	Are respondent aware about NREGA implementation	160 (100.0)	0 (0.0)	0 (0.0)
	Right to apply for work and get employed within 15 days	89 (55.6)	49 (30.6)	22 (13.8)
	The work application procedure	91 (56.9)	41 (25.6)	28 (17.5)
	Right to minimum wages	91 (56.9)	41 (25.6)	28 (17.5)
	The level of minimum wages	91 (56.9)	41 (25.6)	28 (17.5)
	The wage calculation method	46 (28.8)	70 (43.8)	44 (27.5)
	Right to the unemployment allowance	57 (35.6)	49 (30.6)	54 (33.8)
	Minimum worksite facilities (drinking water, first aid,)	75 (46.9)	46 (28.8)	39 (24.4)
	Mandatory availability of muster rolls at the worksite	75 (46.9)	46 (28.8)	39 (24.4)
	The list of permissible works under the NREGA	96 (60.0)	34 (21.3)	30 (18.8)

Contd.....

Contd.....Table 5.4: Qualitative questions related to functioning of NREGA

(Percentage of hh)

Description		Sikkim		
		Yes	No	Not sure
Potential benefits of NREGA	NREGA enhanced food security	126 (78.8)	15 (9.4)	19 (11.9)
	NREGA provided protection against extreme poverty	132 (82.5)	13 (8.1)	15 (9.4)
	NREGA helped to reduce distress migration	0 (0.0)	0 (0.0)	0 (0.0)
	NREGA helped to reduce indebtedness	131(81.9)	11 (6.9)	18 (11.3)
	NREGA gave greater economic independence to women	120 (75.0)	9 (5.6)	31 (19.4)
	NREGA generated purchasing power at local economy	114 (71.3)	8 (5.0)	38 (23.8)
Questions related to food security	Did your family get full two meals throughout year 2009	112 (70.0)	48 (30.0)	0 (0.0)
	Family did not get sufficient food for one month	2 (4.17)	0 (0.0)	0 (0.0)
	Family did not get sufficient food for two month	46 (95.83)	0 (0.0)	0 (0.0)
	Family did not get sufficient food for above two month	0 (0.0)	0 (0.0)	0 (0.0)
	How did you cope with the situation – take loan	16 (33.3)	0 (0.0)	0 (0.0)
	Catch fish/rat/crab etc	0 (0.0)	0 (0.0)	0 (0.0)
	Near/sometime starvation/take meal only once	27 (56.3)	0 (0.0)	0 (0.0)
	Begging	5 (10.4)	0 (0.0)	0 (0.0)
Any other	0 (0.0)	0 (0.0)	0 (0.0)	

### 5.3.1: Job card issues and work applications

As per the guidelines, it is the duty of the Gram Panchayet to issue job card with photograph to every registered household free of cost. The job card ensures that workers are in possession of written record of the number of days they have worked, wages paid, unemployment allowances received and so on. The job card is valid for a period of five years and it will be kept in the custody of the household to whom it is issued. In response to the questions related to the issuance of job cards, cent per cent of the households reported that they had not paid any fees or bribes for getting job card. Majority of the households (70.6 per cent) reported no irregularity in the job card in entries of work done and in putting signature of the concerned authorities (55.0 per cent). Some of the households however informed that they are not sure about of the correctness of the entries made in the job card and whether the signature was put in. It is worth-mentioning that cent per cent of the sample beneficiary households kept their job cards with the holder themselves (table-5.4).

Under the Act, there is a provision to submit written application demanding employment generally to the Gram Panchayet stating the registration number of job card, the date from which employment is required and the number of days of employment required. The concerned authority will issue a dated receipt for the application for work. Employment is supposed to be provided within 15 days of application; otherwise, daily unemployment allowance is to be paid by the concerned authority at the rate prescribed in the Act. In response to the questions related to work application, cent per cent of the respondents reported that they got employed in response to application for work. Out of those who applied, only 78.1 per cent got a dated receipt for the application and 85.00 per cent got employment under NREGA within the stipulated time period of 15 days of application. Thus as per provision in the Act, unemployment allowance became due for payment to 15.00 per cent of households. Notably, all these (15.00 per cent of households) did not get any unemployment allowance.

### 5.3.2: Payment of wages and related issues

In respect of payment of wages under NREGA, men and women are entitled to receive the same wages. In fact, any form of gender discrimination is prohibited under the NREGA. Based on the information received from the sample participant households, no gender bias is noted in the responses of all households (cent per cent). With regard to the mode of wage payment, cent per cent of the sample households reported that wages were paid on daily wage basis (table-5.4).

The measurement of works carried out under NREGA is done on individual, team and collective basis. In the state of Sikkim, cent per cent of the households reported that their works were collectively measured. The Act provides that wages are to be paid on time; disbursement of wages to workers has to be done on weekly basis and not beyond fortnight from the date on which work was done. In our survey data, 73.10 per cent of the total sample beneficiary households received wage payment within the stipulated time – within a fortnight and the rest 26.9 per cent were paid wages within a month. As an effective check against the embezzlement of NREGA wages and to prevent defrauding of workers, the government has shifted from cash to bank/ post office payments of wages. In our survey data, the responses of households show that the NREGA wage payments have been made either through banks (25.00 per cent) or through post offices (75.00 per cent). In case of wage payment made in the bank, cent per cent of the accounts were ‘individual account’ (for each NREGA labourer). All households unanimously reported that banks followed the usual banking procedure. In case wages were not paid through banks but through post offices, 33 per cent of the beneficiary respondents reported that wages were paid in front of all labourers and the majority (67 per cent) reported that wages were not paid in front of all labourers (table-5.4).

There was no complaints regarding wage payments except the delay in wage payments (15.00 per cent) and facing difficulties in accessing the bank or post office accounts (65.00 per cent). Some of the beneficiaries respondents (25 per cent) expressed that it was not clear on what basis wages were calculated (table-5.4).

### **5.3.3: Worksite facilities and economic usefulness of the work**

As per the NREGA, it is mandatory to provide the basic facilities at the worksite inclusive of safe drinking water, shade for children and for periods of rest, first-aid box with medicines for emergency treatment. In case of facilities at the worksite, 50 percent of the households reported drinking water facility. Shade for periods of rest and first-aid kit/ medicines were the facilities available as reported by 50 per cent of the beneficiaries. The availability of child care facility was reported by 50 per cent of sample households (table-5.4).

In respect of economic usefulness of the works executed under NREGA, the majority of the responses showed that work is very useful to the villagers. The majority of households constituting 75.6 per cent believed that works were very useful to the villagers. Another 18.80 per cent of households considered works quite useful. In sum, majority expressed satisfaction about usefulness of works, although some of the households (2.5 per cent) questioned about the usefulness of works (table-5.4).

All the respondents unanimously reported that Gram Panchayet member gave details of the sanctioned amount, work dimensions and other details about the works.

### **5.3.4: Monitoring of the work**

In response to the questions relating to monitoring of NREGA works, the sample households unanimously (cent per cent) reported that the concerned officials made frequent visits at the worksite and monitored the execution of works. No one lodged complaint relating to implementation and functioning of NREGA (table-5.4).

### **5.3.5: Nature of assets created and their durability**

With regard to the durability of assets created under NREGA, mixed responses were received. Some of the households (34.4 per cent) reported that the quality of structures created was good and these would last up to 10 years. About 25.6 per cent of households perceived that the quality of created structures was so good that they could last more than 10 years. About 15 per cent of households were of the view that assets

created under NREGA could last up to 5 years. About 25 per cent of the households reported that the structures created would last up to one year. Hence, these structures require timely repairs and maintenance to be capable of lasting more and generating expected benefits (table-5.4).

### **5.3.6: Labour migration and NREGA**

One of the objectives of NREGA is to arrest out-migration of rural labour households who go outside villages in search of employment. In order to know the impact of NREGA on rural labour migration, related data were collected from the sample beneficiary households. It was revealed from the responses that after implementation of NREGA, there was no instance of out-migration or in-migration. Thus, in the state, the impact of NREGA on labour migration is positive in the sense that NREGA has succeeded in arresting the occurrence of out-migration (table-5.4).

### **5.3.7: Respondents' awareness about NREGA implementation**

Awareness about NREGA among people in all its aspects is an important ingredient for success of NREGA. However the responses received from the sample households in the sample villages show that although, all the people were aware about the implementation of NREGA, many of them were not aware about the specific aspects of NREGA, specifically right based aspects such as right to apply for work and get employed within 15 days, minimum wages, wages calculation method, unemployment allowance, minimum worksite facilities, mandatory availability of muster rolls at the worksite and the list of permissible works under NREGA. About 56.9 per cent of the households had knowledge about work application procedure while 55.6 per cent of households were aware that they should be provided employment within 15 days and in rest of the cases they were either totally unaware or unsure about their legal right to get employment within 15 days. A total of 56.9 per cent of beneficiary households reported that they had knowledge about right to minimum wages and the level of minimum wages. About 71.3 per cent of the respondents reported to be either unaware or unsure about the wage calculation method. About 35.6 per cent of the households were aware about the provision of unemployment allowance. About 46.9 per cent of households were found aware about the provision of minimum worksite facilities. Reportedly, about 53.2 per cent of households were either unaware or unsure about mandatory availability of muster rolls at the worksite and about 40.1 per cent of households were unaware about the list of permissible works under the NREGA (table-5.4).

### **5.3.8: Potential benefits of NREGA**

The implementation of NREGA is expected to bring many changes in various aspects such as enhancement of food security, providing protection against extreme poverty, reducing distress migration, reducing indebtedness, providing greater economic independence to women and above all, creating purchasing power at local economy. Beneficiaries were asked to put their observations on these aspects. The responses in major, show that the implementation NREGA has enhanced food security (78.8 per cent), provided protection against extreme poverty (82.5 percent), helped to reduce indebtedness (81.9 percent), created purchasing power of local economy (71.3 per cent) and gave greater economic independence to women (75.0 per cent) (table-5.4).

### **5.3.9: NREGA and food security**

NREGA through generating incremental income is expected to bring about changes in the food security situation at least making available the minimum quantity of food for the entire members of the family. Evidently, 70 per cent of households reported

that they got full two meals throughout the year 2009 while the rest 30 per cent of households did not get full two meals throughout the same year. Out of the households who are not having full two meals, 4.17 per cent did not get sufficient food for one month, 95.83 per cent for two months. To cope with the worsening situation of food security, some of the households (33.3 per cent) suffering from food security took loans from different sources whereas many of the households (56.3 per cent) reduced food consumption taking meal only once a day and about 10.4 per cent of households resorted to begging. However, although some of the households reported worsening situation of food security even after the introduction of NREGA, the overall impact NREGA on food security is positive as it has improved the food security for majority of households. In the context of ensuring food security, the potential benefit of NREGA might have been greater if households are provided with full one hundred days of employment during the financial year.

#### **5.4: Quantitative information related to NREGA functioning**

In implementing National Rural Employment Guarantee Scheme, the implementing agency must follow the procedures laid down in the National Rural Employment Guarantee Act. In the scheme, there is a provision to issue job card affixed photograph thereon free of cost. Further, job card must be in the custody of the job-card holder. Apart from planning, the programme officer is supposed to monitor the implementation of works sanctioned, ensure that wages are paid on time, deal with any complaints that may arise, enforce all the transparency provision and so on. Table-5.5 brings out some details about the functioning of NREGA. In response to questions regarding payment of fees and bribes for getting job card, all sample households unanimously (100 per cent) reported that they got job card free of cost and not paid any amount either as fees or bribes. Asked whether the job card is with the card holder, all households reported that they have kept job card with them. In respect of monitoring of the functioning of NREGA, all the sample households reported that the concerned authority is rural management and development department, Govt. of Sikkim who monitored the NREGA activity (table-5.5).

The Act includes grievance redressal mechanism for ensuring responsive implementation process. The Act provides that person registering the grievance is to be given a receipt with number and date. However, as per the opinions of the surveyed households, no written complaint is lodged regarding any aspect of the implementation of the scheme (table-5.5).

As far as the type of work undertaken is concerned, rural connectivity singly constituted the major (50.6 per cent) activity among all works undertaken under the scheme. Among other works, flood control and protection is the major (42.9 per cent) followed by drought proofing (6.5 per cent) (table-5.5).

As regards starting dates of works (table-5.5) all beneficiary households reported that NREGA works were undertaken in two phases. The 1<sup>st</sup> phase of works started from 2<sup>nd</sup> week of January and continued till 1<sup>st</sup> week of May and in the 2<sup>nd</sup> phase, the works started from September and continued till mid December in 2009. Thus the responses show that work plan designed under the programme did not coincide with agricultural operations during kharif but coincided with rabi season exerting upward pressure on agriculture wages during rabi season. With regard to migration, there is no instance of out-migration or in-migration.



Table 5.5: Quantitative questions related to NREGA functioning (Percentage of hh)

Q1.	If you paid some amount to get job card: how much for job card and how much bribe.
Answer	No, any kind of bribe was not paid. – 100%
Q.2	If the job card is not kept with you, what is the reason for that?
Answer	Job cards are kept with themselves only. 100%
Q.3	If there is any authority who monitors the functioning of NREGA then describe the details?
Answer	The monitoring authority for functioning NREGA in Sikkim is (Rural Management and Development Department ) 100%
Q.4	If you lodged any complaints give details and also provide details of what action was taken
Answer	No complaint was lodged. 100%
Q.5	Provide description of the work and its starting date?
Answer	Rural connectivity -50.6%, Flood control and protection- 42.9%, Drought proofing-6.5% . Generally the works started from 2 <sup>nd</sup> week of January and continued till 1 <sup>st</sup> week of may in first phase. In second phase the works resumed again from September and continued till mid December in 2009.
Q.6	Provide details of family members migrated to city after implementation of NREGA and why?
Answer	There is no instance of migration to city in Sikkim.
Q.7	Provide details of family members migrated back to village to work in NREGA and why?
Answer	There is no instance of migrating back to village in Sikkim.
Q.8	Provide details of family members migrated to city after implementation of NREGA and why?
Answer	Not applicable
Q.9	Provide details of family members migrated to city with dissatisfaction of NREGA and why?
Answer	Not applicable

Note: This table is only indicative and the answers are presented in percentage terms

### 5.5: Some qualitative questions related to food security

The implementation of NREGA is expected to protect rural households from poverty and hunger. It is a great privilege particularly for those who live on the margin of subsistence. However, despite implementation of NREGA there were a number of

Table 5.6: Quantitative questions related to food security (percentage of hh)

Q1.	Do you feel that your family does not have sufficient food for the whole of year give reasons
Answer	Yes - 70.00%, No - 30.00%, Not sure – 0.00%, Lack of work/ job opportunity-100%, Low income/ low purchasing power-100%.
Q.2	Have you faced any deprivations other than food insufficiency? If yes, explain
Answer	No deprivation reported.
Q.3	What were the main difficulties you and your family faced during the last year?
Answer	The main difficulties faced during the last year were the following : Price hike – 35.16%, Limited employment opportunity-27.85%, Low wage rate in works other than under NREGA-6.85%,No Problem – 30.14%
Q.4	What is the most important thing your household lacks
Answer	Sufficient food-71.8%, Sufficient Job-28.2%
Q.5	. What is the suggestion for amelioration
Answer	Government assistance 45.5%, More than 100 days work for hill region 54.5%
Q.6	Any suggestions to improve NREGA functioning
Answer	To increase worksite facility 24.4%, proper monitoring 32.5%, immediate wage payment after the end of a day's work 25.6% and not reported 17.5%.

Note: This table is only indicative and the answers are presented in percentage terms

beneficiaries who continue to face difficulties in the form of food insecurity. Table – 5.6 presents responses relating to the issue of food security. As regards food insufficiency, 70.0 per cent of responding households reported that they do not have sufficient food in their families for the whole of the year. Reportedly, lack of work/ job opportunity coupled with low income/ low purchasing power were the primary reasons for food insufficiency. In respect of deprivations faced other than food insufficiency, none reported that they were facing any deprivations other than food insufficiency. When they were asked about the main difficulties which they and their families faced during last year (2009), 35.16 per

cent of the respondents replied that price hike posed a major problem in the previous year. About 27.85 per cent of beneficiary households replied that limited employment opportunity was the main problem which they faced during the last year (table-5.6). Reportedly, low wage rate in works other than NREGA was the main problem faced by about 6.85 per cent of beneficiary households.

The beneficiary households were asked about the most important thing which they lacked. A total of 71.8 per cent households reported that they did not have sufficient food. In response to the question, 28.2 per cent households replied that they lacked adequate job/work. Suggestions were invited from the respondents for amelioration. Majority of the respondents (54.5 per cent) suggested that their difficulties could be eased if the job opportunity is created/ increased more than 100 days of work under NREGA. Another 45.5 per cent of households feel that government assistance is needed. Suggestions were invited from the beneficiary households for improving functioning of NREGA. Nearly, 24.4 per cent of households suggested the need for increasing work site facilities under NREGA (table-5.6). About 25.6 per cent of households suggested for making arrangement for immediate wage payment at the end of the day's work. About 32.5 per cent of households emphasized the need for proper monitoring of the execution of works in the context of improving functioning of NREGA.

## **Chapter–VI**

### **NREGA Impact on Village Economy**

One of the objectives of the NREGA is to enhance livelihood security of households living in the villages. The act also seeks to strengthen the natural resource base of rural livelihood and create durable assets in rural areas. Overall NREGA has the potential to transform the geography of poverty in the villages. In the present study, in addition to household questionnaire, a village schedule is canvassed in order to capture the general changes that have taken place in the village during the last decade and to take note of increase in labour wages for agricultural operations after the implementation of NREGA. The village schedule also contained qualitative questions related to change in life style of the villagers taking place particularly after the implementation on NREGA. Based on village-level data collected from 8 villages in Sikkim this chapter intends to document the changes in the status of village economy including the livelihood status of the villages. It studies the infrastructure available in the villages, changing occupational structure in the village, changes in wage rates for agricultural operations and other changes in the villages including the living standard of the villagers.

#### **6.1: Infrastructure available in the village**

Infrastructure plays the key role in the development process. In an agrarian economy, it promotes agricultural development which in turn exerts influence on the growth of agricultural activities creating the avenues for employment. Good infrastructural facilities not only ensure smooth flow of inputs and outputs but also facilitate higher accessibilities to knowledge. Within the group of infrastructures, accessibility to all weather roads is crucial which link rural with urban areas. We now pass on to examine the infrastructural facilities available in the sample villages.

Infrastructurally, all the sample villages have a fairly accessible road connection. Villages are however not having railway connectivity within the village but connected by the same at a distance of about 112.3 kms from the village. All the villages enjoy landline or mobile connectivity facility mostly within the village. In about 75 percent of the sample villages post office exists within the village while for another 25 percent of the villages post office is located at a distance of 15.5 kms. Co-operative credit societies exist within the village in all the villages studied. (table-6.1).

With regard to the existence of banking service facilities available in the sample villages, evidently in spite of having a wide network of rural financial institutions in India, the sample villages in Sikkim are in a advantageous position covered by Regional Rural Bank network or Commercial Bank network enjoying facilities within the village. For all the sample villages, RRB's network is located at an average distance of 12.9 kms, while commercial banking network facilities are available at the average distance of 13.5 kms from the location of the institution. Other important infrastructure includes marketing facilities of agricultural produce which would strengthen the foundation of agriculture and thus influences generating employment avenues in rural areas. Education is the crucial indicator of village infrastructure. Regarding the institutional basis of education in the village, there is one primary school in every village among the sample villages studied while for 7 villages, out of a total of 8 primary school exist within the village. Secondary schools are located within the village in 75 percent of the villages. In 37.5 percent of the villages, higher secondary schools are located within the village and for other villages (62.5 percent), the average distance from the location of Higher Secondary School is 15.4 kms.

Table-6.1: Infrastructure available within the village (percentage of villages)

Item	Sikkim			
	No of villages reporting within village	No of villages reporting nearest village	If nearest village, average distance (kms)	Total no of villages
Road connectivity	7 (87.5)	1 (12.5)	45.0	8 (100.0)
Railway connectivity	0 (0.0)	8 (100.0)	112.3	8 (100.0)
Landline or mobile connectivity	7 (87.5)	1 (12.5)	30.0	8 (100.0)
Post Office	6 (75.0)	2 (25.0)	15.5	8 (100.0)
Co-operative credit society	8 (100.0)	0 (0.0)	0.0	8 (100.0)
Regional Rural Bank	0 (0.0)	8 (100.0)	12.9	8 (100.0)
Commercial Bank	0 (0.0)	8 (100.0)	13.5	8 (100.0)
Agricultural Produce Market	5 (62.5)	3 (37.5)	21.7	8 (100.0)
Self Help Group Centre	5 (62.5)	3 (37.5)	19.0	8 (100.0)
School Primary	7 (87.5)	1 (12.5)	0.5	8 (100.0)
School Secondary	6 (75.0)	2 (25.0)	16.5	8 (100.0)
School Higher Secondary	3 (37.5)	5 (62.5)	15.4	8 (100.0)
Primary Health Centre	5 (62.5)	3 (37.5)	18.0	8 (100.0)
Hospital/Dispensary	4 (50.0)	4 (50.0)	16.3	8 (100.0)
Gram Panchayat Office	4 (50.0)	4 (50.0)	9.6	8 (100.0)
Fair Price Shop	7 (87.5)	1 (12.5)	30.0	8 (100.0)
Any other	0 (0.0)	0 (0.0)	0	8 (0.0)

Note: Figures in brackets indicate percentages

In the field of health centre facilities, primary health centre existed within the village in 62.5 percent of sample villages while for another 37.5 percent of villages, primary health centre is located of a distance of 18 kms. Hospital is located at a distance of about 16.3 kms from the villages in case of 50 percent of sample villages. Under the Panchayati Raj System of administration, gram panchayat office is situated within the village in 50 percent of villages while for other 50 per cent of villages, the distance of villages from the gram panchayat office works out to 9.6 kms. Fair price shop/ration shop existed within the village in 87.5 percent of villages and for other 12.5 percent of villages the nearest fair price shop is at larger average distance of 30 kms.

## 6.2: Changes in occupational structure in the selected villages

This section is devoted to the discussion of the changes in occupational structure that have taken place between two counts, one in 2001 and another in 2009. An occupation group-wise study shows that occupational structure has undergone changes during the period. Changes have occurred at many points, though few of them are significant.

An important aspect of occupational shift has been the decline in the proportion of households engaged in cultivation of land. It has got reduced from 51.3 percent in 2001 to 48.5 percent in 2009. There is a definite tendency among them to move on to non-agricultural occupations viz household small industry, transport & communications and other services. The pattern of distribution did not undergo notable change in favour of agricultural labour. The proportion in this occupation increased from 36.1 in 2001 to 36.4 percent in 2009. The influx into manufacturing other than household small industry group was to increase its proportion from 0.4 percent to 0.5 percent. The influx into trade, commerce and business causing to increase its proportion from 4.6 per cent in 2001 to 5.2 per cent in 2009 is also noteworthy. Influx is also noted in respect of households engaged in construction from 1.8 per cent to 2.7 per cent (Table-6.2). In case of transport and communication, the influx is such as to increase its share from 2.6 per cent in 2001 to 3.00 per cent in 2009. The observed changes in the occupational structure in the sample villages owing to introduction of NREGA have been broadly similar to the one arrived at based on population census data. As one would expect, we have a continuation of the long term trend of a decline in the share of ‘agriculture’ as observed from the evidence of decline in the share of cultivators in the occupational groups. The secondary sector covering household manufacturing and construction raised their share. Overall, the share of services viz. transport and other services went up albeit small.

Table-6.2: Occupational structure (% of households)

Occupation	Sikkim	
	Reference period	
	2009	2001
1. Cultivators	442 (48.5)	394 (51.3)
2. Agricultural Labour	332 (36.4)	277 (36.1)
3. Household Small Industry	18 (2.0)	14 (1.8)
4. Other Manufacturing./mining	5 (0.5)	3 (0.4)
5. Construction	25 (2.7)	14 (1.8)
6. Trade, Commerce and Business	47 (5.2)	35 (4.6)
7. Transport and Communication	27 (3.0)	20 (2.6)
8. Other Services	22 (2.4)	13 (1.7)
9. Total	912 (100.0)	768 (100.0)

Note: Figures in brackets indicate percentages

### 6.3: How has NREGA affected wage rates in the selected villages

Due to the implementation of NREGA there has been sharp increase in the wage rates during our reference periods pertaining to the years 2005 and 2009. The year 2005 refers to the period before the implementation of NREGA while the year 2009 relates the period after the implementation of NREGA. Work provision under NREGA enhances the purchasing power of households through the wage channel. This could affect rural wages in general and agricultural operations in particular. In the present study we find that both male and female wages have gone up after the implementation of NREGA (table-6.3).

The wage disparity between male and female persisted both in agricultural and non-agricultural works, even after the introduction of NREGA. The prevailing wage received by male agricultural workers prior to the introduction of NREGA was Rs.55.00 which increased to 85.00 after the introduction of NREGA implying that wage rate increased by 54.55 percent during the reference period. The rate of increase of wages for female agricultural workers was of the order of 60.00 percent from Rs. 50.00 to Rs. 80.00 during the same period. In general non-agricultural wages was higher than agricultural wages both for males and females. Here again, there have been noticeable increase in wage rates both for males and females during the reference period. As compared to the minimum wage fixed by the government, the level of nominal daily wage of male agricultural workers in 2009 was below the minimum wage. For male agricultural workers it was Rs. 85.00 as against the minimum wage of Rs.100.00 stipulated for unskilled agricultural workers as on 2008-09. In the case of wages of female agricultural workers, the situation was more dismal. The daily wages of female agricultural workers were below the minimum wage in 2009. For females it was Rs. 80.00 per day as against the stipulated minimum wage of Rs. 100.00

Table-6.3: Wage rates for different activities (average of all villages) (Rs.0.00)

Activity	Sikkim						
	Reference period (2009)		Before NREGA (2005)		Percentage increase/decrease in 2009 over 2005		
	Male	Female	Male	Female	Male	Female	
Prevailing Agricultural Wages	85.00	80.00	55.00	50.00	54.55	60.00	
Prevailing Non Agricultural Wages	202.50	145.00	132.50	110.00	52.83	31.82	
Construction	216.25	161.25	156.25	130.00	38.40	24.04	
Mining	100.00	75.00	75.00	50.00	33.33	50.00	
Other skilled work	Electrician	231.25	146.25	153.75	50.41	50.41	48.10
	Plumber	218.75	187.50	167.50	30.60	30.60	31.58
	Pump-set boring	93.75	70.00	70.00	33.93	33.93	33.33

#### 6.4: How has NREGA affected changes in wage rates for agricultural operations

In the earlier paragraphs the level of agricultural and non-agricultural wages across sexes both before and after the introduction of NREGA are analyzed. In this section, we intend to examine the changes in agricultural wages in various agricultural operations occurred during the period between pre and post introduction of NREGA. Agricultural operation-wise wage rates for the select years, viz. 2001, 2005 and 2009 are presented in table – 6.4. The comparative time periods before the implementation of NREGA pertaining to the years 2001 and 2005 while the year 2009 refers to the time period after the introduction of NREGA. Evidently, in the state, there was a rising trend in the wage rates uniformly for all the agricultural operations between 2001 and 2005, that is, during the pre-introduction period of NREGA. After the introduction of NREGA, there was a sharp increase in the wage rates again uniformly for all the agricultural operations of principal crops viz. paddy, wheat, maize, potato etc.. Notably, the gap in the wages in the post NREGA period between 2005 and 2009 appeared to have widened as compared to the pre NREGA period between 2001 and 2005. The rate of increase in wages was uniform across the all agricultural operations and across crops. It was 25.69 per cent between 2001 and 2005 while it was 59.13 per cent between 2005 and 2009. In short, using the comparable years 2005 and 2009, with the implementation of NREGA, wages in various agricultural operations have gone up at the rate of 59.13 per cent. Obviously, higher agricultural wages rates with the commencement of NREGA works have adversely

affected cost of cultivation of crops to the extent of rise in wages in various agricultural operations.

Table-6.4: Prevailing labour charges for agricultural operations (average of all villages)  
(Rs/day)

Activity	Sikkim					
	Reference period	Before NREGA		Percentage increase/decrease in wages		
	2009	2005	2001	2005 over 2001	2009 over 2005	
Ploughing	92.50	58.13	46.25	25.69	59.13	
Levelling	92.50	58.13	46.25	25.69	59.13	
Weeding	92.50	58.13	46.25	25.69	59.13	
Paddy transplanting	92.50	58.13	46.25	25.69	59.13	
Harvesting of wheat	92.50	58.13	46.25	25.69	59.13	
Harvesting of paddy	92.50	58.13	46.25	25.69	59.13	
Harvesting of grams	92.50	58.13	46.25	25.69	59.13	
Harvesting of pigeon pea	92.50	58.13	46.25	25.69	59.13	
Harvesting of ragi	-	-	-	-	-	
Harvesting of jowar	-	-	-	-	-	
Harvesting of maize	92.50	58.13	46.25	25.69	59.13	
Cane-cutting	92.50	58.13	46.25	25.69	59.13	
Harvesting other crops	Califlower	92.50	58.13	46.25	25.69	59.13
	Cabbage	92.50	58.13	46.25	25.69	59.13
Digging of potatoes	92.50	58.13	46.25	25.69	59.13	
Threshing of paddy	92.50	58.13	46.25	25.69	59.13	
Threshing of wheat	92.50	58.13	46.25	25.69	59.13	
Winnowing of wheat/paddy	92.50	58.13	46.25	25.69	59.13	

### 6.5: Various changes in the village economy after implementation of NREGA

Implementation of NREGA is expected to bring about various changes in the village economy. The Act provides strong social safety net for the vulnerable group through the process of providing a legal guarantee of 100 days wage employment on works that address causes of chronic poverty such as draught, deforestation and soil erosion. The Act thus seeks to enhance livelihood security in rural areas through strengthening the natural resource base of rural livelihood and creating durable assets. The Act is also likely to lead to a substantial reduction of rural-urban migration. NREGA thus if effectively implemented has the potential to transform the geography of poverty. The present section deals with qualitative information on changes in various aspects of village economy as experienced by the village households after the introduction of NREGA. These are produced in tables-6.5 and 6.6.

As revealed from table-6.5, a good majority of households (75.00 per cent) reported that there has been shortage of agricultural wage labour at some point of time during last year. The shortage of agricultural wage labour varied over the months of the year (table-6.6). Last year the shortage of wage labour was mostly felt in the months of July and August as reported by 75.00 per cent of households. A total of 50.00 per cent of households reported labour shortage during the month of January and 37.50 per cent of households experienced shortage of agricultural wage labour during the month of December. Nearly 25.00 per cent of households reported labour shortage in the month of June (Table 6.6).

Table-6.5: Qualitative questions on changes in the villages during last one year  
(% of hh)

Description	Yes	No	Not sure
Was there shortage of agricultural wage labour at some point during last year	75.0	25.0	0.0
After implementation of NREGA has there been a shortage of agriculture labour	75.0	25.0	0.0
After implementation of NREGA the cost of production in agriculture increased because of scarcity of labour	100.0	0.0	0.0
Cost increased by 10 percent	12.5	0.0	0.0
Cost increased by 20 percent	25.0	0.0	0.0
Cost increased by 20 to 50 percent	62.5	0.0	0.0
Cost increased by 50 to 75 percent	0.0	0.0	0.0
Cost increased by 100 percent	0.0	0.0	0.0
Cost increased by more than 100 percent	0.0	0.0	0.0
After implementation of NREGA labour who migrated earlier to town/city are coming back to work in the village	0.0	100.0	0.0
More labour is migrating from the village as wage rate in the town is higher than wage rate under NREGA or other activities in the village	0.0	100.0	0.0
Some labour has come back to work in NREGA but others are moving to the town/city because of wage differential	-	-	-
There is no change in labour migration by NREGA activities	100.0	0.0	0.0
After NREGA change in wages of casual labourers has increased	100.0	0.0	0.0
After NREGA change in wages of casual labourers has decreased	0.0	100.0	0.0
After NREGA change in wages of casual labourers remained same	0.0	0.0	0.0
The trend of people living in village and going to work outside daily has increased	0.0	100.0	0.0
The trend of people living in village and going to work outside for longer period has increased	0.0	100.0	0.0
Has living standard improved in your village since the introduction of NREGA	100.0	0.0	0.0
After NREGA have you witnessed increase in household consumption in village	100.0	0.0	0.0
After NREGA have you witnessed more children are now going to the school	100.0	0.0	0.0
After NREGA, have you witnessed change in trend of attached labour in agriculture	12.5	87.5	0.0
After NREGA, have villagers' awareness towards Government Schemes increased	100.0	0.0	0.0



Table-6.6: Quantitative questions about the functioning of NREGA

	Description	Percentage of households reporting 'yes'
Q.1	Was there a shortage of agricultural wage labour at some point during last year? If so in which months?	75.0
Ans.	Shortage of agricultural wage labour during the month of	
a.	January	50.0
b.	June	25.0
c.	July	75.0
d.	August	75.0
e.	December	37.5
Q.2	After implementation of NREGA has there been a shortage of agriculture labour? If yes in which years/months?	75.0
Ans.	Shortage of agricultural labour during the month of	
a.	March	12.5
b.	July	62.5
c.	August	62.5
Q.3	Give details of change in wages of casual labour during the last 5 years after NREGA	
Ans.	Wages of casual labour increased	100.0
a.	Due to shortage of labour	31.5
b.	Due to higher wage rate in NREGA activities	65.0
c.	Increased job opportunities among the casual labourers in different sectors	35.5
Q.4	In what way the standard of living improved in your village since the introduction of NREGA?	
	The standard of living improved through:	
a.	improvement of food, clothing and housing condition due to extra earning through NREGA activities,	50.0
b.	increase expenditure on education,	25.8
c.	increase in daily consumption	50.2
d.	increase in medical expenses,	28.6
e.	consumption of consumer- durables.	37.4
Q.5	In what way the household consumption improved in your village since the introduction of NREGA	
Ans.	Household consumption improved in:	
a.	getting full two meals in a day	15.0
b.	increase in protein intake	45.6
c.	increased in expenditure on food , cloths, health care	56.7
Q.6	In what way NREGA has impacted the children education	
Ans.	NREGA beneficiaries are able to spend more money on children's education	88.00
Q.7	In what way NREGA has impacted the trends of attached labour in agriculture	
Ans.	No attached labour in agriculture was there after and before implementation of NREGA	100.00
Q.8	In what way NREGA has improved villagers' awareness towards Government Schemes	
Ans.	Awareness towards Government Schemes has increased through:	
a.	Gramshova	32.00
b.	Radio	10.00
c.	Television	23.00
d.	Awareness camp	27.00
e.	Hoardings and others	08.00
Q.9	Your suggestions to improve the implementation of NREGA for the benefits of both labourers as well cultivators?	
Ans.	Improvement in the implementation of NREGA is suggested as:	
a.	Opinion of local people along with GPU members should be considered for the preparation of local action plan for NREGA	68.5
b.	Labour payment should be made entirely through banks	12.4
c.	NREGA works need to be carried out over entire year	56.3
d.	'100 days work/year' limits should be enhanced	48.2
e.	Payment of wages should be regular and better if paid immediately after completion of a day's work.	26.4
f.	Wage rate should be hiked up for hill region where cost of living is more than in the plains.	30.1

After implementation of NREGA, the same proportion of households (75.00 per cent) reported that there has been a shortage of agricultural labour. Responses show varying degrees of shortage of agricultural labour over the months (table-6.6). Notably after implementation of NREGA, shortage of agricultural labour is largely confined in the months of July, Aug as reported by 62.50 per cent of households. Some of the households (12.50 per cent) reported labour shortage in the month of March.

Labour cost being the important component of cost of production, all households unanimously (cent per cent) reported that cost of production in agriculture increased because of scarcity of labour. Regarding the magnitude of increase in cost of production, majority of households (62.50 per cent) believed that cost of production increased at the

rate of 20 - 50 per cent while 25.00 per cent households reported that cost of production recorded an increase of 20 per cent. The remaining 12.50 per cent replied that cost of production increased by 10 per cent (table-6.5).

One of the important goals of NREGA is to reduce rural-urban migration. On the questions relating to migration, cent per cent of households believed that there has been no change in labour migration by NREGA activities (Table 6.5).

All households unanimously reported that wages of casual labourers have increased after implementation of NREGA (table-6.5). As shown in table-6.6, the reasons cited are shortage of labour availability caused by NREGA (31.50 per cent), higher wage rate in NREGA activities compared to other activities in the village (65.00 per cent), increased job opportunities due to the introduction of NREGA (35.50 per cent).

All households unanimously pointed out that after introduction of NREGA there has been no change in the trend of people living in village and going to work outside daily or to go to work outside daily for longer period (table-6.5).

NREGA is expected to bring about changes in the standard of living of village people. In this regard, all respondents feel that living standard in general improved after the introduction of NREGA. The responses show that due to incremental income obtained from NREGA activities, household consumption is increased (table 6.5). Households were able to spend more on food, clothing, housing and education and thus improvement in the living standard after the introduction of NREGA (table 6.6). After introduction of NREGA, household daily consumption is increased as reported by 50.20 per cent of households. About 28.60 per cent of households reported improvement in health treatment condition through increased medical expenses (table 6.6). Notably in the education front more children are going to school after NREGA implementation as reported by cent per cent of the beneficiaries (table 6.5).

All households held the view that after the introduction of NREGA, they have witnessed increase in household consumption (table-6.5). The good impact is also noticed in the education front where cent per cent of households experienced schooling of more children after introduction of NREGA. As shown in table-6.6, improvement in household consumption was recorded in terms of access to full two meals (15.00 per cent), increased protein intake (45.60 per cent) and improved condition of food, clothing and health treatment (56.70 per cent). In the education front, about 88.00 per cent of households reported that they are investing more money on children's education due to extra income earned from NREGA (table 6.6). Villagers were asked whether the incidence of attached labour in agriculture had increased. Cent per cent of the respondents reported that there was no change in the trend of attached labour in agriculture (table-6.5). According to them there was no attached labour even before the implementation of NREGA (table 6.6).

The beneficial impact of NREGA is largely noticed in creating awareness about government schemes among the villagers. All the respondents (cent per cent) unanimously reported that after the introduction of NREGA, villagers' awareness towards government schemes have increased (table-6.5). Nearly 32.00 per cent of households reported that awareness about different government schemes is created through Gram Sabha (table-6.6). Awareness camp organized by Block-level officers also enhanced the level of awareness among people in villages about government schemes as reported by 27.00 per cent of households. Radio and television also played important role in making the villagers well informed about the government schemes as reported by 10.00 per cent and 23.00 per cent of beneficiaries respectively.

Village households were asked to offer suggestions for improvement of NREGA implementation in the interest of benefits accruable to both labourers as well as cultivators. Village households offered their suggestions mainly in three important aspects of NREGA for improvement of NREGA functioning. Firstly, as reported by 68.50 per

cent of households, action plan of NREGA works should be worked out on the basis of opinion/perception of local people. Secondly, according to the opinion of 56.30 per cent households, NREGA works should be made available throughout the year and thirdly, 100 days work limit should be enhanced under NREGA as reported by 48.20 per cent of households. If the work is continuously available in the villages for longer periods, the labourers can afford the delay in wage payment depending on lump sum amount of wages which they receive after every few days. About 26.40 per cent of households reported that payment of wages should be at the close of the day's work. Among others, some of the village respondents (30.10 per cent) suggested hike in wage rates under NREGA as compared to the same in the plains, while some others (12.40 per cent) suggested wage payments entirely through banks.

## **Chapter–VII**

### **Concluding Remarks and Policy Suggestions**

#### **7.1: Background**

Since Independence the country's strength is derived from the achievements of planning. The policies and programmes have been designed with the aim of alleviation of rural poverty which has been one of the primary objectives of planned development in India. The frontal attack on poverty was pursued in three successive phases. In the first phase, lasting from the beginning of the 1950s till the end of the 1960s, the major emphasis was on land reforms viz. abolition of functionless intermediaries; tenancy reforms culminating in the principle of 'land to the tiller'; imposition of ceilings on large holdings and re-distribution of ceiling surplus land among the landless agricultural labourers and marginal farmers. By the late 1960s the second phase of the Poverty Alleviation Programme (PAP) started with measures that promised to address directly and exclusively the poor in rural areas. This target group oriented approach started with the programme for backward regions graduated to the programme for the development of small and marginal farmers, land less labourers, etc and finally culminated in the Integrated Rural Development Programme and National Rural Employment Programme. Serious efforts for poverty alleviation were initiated only during this phase. The distinguishing feature of the poverty alleviation programme during this phase was the emphasis on creating employment opportunities and distributing renewable assets among the poor. This was in sharp contrast to the intentions in the earlier phase i.e. redistributing existing, non-renewable assets. In the third - the latest phase starting from the beginning of the 1990s, emphasis has shifted to measures aimed at accelerating economic growth and on creating an environment for ensuring a 'spread effect'. The dominant thought is to create more wealth and to enable the poor to benefit from the secondary effects of growth which it is presumed will percolate down and reach the poor. Thus the relative emphasis placed on poverty alleviation programmes has shifted from structural interventions to a target - group oriented approach, to market oriented policies. All the states in India more or less have acted in all these phases.

Unemployment, a perennial problem of the Indian economy has become sharply accentuated in the recent years. But employment programmes were not perceived as major instrument of poverty alleviation until the beginning of the 1980s in most states of the country. They were expanded in the sixth plan period with the introduction of the National Rural Employment Programme (NREP) and the Rural Landless Employment Guarantee Programme (RLEGP). Subsequently, some other public employment programmes were adopted viz. Jawahar Rozgar Yojana (JRY), Employment Assurance Scheme (EAS), Sampoorna Grameen Rozgar Yojana (SGRY), National Food For Work Programme (NFFWP). The programmes were targeted at the poor and were generally identified with poverty alleviation programmes. Such programmes were treated as schemes which did not involve any legal entitlements. By contrast, the National Rural Employment Guarantee Act, 2005 provides employment opportunities of rural labourers as a matter of right.

National Rural Employment Guarantee Act (NREGA) was passed in the year 2005. The ongoing programmes of Sampoorna Grameen Rozgar Yojana and National Food for Work Programme were subsumed within this programme in the 200 of the most backward districts of the country. The act was enacted to enhance livelihood security in rural areas by providing 100 days of guaranteed wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work. In the past, wage employment programmes targeted at the poor are generally identified with poverty alleviation programmes. Such programmes treated as schemes have failed to

bring any security in people's lives. Often people were not even aware of them. The NREGA goes beyond poverty alleviation and recognizes employment as a legal right. It is a step towards legal enforcement of the right to work, as an aspect of the fundamental right to live with dignity.

The work guarantee under NREGA is limited to 100 days per household per year. One hundred days of guaranteed employment is not a great privilege but it would matter for those who live on the margin of subsistence. Among the potential benefits of NREGA, firstly, the Act would help to protect rural households from poverty and hunger. Secondly, the Act is likely to lead to a substantial reduction of rural-urban migration. That is, if work is available in the village, many families will stay in the village instead of heading for the towns or cities. Thirdly, the employment guarantee Act is an opportunity to create useful durable assets in rural areas which would strengthen the livelihood resource base of the rural poor. Fourthly, guaranteed employment can be a major source of empowerment for women through providing them economic independence. Lastly, but not the least, guaranteed employment is likely to act as a means of strengthening the bargaining power of un-organized workers resulting in a change of power equations in the rural society.

In India, NREGA was implemented in three phases: I Phase – notified 200 districts with effect from February 2<sup>nd</sup> 2006. II Phase – extended to 130 districts in the financial year 2007-08 (113 districts from April 1<sup>st</sup> 2007 and 17 districts of UP were notified with effect from May 15<sup>th</sup> 2007). III Phase – remaining districts in all the States/UTs were notified from April 1<sup>st</sup> 2008. In the state of Sikkim, NREGA became operational from February 2006. The scheme had been introduced in phases. Initially, in the first phase, the scheme was introduced in north Sikkim. In the second phase, from 1<sup>st</sup> April 2007 two more districts namely, East and South Sikkim districts were brought under its coverage. One more district viz. West Sikkim was added in the third phase from 1<sup>st</sup> April 2008. Thus the scheme is operational in all districts of the state of Sikkim w.e.f. 1<sup>st</sup> April 2008.

There have been a dearth of studies designed to assess the performance of National Rural Employment Scheme ever since the Act came into force in the country (Ambasta,P,et.al,2008,Gopal,2009, Jha,et.al.2008, Mehrotra,2008, Chakraborty,2007). While some studies have drawn attention to huge leakage in the implementation of the scheme, namely inflated or fake muster roll entries, embezzlement of funds, non-payment of minimum wages, delayed wage payments beyond the stipulated period of 15 days, non-payment of unemployment allowance, irregularities in conduct of social audit etc., others are not that critical, rather have been hopeful recognizing that the programme effectiveness will increase with experience. With the guarantee of demand-driven fund allocation, NREGA scheme opens up tremendous possibilities of creating a livelihood resource base of the rural poor. The scheme has high expectations in terms of employment generation, alleviation of poverty, food security, halting migration and overall rural development. As the scheme is in its initial stages, there is a need for the study to evaluate the performance of the scheme for its impact on rural poor. Based on this background, the present study is undertaken in the state of Sikkim with the following objectives:

## **7.2: Main Objectives of the Study**

To measure the extent of manpower employment generated under NREGA, their various socio-economic characteristics and gender variability in all the districts implementing NREGA since its inception in the state.

To compare wage differentials between NREGA activities and other wage employment activities.

- To examine the effect of NREGA on the pattern of migration from rural to urban areas.
- To find out the nature of assets created under NREGA and their durability.
- To identify the factors determining the participation of people in NREGA scheme and to see whether NREGA has been successful in ensuring better food security to the beneficiaries.
- To assess the implementation of NREGA, its functioning and to suggest suitable policy measures to further strengthen the programme.

### **7.3: Data Base and Methodology**

The study is based on both primary and secondary data. The state of Sikkim is divided administratively into four districts viz. North Sikkim, East Sikkim, South Sikkim and West Sikkim districts with districts headquarters at Mangan, Gangtok, Namchi and Gyalsing respectively. Thus primary data is collected from four districts of the state of Sikkim namely North Sikkim, East Sikkim, South Sikkim and West Sikkim districts. From each district, two villages are selected keeping into account their distance from the main city/town. One village is selected from the nearby periphery of around 5 kilometers of the district/city head-quarters and the second district is selected from a farthest location of 20 kilometers or more than that. From each selected village, primary survey is carried out on 20 participants in NREGA and 5 non-participants working as wage employed. In this fashion, from the state 8 villages are selected and total number of 200 households are surveyed in detail with the help of structured household questionnaire. For selecting participant households, a list of all beneficiaries (participants) in the village is obtained from the Gram Panchayat in the village along with the information of caste factor of the workers. After getting the list, a Stratified Random Sampling Method is adopted for selection of the participant households giving proportionate representation to the Caste, i.e. (i) Schedule Caste (ii) Schedule Tribe (iii) Other Backward Caste (iv) Forward Castes (others). A due representation is also given to the gender factor. For the selection of non-participants, no such list is available. Therefore, criterion for selecting non-participant households is that these households are not participating in NREGA but constitute the similar caste and gender characteristics as that of selected participant households. While the data is collected through questionnaires, the collected data is analyzed through performing tabular analysis. Suitable statistical techniques are also employed in analyzing data.

In addition to household questionnaire, a Village Schedule is canvassed in order to capture the general changes that have taken place in the village during the last decade and to take note of increase in labour charges for agricultural operations after the implementation of NREGA. The village schedule also contained qualitative questions related to change in life style of the villagers taking place during the last one decade. One village schedule in each village is filled up with the help of a Group Discussion with the Panchayat Members, Officials, educated and other well informed people available in the village being surveyed.

### **7.4: Major findings**

#### **Analysis based on secondary data**

#### **7.4.1: Total Employment Generated - Their Socio-Economic Characteristics:**

In order to examine the functioning of NREGA, secondary data is obtained from the official website of NREGA ([www.nrega.nic.in](http://www.nrega.nic.in)). Data used in the study relate to the years 2009-10 and 2010-11.

Primarily the implementation of NREGA can be evaluated in terms of jobs demanded and provided. The official data in this connection show that during the financial year 2010-11 a cumulative total of 52,082 households demanded employment and among them 50,615 households (97.2 percent), were provided wage employment under the scheme in the state. The performance shown in terms of jobs demanded and provided has varied from 94.5 percent in phase 1 district to 98.9 percent in phase 3 district in 2010-11. In fact in terms of jobs demanded and provided, phase 1 and phase 2 districts which have more experience, of running the programme have lagged behind the phase 3 district in 2010-11 which do not show any variation in the year 2009-10 providing jobs to the extent of cent percent households in repose to demand during the year.

In terms of person days of employment generated under the scheme, the state of Sikkim generated a cumulative total of 29.96 lakh person days during the financial year 2010-11 under NREGA out of which 1.32 lakh person days (4.4 percent) has been for scheduled caste, 11.80 lakh days (39.4 percent) for schedule tribe and the rest 16.84 lakh days (56.2 percent) for people belonging to other castes. The act mandates that at least one-third of the workers should be women. Notably, in the state of Sikkim, 13.45 lakh days of employment were generated for women during the financial year 2010-11 which imply that women obtained 44.9 percent of the wage opportunities with their male counterpart getting the remaining 55.1 percent. The Act places no restriction on how each household's quota of 100 days is shared within the household, means that there is ample scope for women's participation in NREGA works.

Importantly, there is a consistent increase in total person days generated in all the districts of Sikkim in 2010-11 compared to the year 2009-10.

The state of Sikkim as a whole had generated 15.65 lakh person days in 2009-10 and made significant improvement in the following year 2010-11 creating 29.97 lakh person days. In respect of person days of employment generated per household (by those households who demanded work), the state of Sikkim shows 58 person days of work had been generated during the financial year 2010-11 which was 44 days in 2009-10 (Table-2.1b). Across the districts, in terms of average person days generated per household, North Sikkim district stood first (64 days) and East Sikkim district stood last (50 days) among the 4 districts in Sikkim during the year 2010-11. Phase 3 district called west Sikkim obtained employment to the tune of 60 days during the year. The year 2009-10 however, experienced relatively less employment generated under NREGA, whereas average person days generated for the state as a whole during the year was 44 days, the range of employment being varied from 30-58 days across the districts.

The primary objective of the scheme is to provide 100 days guaranteed wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work. The quota of 100 days per household per year can be shared between adult members of the household provided their combined days of employment do not exceed 100 days in the financial year. However, despite making provision of 100 days of employment in a financial year, there has been wide deviation in term of actual employment generation in all the districts of the state. Among the four districts, North Sikkim, phase 1 district, provided largest number of households (27.7 percent of households who got employment) with full 100 days of employment in the year 2010-11 followed by South Sikkim district (18.6 percent), West Sikkim district (16.2 percent) and East Sikkim district (6.7 percent). During the period between 2009-10 and 2010-11, households completing 100 days of work in the state was highest in 2010-11 when the figure was 7950 (15.7 percent of households who got employment) as against the figure of 2753 (7.8 percent of households who got employment) in 2009-10. That the actual

employment generation is much below than 100 days in a year has been experienced by all the districts in the state.

#### **7.4.2: Number of projects completed and total amount spent**

The works carried out under the scheme suggested that a total of 252 works in different work categories have been accomplished during the financial year 2010-11 in the state. The corresponding figure was 101 for the year 2009-10. The works undertaken and completed during the financial year 2010-11 indicated that drought proofing accorded top priority which accounted for the maximum share (44.8 per cent) in total number works completed during the year. The next in importance was the emphasis on rural connectivity which constituted 17.9 percent of total works accomplished during the year. Other works included land development (13.9 per cent), flood control (11.5 per cent) and micro irrigation (9.5 per cent). Across the districts, all the works undertaken in north Sikkim, phase 1 district during the year 2010-11 are on-going projects. Among other districts drought proofing was given utmost priority (60.6 per cent) in phase 2 districts followed by rural connectivity (11.9 per cent) and micro irrigation (11.3 per cent). In phase 3 district called west Sikkim district, rural connectivity (28.3 per cent), land development (22.8 per cent), flood control (19.6 per cent) drought proofing (17.4 per cent) constituted the major share of works undertaken and completed during the year 2010-11. Thus in Sikkim works under NREGA mainly concentrated on drought proofing, rural connectivity, land development and flood control in order of importance. During the year 2009-10 works undertaken and completed included drought proofing (34.7 per cent), rural connectivity (27.7 per cent) and land development (21.8 per cent) in order of importance. Across the districts, North Sikkim district accorded top priority in rural connectivity works followed by land development. Phase 2 districts accorded top priority on drought proofing followed by rural connectivity. In contrast in phase 3 district priority was given in land development and drought proofing.

As can be seen, an amount of Rs. 734.97 lakhs was spent for completed works under NREGA during 2010-11 in the state against the figure of 91.21 lakhs in the previous year 2009-10. As recorded for the year 2010-11, rural connectivity accounted for the largest share (24.7 per cent) in total expenditure incurred for carrying out different activities in the state followed by micro irrigation (21.8 per cent), land development (19.1 per cent), flood control (18.6 per cent), and drought proofing (13.6 per cent). In terms of amount spent in different activities phase 1 district accorded top priority in flood control (38.1 per cent) followed by land development (33.2 per cent) and rural connectivity (15.9 per cent). In phase 2 districts priority in terms of Rupees spent was given in micro irrigation (29.0 per cent) followed by rural connectivity (26.8 per cent), flood control (21.2 per cent) and drought proofing (16.5 per cent) the exception being phase 3 district where land development accorded top priority (39.7 per cent) followed by rural connectivity providing all weather roads connectivity (22.1 per cent), flood control (13.5 per cent) and micro irrigation (12.5 per cent). Notably, the same applies to the year 2009-10 in terms of rupees spent, the exception being that similar type of works undertaken and completed with different degrees of priority.

#### **7.4.3: Performance of NREGA- some quantitative indicators:**

##### **Social Auditing:**

An innovative feature of the National Rural Employment Guarantee Act is that it gives a central role to 'social audits' as a means of continuous public vigilance. One simple form of social audit is a public assembly where all the details of a project are scrutinized.



In respect of conducting social audits, it is seen that social audits of NREGA have been conducted in all the gram panchayets in the state during the years 2010-11 and 2009-10. Notably, social audits have been done in all the districts uniformly.

In the matter of muster roll verification, out of the total of 9601 muster rolls for the year 2010-11, a total of 9406 (97.97 percent) muster rolls are verified in the state as a whole. The corresponding figures for verified muster roll for the year 2009-10 was 6909 (98.64 percent). Across the districts, phase 2 and phase 3 districts have progressed much showing cent percent muster roll verification in both the years viz. 2010-11 and 2009-10. In this respect, phase 1 district lagged behind other districts where verified muster rolls accounted for about 80 per cent in both the years under study.

For effective implementation of NREGA scheme the state, district and block level officers are supposed to monitor programme at every stage of implementation through field visit. Each district is supposed to draw a schedule of inspection to ensure that district level and sub-divisional/ block level officers together inspect the works separately. In the state of Sikkim, it was found that about 47.01 percent and 99.48 per cent of works in 2010-11 were inspected by district level and block level officers respectively as against the figures of 33.53 per cent and 94.72 per cent respectively in 2009-10 (table-2.4). Across the districts, there exists variation in respect of muster rolls verification. Here phase 3 district has gone much ahead than phase 1 and phase 2 districts and as between phase 1 and phase 2 districts the former district performed much better than the latter districts. The state of Sikkim is a good performer in respect of monitoring the execution of works by the block level officers where the proportion of works inspected accounted for about cent percent having no variation across the districts.

Social audits and vigilance works must be institutionalized in the sense that they must be regularly carried out by Gram Sabhas through the participatory process. Gram Sabha meetings are organized by Gram panchayat and are held twice in a year every 6 month interval. Gram Sabha is expected to monitor the work of gram panchayat and also to participate in the planning process. In particular the gram sabha will prioritise the works to be taken up, conduct regular social audits of all works carried out in the panchayat and verify that all the relevant norms are being observed. As can be seen from table 2.4, as against a total number of Gram Panchayats 163 in Sikkim, Gram Sabha meetings held numbered 860 in 2010-11 and 553 in 2009-10. Thus so far official data is concerned, Gram Sabha meeting held in ensuring transparency in planning and implementation of scheme is good in number in 2010-11 as well as in the previous year 2009-10. Across the districts there exists wide variation in this respect. During the years 2010-11 and 2009-10 phase 3 district took lead in holding gram sabha meeting.

Another critical finding relates to conduct of VMC meetings (gram unnayan samiti or beneficiary committee meetings) in running the programme of NREGA. As per the provision of NREGA, VMC meeting needs to be conducted for the participation of all affected persons in the process of decision making and validation. Evidently however, in the state, the participatory process, the main route to insuring transparency has not been taken seriously by the implementing authority. During the year 2010-11, only a total of 23 VMC meetings were held as against the corresponding figure of 59 in 2009-10 (table-2.4). In phase 2 and phase 3 districts, VMC (beneficiary committee) meetings were not held at all during the year 2010-11. Again in phase 2 districts such meetings were not held at all in 2009-10.

### **Bank Accounts:**

The NREGA introduced bank payments or post office payments as safeguards against corruption in wage payments to the labourers. Ideally there should be a separate account for each person listed on the job card and in the case of joint accounts, all

members including women should be included, otherwise women workers might be deprived of the opportunity to collect and keep their own wages. Official data for the year 2010-11 shows that bank accounts constituted the major which accounted for 62.52 percent of total accounts opened. Further a larger majority of the accounts are individual accounts either at banks (88.82 percent) or at post office (86.39 percent) and the rest are joint accounts (11.18 percent for banks and 13.61 percent for post offices) which of course included the names of female members of the household. Across the districts, the incidence of bank accounts is largest in south district (43.60 per cent), a phase 2 district followed by phase 3 district (28.73 percent) viz. west district. Moreover across the districts, phase 3 district viz. west district led the figure of 96.34 percent and 77.12 per cent in respect of opening of joint accounts in the banks and the post offices respectively. Disbursal of wages through the banking system was to the tune of 64.75 percent of total wage payments during the year 2010-11.

In the year 2009-10, total accounts opened numbered 57769 as against the figure of 63337 for the year 2010-11. Thus the year 2010-11 recorded an improvement of 9.64 percent compared to the previous year in terms of opening of accounts with the financial institutions. In both the years under review, bank accounts accounted for the major share in the total number of accounts opened. With regard to type of accounts, a large majority of workers' accounts are individual bank or post office accounts.

#### **Unemployment Allowance:**

Under the Act, there is a provision for paying unemployment allowance by the State Government in case the employment demanded is not provided during the stipulated period. The unemployment allowance is to be paid not later than fifteen days from the date on which it became due for payment. However, official data in this regard shows the reluctance of the State Government to disburse unemployment allowance. In the state of Sikkim, unemployment allowance was due for payment to the tune of 30230 days in 2010-11 but it was not paid at all.

#### **Work projection**

The well-coordinated planning in advance is key to successful implementation of the scheme. The total number of works proposed for the next financial year (2011-12) in the state numbered 3453 at an estimated cost of 8933.43 lakhs which would generate person days of employment to the tune of 55.78 lakhs, more than four times of the actual man days generated during the financial year 2010-11. In the shelf of works projected, top most priority was given to water conservation and water harvesting (19.98 per cent) followed by flood control and protection (18.22 per cent), drought proofing (13.64 per cent), rural connectivity (11.64 per cent), micro-irrigation works (10.89 per cent), renovation of traditional water bodies (9.93 per cent), flood control and protection (8.40 per cent) and provision of irrigation facility (7.30 per cent).

#### **Analysis Based on Primary Data**

##### **7.4.4: Household characteristics and their income and consumption pattern**

Among beneficiary households across castes 5.00 percent beneficiary households belong to scheduled castes, 53.75 percent of the households belong to scheduled tribes, 40.62 percent belong to other backward castes whereas the balance 0.63 percent of the households goes to general castes. Caste composition of non-beneficiary households is not exactly similar to those of beneficiary households. For such households scheduled castes account for 2.50 percent of households. The proportion of scheduled tribe and OBC households is of the order 27.50 percent and 55.00 percent respectively whereas the balance of 15.00 percent of the households constitutes general castes.

Beneficiary households holding BPL and APL card accounted for 93.75 percent and 6.25 percent respectively. Thus beneficiary households are either BPL or APL card holders. Among non-beneficiaries BPL and AAY card holding households together constituted 80.00 per cent. On the other hand a total of 20.00 percent of non-beneficiary households are APL card holders.

The scheme of NREGA has the transformative potential for women in enhancing economic and social security and thus the scheme can alter the balance of power in the rural family. However, empowerment of women would be easier for the families where the decision maker in the family is the female member. In our sample households, in case of both beneficiaries and non-beneficiaries male members are the decision makers in majority of the families (86.25 percent for beneficiary families and 92.50 percent for non-beneficiary families).

Judging by the primary occupation of the head of the households, our survey data showed that among the beneficiary households, 54.37 percent of households belong to the class of wage earner, 31.50 percent have the main occupation farming, 6.25 percent are engaged in self-business, 6.88 per cent are either salaried or pensioners and the rest belonged to the category 'others'. Within the group of non-beneficiary households, 45.00 percent are engaged in farming, 25.00 percent are employed in self-business, 5.00 percent are salaried persons, 10.00 percent are wage earners and the rest 15 percent belong to the category of 'others'.

With regard to migration it is observed that there is no instance of out-migration among beneficiary and non-beneficiary households before and after implementation of NREGA.

### **Household Net Income**

Across the beneficiary and non-beneficiary households, income per non-beneficiary households is higher by 9.50 percent from Rs. 32425.90 for beneficiary households to Rs. 35508.30 for non-beneficiary households. For beneficiary households income from regular job/salary/pension pursuits accounted for the major (19.60 percent) share in total household income. Importantly, net income from works under NREGA accounted for 25.00 percent of the total household income and the remaining receipts are from agriculture including livestock (19.10 percent), income from wages in non-agriculture (17.50 percent), income from wages in agriculture (8.60 percent) and income from self-employed in non-farming (5.70 percent) order of importance.

In case of non-beneficiary households, income per household obtained from regular job/salary/pension accounted to Rs. 9750.00 and constituted the major accounting for 27.50 percent of total household income followed by income from self-employed non-farming (24.50 percent), income from agricultural pursuits (20.80 percent), wage income from non-agriculture (15.70 percent), wage income from PWP (6.60 percent) and income from wages in agriculture (4.80 percent) in order. Notably, non-beneficiary households on account of their non-participation in NREGA works relied more on non-farm activities and derived considerably higher income (24.60 percent) as compared to beneficiary households (5.7 percent).

As measured by the coefficient of variation, income derived from each pursuit exhibited higher degree of variation across the households both for beneficiary and non-beneficiary households. Further it is interesting to note that occupationally low income per household is associated with high variance in income across the households. This holds true particularly for the beneficiary households.

## **Household Consumption**

The item-wise distribution of expenditure shows that consumption of confectionery of the household population is the largest component of expenditure on food items both for beneficiary and non-beneficiary households. Among cereals, rice intake is the major followed by wheat. This pattern does not vary across the beneficiary and non-beneficiary households in terms of the level of monthly consumption per capita. However, there are little differences when the comparison is made by specific non-cereal food items viz. liquid milk and sugar & gur. The monthly per capita expenditure on these food items is little higher for beneficiary households with no difference in the consumption of vegetables, poultry-meat and egg, and edible oils. In case of spices it is higher by 16.29 percent in case of beneficiary households. In terms of cereals consumption per capita per month, NSS data (2004-05) gives relatively lower figure by about 11.81 percent for beneficiary households and 10.40 percent for non-beneficiary households. As a whole NSS estimates of food-grains consumption is lower than implied in our survey estimate. In case of food items, viz., poultry meat & egg, fruits and vegetables NSS show lower level of consumption than our survey estimate. NSS estimates of liquid milk consumption are 366.67 percent higher than implied in our estimate. In case of confectionary consumption, NSS estimate is abnormally lower than the estimate implied in our survey. In fact it is negligible as per the NSS estimate while it is significantly higher as implied in our estimate.

To carry this analysis a bit further we have compared the monthly per capita consumption expenditure of households by broad commodity items groups under food and non-food. First of all, it is observable that the average level of monthly per capita consumption expenditure (food and non-food) is higher for beneficiary households which are of the order of Rs. 584.60 for beneficiary households and Rs. 569.90 for non-beneficiary counterpart. In terms of food intake, the pattern of expenditure shows again higher value figure of monthly per capita consumption expenditure for beneficiary (Rs.318.10) as compared to non-beneficiary (Rs.302.20). The pattern of expenditure distribution by broad commodity groups as food and non-food appear somewhat different across the beneficiary and non-beneficiary households. Although, the pattern shows a larger share of expenditure on food items in case of both beneficiary and non-beneficiary households, the observed behavioral tendency of non-beneficiary households has been to expend more on non-food items as compared those of beneficiary households. In case of non-beneficiary households, more consumption on non-food consumer goods involves greater sacrifice in food consumption as compared to beneficiary households.

The monthly per capita consumption expenditure data (2004-05) furnished by NSS is also used for the sake of comparison. Evidently, NSS data on consumption expenditure are not in agreement with our survey data in respect of total monthly per capita consumption expenditure of households. The NSS figure of per capita monthly consumption expenditure is estimated at Rs. 657.90 (food and non-food) as against our estimate of Rs. 581.60 combining beneficiary and non-beneficiary households together. NSS estimate for cereal consumption is on the lower side by nearly 44.68 percent than the figure derived from our estimate. Both the beneficiary and non-beneficiary households ranked ahead of NSS estimate in respect of per capita cereals consumption of households.

## **Variability (CV) and Gini Ratios of Income and Consumption:**

Broadly, the average household consumption expenditure is lower than household income both for beneficiary and non-beneficiary households. There are however variations in income and consumption across the households as captured by the coefficient of variation, the extent of variation being greater for non-beneficiary households in income and lower in consumption. The table shows that higher household income is

associated with higher degree of variance as happened in the case of non-beneficiary households. In contrast, beneficiary households with comparatively lower level of consumption are accompanied by higher variance and low level of variation in income. As between household income and consumption, the extent of variation tended to be lower in consumption than in income both in the case of beneficiary and non-beneficiary households.

The Gini ratio as a measure of inequality does not vary much between income and consumption. In fact, there are no major instances of savings or dissavings (transfer of income through loans) that could cause the measures of inequality for consumption and income to diverge. The degree of inequality both in income and consumption is low but somewhat varied across the beneficiary and non-beneficiary households. The Gini ratio shows relatively greater inequality in the income earned in case of non-beneficiary households which is indicative of the fact that non-beneficiaries have derived income from occupations diversified in nature. In contrast, beneficiary households through their participations in NREGA activities derived more or less same income and thus produced lower degree of inequality in income within the group of beneficiaries. This suggests that creation of employment opportunities under NREGA has provided an impact on relative poverty through reducing income inequality.

#### **Determinants of participation in NREGA—functional analysis**

The Logit Probit analysis conducted at both household and member levels suggest that a set of socio-economic characteristics of households such as caste, sex, educational attainment, number of members in the household (household size) and employment other than NREGA explain the household's participation status (whether participating in NREGA or not).

OLS estimates at the household level reveal that the variables which are positively and significantly related to the dependent variable are dummy for BPL card holding and caste dummies for SC, ST and OBC. The positive coefficient for BPL card holding implied that holding of BPL cards influenced employment under NREGA. Caste dummies have positive coefficients suggesting that SC, ST and OBCs have more participation days in NREGA relative to other castes. The statistically significant variable, employment other than NREGA has negative influence on NREGA employment suggesting that households having employment other than NREGA are likely to have lesser NREGA working days relative to others. At the individual member level, the variables which were found to be statistically significant included age, household size, and sex dummy. Of them household size is found to statistically influence NREGA employment negatively suggesting that larger the household size, the lower is the NREGA participation days. The positive coefficient for age implied that aged persons participated more in NREGA employment. Sex dummy has positive coefficient suggesting that male members participated more in NREGA than females.

#### **7.4.5: Work Profile under NREGA, Wage Structure and Migration Issues How successful has been NREGA providing 100 days employment (to the registered families at their door steps)**

On an average, the size of working members employed per household numbered 2.8 on an average in the state. Across the districts the number of workers per household employed in the NREGA works varied from 2.0 to 3.6. Households employing 2 workers are observed in the North District and 3.6 workers in the South District. Across the caste categories, greater size of worker employed under NREGA is located in case of scheduled caste households followed by schedule tribe and OBC households respectively.

Evidently, despite making provision of 100 days of employment in a financial year, it is seen that there have been a deviation in terms of actual employment generation. In terms of person days employed under NREGA works, the average number of person days employed per household was of the order of 81.2 days in the state. Person days employed per household was highest for scheduled tribe households (46.4 days) followed by OBC (29.7 days), scheduled caste (4.7 days) and General (0.4 day). The number of person days employed per household for women was about 37 days which remained well below their male counterpart.

The district wise figures for person days of employment per household show considerable variations across the districts. Among the selected districts, North District in phase- I is showing the highest number of person days of employment (94.4 days per household) followed by west district in phase –III (85.3 days per household) and South and East Districts in phase-II (81.9 days and 63.1 days per household respectively). Caste wise, scheduled tribe households received highest employment in all the districts except West District. For scheduled tribe households, the North District recorded highest employment days (75 days) followed by South District (56.3 days), while the West District, phase- III district showed lowest employment days (20.4 days). Scheduled caste households received highest employment (12 days per household) in West District followed by South District (6.8 days per household) and in the other two districts no scheduled caste households received employment under NREGA in our sample. Other backward classes (OBCs) obtained highest employment in the West District (53 days per household) followed by East District (29days per household) and North District (19.4 days per household). Thus given the fact that majority of the poor in our country are either SCs, STs, or OBCs, the coverage in terms of employment provided per household is rather poor for SC although good for ST and OBC in the state. It is observed that the wage rate obtained under NREGA by the beneficiaries was Rs. 100 per man-day irrespective of caste and gender.

The average distance of the work places from the residences of workers was found to be within 5 km. as provided under the Act. The average distance of work place from residence is on an average 1.1 km. The distance is relatively higher in South District (1.9 km.)

#### **Nature of assets created and their durability:**

Eight types of works are permitted to be carried out under the NREGA. Evidently, the works undertaken in the state and also in the districts are consistent with the types of works listed in the NREGA. The works undertaken consisted of (i) rural connectivity (ii) Flood control and protection and drought proofing. Overall in the state, the works undertaken mainly related to rural connectivity (50.6 per cent) followed by flood control and protection (42.9 per cent) and drought proofing (6.4 per cent). However, there existed variation across the districts in respect of works undertaken under NREGA. Notably in all the districts of the state viz. East, North, South, and West equal importance was attached to rural connectivity, where almost half of the sample households were found to be employed in the activity.

One issue that needs attention is the quality of the assets created under NREGA works. Quality of the assets is ranked in the sequence of very good, good, bad and worst. Evidently, the majority of households in all the districts ranked ‘very good’ about the assets created under NREGA.

With regard to unemployment allowance, the present study noticed that all the work-applicants were provided employment within 15 days of his /her application, and thus there was no question of paying unemployment allowance in the state.

### **Wage differentials under NREGA and its comparison with minimum wage Act**

According to NREGA Act, persons working under the scheme are entitled to receive the statutory minimum wage fixed by the state government applicable to agricultural workers in the state. In Sikkim, the state government has fixed the minimum wage of Rs. 100.00 during the financial year 2008-09 which is same as of Rs. 100.00 in year 2009-10.

The primary data collected from the sample districts reveals that the wages received under NREGA scheme by the beneficiaries, irrespective of castes and sex, in all the districts of the state were the same as stipulated minimum wage of Rs. 100.00. However, NREGA wages were higher than market wages for agricultural workers in the state and this has led to distort the wage labour market by exerting upward pressure on market wages.

### **Wage differentials in different activities, among beneficiaries and non-beneficiaries:**

Evidently, non- agricultural casual labour wage rates compares unfavorably to agricultural wage rates both for males and females. The ratio of non-agricultural to agricultural wage rates of both the males and females worked out to 1.12. Across the category of households, the ratio stood at 1.11 for male beneficiary and 1.14 for male non-beneficiary counterpart. In case of females' non-agriculture-agriculture wage ratio also varied across beneficiary and non-beneficiary households, the ratio being 1.11 for beneficiary and 1.13 for non-beneficiary households.

The gender issue has figured prominently in respect of receiving wage rate both in agricultural and non-agricultural activities. For agriculture operation on an average, female wage rate formed 86.38 per cent of male wage rate and the same for non-agricultural activities worked out to 88.20 per cent. Across the beneficiary and non-beneficiary categories of households gender difference is quite sharp for beneficiary household both for agricultural and non-agricultural activities. Evidently, there is no instance of migration in Sikkim. Under the NREGA, females are paid the same wage rates as males which stood at Rs. 100.00. It is also noticeable that NREGA wage rates are higher than market wage rates for agricultural and non-agricultural casual labour. This is especially noticeable in the case of females who are paid markedly lower market wage rates as compared to males in agricultural activities working as casual labourer. As a whole, gender disparity is noticed in respect of female–male wage ratio for agricultural and non-agricultural wages while under NREGA wage payments, gender disparity is totally removed.

### **How has NREGA affected labour migration?**

One major concern particularly, in rain-fed areas is distress-induced seasonal migration. NREGA scheme provides local opportunities for employment and thus workers do not need to migrate to other areas. Manual works provided under NREGA are thus expected to bring down the level of out-migration. As noted earlier, there was no instance of in-migration or out-migration in the state of Sikkim both before and after implementation of NREGA. Hence, the net effect of NREGA on migration is not visualised.

### **7.4.6: The Functioning of NREGA–Qualitative Aspects Job Card Issues and Work Applications**

In response to the questions related to the issuance of job cards, cent per cent of the households reported that they had not paid any fees or bribes for getting job card. Majority of the households (70.6 per cent) reported no irregularity in the job card in entries of work done and in putting signature of the concerned authorities (55.0 per cent).

Some of the households however informed that they are not sure about the correctness of the entries made in the job card and whether the signature was put in. It is worth-mentioning that cent per cent of the sample beneficiary households kept their job cards with the holder themselves

In response to the questions related to work application, cent per cent of the respondents reported that they got employed in response to application for work. Out of those who applied, only 78.1 per cent got a dated receipt for the application and 85.00 per cent got employment under NREGA within the stipulated time period of 15 days of application. Thus as per provision in the Act, unemployment allowance became due for payment to 15.00 per cent of households. Notably, all these (15.00 per cent of households) did not get any unemployment allowance.

### **Payment of Wages and Related Issues**

In respect of payment of wages under NREGA, men and women are entitled to receive the same wages. In fact, any form of gender discrimination is prohibited under the NREGA. Based on the information received from the sample participant households, no gender bias is noted in the responses of all households (cent per cent). With regard to the mode of wage payment, cent per cent of the sample households reported that wages were paid on daily wage basis.

The Act provides that wages are to be paid on time; disbursement of wages to workers has to be done on weekly basis and not beyond fortnight from the date on which work was done. In our survey data, 73.10 per cent of the total sample beneficiary households received wage payment within the stipulated time – within a fortnight and the rest 26.9 per cent were paid wages within a month.

As an effective check against the embezzlement of NREGA wages and to prevent defrauding of workers, the government has shifted from cash to bank/ post office payments of wages. In our survey data, the responses of households show that the NREGA wage payments have been made either through banks (25.00 per cent) or through post offices (75.00 per cent). In case of wage payment made in the bank, cent per cent of the accounts were 'individual account' (for each NREGA labourer). All households unanimously reported that banks followed the usual banking procedure. In case wages were not paid through banks but through post offices, 33 per cent of the beneficiary respondents reported that wages were paid in front of all labourers and the majority (67 per cent) reported that wages were not paid in front of all labourers.

There was no complaints regarding wage payments except the delay in wage payments (15.00 per cent) and facing difficulties in accessing the bank or post office accounts (65.00 per cent). Some of the beneficiaries respondents (25 per cent) expressed that it was not clear on what basis wages were calculated.

### **Worksite Facilities and Economic Usefulness of the Work**

As per the NREGA, it is mandatory to provide the basic facilities at the worksite inclusive of safe drinking water, shade for children and for periods of rest, first-aid box with medicines for emergency treatment. In case of facilities at the worksite, 50 percent of the households reported drinking water facility. Shade for periods of rest and first-aid kit/ medicines were the facilities available as reported by 50 per cent of the beneficiaries. The availability of child care facility was reported by 50 per cent of sample households. In respect of economic usefulness of the works executed under NREGA, majority expressed satisfaction about usefulness of works, although some of the households (2.5 per cent) questioned about the usefulness of works.

All the respondents unanimously reported that Gram Panchayet member gave details of the sanctioned amount, work dimensions and other details about the works.



### **Monitoring of the Work**

In response to the questions relating to monitoring of NREGA works, the sample households unanimously (cent per cent) reported that the concerned officials made frequent visits at the worksite and monitored the execution of works. No one lodged complaint relating to implementation and functioning of NREGA .

### **Nature of Assets Created and Their Durability**

With regard to the durability of assets created under NREGA, mixed responses were received. Some of the households (34.4 per cent) reported that the quality of structures created was good and these would last up to 10 years. About 25.6 per cent of households perceived that the quality of created structures was so good that they could last more than 10 years. About 15 per cent of households were of the view that assets created under NREGA could last up to 5 years. About 25 per cent of the households reported that the structures created would last up to one year. Hence, these structures require timely repairs and maintenance to be capable of lasting more and generating expected benefits.

### **Labour Migration and NREGA**

One of the objectives of NREGA is to arrest out-migration of rural labour households who go outside villages in search of employment. In order to know the impact of NREGA on rural labour migration, related data were collected from the sample beneficiary households. It was revealed from the responses that after implementation of NREGA, there was no instance of out-migration or in-migration. Thus, in the state, the impact of NREGA on labour migration is positive in the sense that NREGA has succeeded in arresting the occurrence of out-migration.

### **Respondents' Awareness about NREGA Implementation**

Awareness about NREGA among people in all its aspects is an important ingredient for success of NREGA. However the responses received from the sample households in the sample villages show that although, all the people were aware about the implementation of NREGA, many of them were not aware about the specific aspects of NREGA, specifically right based aspects such as right to apply for work and get employed within 15 days, minimum wages, wages calculation method, unemployment allowance, minimum worksite facilities, mandatory availability of muster rolls at the worksite and the list of permissible works under NREGA. About 56.9 per cent of the households had knowledge about work application procedure while 55.6 per cent of households were aware that they should be provided employment within 15 days and in rest of the cases they were either totally unaware or unsure about their legal right to get employment within 15 days. A total of 56.9 per cent of beneficiary households reported that they had knowledge about right to minimum wages and the level of minimum wages. About 71.3 per cent of the respondents reported to be either unaware or unsure about the wage calculation method. About 35.6 per cent of the households were aware about the provision of unemployment allowance. About 46.9 per cent of households were found aware about the provision of minimum worksite facilities. Reportedly, about 53.2 per cent of households were either unaware or unsure about mandatory availability of muster rolls at the worksite and about 40.1 per cent of households were unaware about the list of permissible works under the NREGA.

### **NREGA and Food Security**

NREGA through generating incremental income is expected to bring about changes in the food security situation at least making available the minimum quantity of

food for the entire members of the family. Evidently, 70 per cent of households reported that they got full two meals throughout the year 2009 while the rest 30 per cent of households did not get full two meals throughout the same year. Out of the households who are not having full two meals, 4.17 per cent did not get sufficient food for one month, 95.83 per cent for two months. To cope with the worsening situation of food security, some of the households (33.3 per cent) suffering from food security took loans from different sources whereas many of the households (56.3 per cent) reduced food consumption taking meal only once a day and about 10.4 per cent of households resorted to begging. However, although some of the households reported worsening situation of food security even after the introduction of NREGA, the overall impact NREGA on food security is positive as it has improved the food security for majority of households. In the context of ensuring food security, the potential benefit of NREGA might have been greater if households are provided with full one hundred days of employment during the financial year.

### **Suggestions for improving the functioning of NREGA**

Suggestions were invited from the respondents for amelioration. Majority of the respondents (54.5 per cent) suggested that their difficulties could be eased if the job opportunity is created/increased more than 100 days of work under NREGA. Another 45.5 per cent of households feel that government assistance is needed. Suggestions were invited from the beneficiary households for improving functioning of NREGA. Nearly, 24.4 per cent of households suggested the need for increasing work site facilities under NREGA. About 25.6 per cent of households suggested for making arrangement for immediate wage payment at the end of the day's work. About 32.5 per cent of households emphasized the need for proper monitoring of the execution of works in the context of improving functioning of NREGA.

### **7.4.7: NREGA impact on village economy**

#### **Changes in Occupational Structure in the Selected Villages**

The occupational structure has undergone changes during the period between two counts, one in 2001 and another in 2009. An important aspect of occupational shift has been the decline in the proportion of households engaged in cultivation of land. It has got reduced from 51.3 per cent in 2001 to 48.5 per cent in 2009. There is a definite tendency among them to move on to non-agricultural occupations viz household small industry, transport & communications and other services. The pattern of distribution did not undergo notable change in favour of agricultural labour. The proportion in this occupation increased from 36.1 in 2001 to 36.4 per cent in 2009. The influx into manufacturing other than household small industry group was to increase its proportion from 0.4 per cent to 0.5 per cent. The influx into trade, commerce and business causing to increase its proportion from 4.6 per cent in 2001 to 5.2 per cent in 2009 is also noteworthy. Influx is also noted in respect of households engaged in construction from 1.8 per cent to 2.7 per cent. In case of transport and communication, the influx is such as to increase its share from 2.6 per cent in 2001 to 3.00 per cent in 2009. The observed changes in the occupational structure in the sample villages owing to introduction of NREGA have been broadly similar to the one arrived at based on population census data. As one would expect, we have a continuation of the long term trend of a decline in the share of "agriculture" as observed from the evidence of decline in the share of cultivators in the occupational groups. The secondary sector covering household manufacturing and construction raised their share. Overall, the share of services viz. transport and other services went up albeit small.

### **How has NREGA affected wage rates in the selected villages:**

Due to the implementation of NREGA there has been sharp increase in the wage rates during our reference periods pertaining to the years 2005 and 2009. The year 2005 refers to the period before the implementation of NREGA while the year 2009 relates the period after the implementation of NREGA. Work provision under NREGA enhances the purchasing power of households through the wage channel. This could affect rural wages in general and agricultural operations in particular. In the present study we find that both male and female wages have gone up after the implementation of NREGA. The wage disparity between male and female persisted both in agricultural and non-agricultural works, even after the introduction of NREGA. The prevailing wage received by male agricultural workers prior to the introduction of NREGA was Rs.55.00 which increased to 85.00 after the introduction of NREGA implying that wage rate increased by 54.55 percent during the reference period. The rate of increase of wages for female agricultural workers was of the order of 60.00 percent from Rs. 50.00 to Rs. 80.00 during the same period. In general non-agricultural wages was higher than agricultural wages both for males and females. Here again, there have been noticeable increase in wage rates both for males and females during the reference period. As compared to the minimum wage fixed by the government, the level of nominal daily wage of male agricultural workers in 2009 was below the minimum wage. For male agricultural workers it was Rs. 85.00 as against the minimum wage of Rs.100.00 stipulated for unskilled agricultural workers as on 2008-09. In the case of wages of female agricultural workers, the situation was more dismal. The daily wages of female agricultural workers were below the minimum wage in 2009. For females it was Rs. 80.00 per day as against the stipulated minimum wage of Rs. 100.00

### **How has NREGA affected changes in wage rates for agricultural operations**

Evidently, in the state, there was a rising trend in the wage rates uniformly for all the agricultural operations between 2001 and 2005, that is, during the pre-introduction period of NREGA. After the introduction of NREGA, there was a sharp increase in the wage rates again uniformly for all the agricultural operations of principal crops viz. paddy, wheat, maize, potato etc.. Notably, the gap in the wages in the post NREGA period between 2005 and 2009 appeared to have widened as compared to the pre NREGA period between 2001 and 2005. The rate of increase in wages was uniform across the all agricultural operations and across crops. It was 25.69 per cent between 2001 and 2005 while it was 59.13 per cent between 2005 and 2009. In short, using the comparable years 2005 and 2009, with the implementation of NREGA, wages in various agricultural operations have gone up at the rate of 59.13 per cent. Obviously, higher agricultural wages rates with the commencement of NREGA works have adversely affected cost of cultivation of crops to the extent of rise in wages in various agricultural operations.

### **Various Changes in the Village Economy after Implementation of NREGA**

Implementation of NREGA is expected to bring about various changes in the village economy.

As revealed from the qualitative information, a good majority of households (75.00 per cent) reported that there has been shortage of agricultural wage labour at some point of time during last year.

After implementation of NREGA, the same proportion of households (75.00 per cent) reported that there has been a shortage of agricultural labour. Responses show varying degrees of shortage of agricultural labour over the months. Notably after implementation of NREGA, shortage of agricultural labour is largely confined in the

months of July, Aug as reported by 62.50 per cent of households. Some of the households (12.50 per cent) reported labour shortage in the month of March.

Labour cost being the important component of cost of production, all households unanimously (cent per cent) reported that cost of production in agriculture increased because of scarcity of labour. Regarding the magnitude of increase in cost of production, majority of households (62.50 per cent) believed that cost of production increased at the rate of 20 - 50 per cent while 25.00 per cent households reported that cost of production recorded an increase of 20 per cent. The remaining 12.50 per cent replied that cost of production increased by 10 per cent.

One of the important goals of NREGA is to reduce rural-urban migration. On the questions relating to migration, cent per cent of households believed that there has been no change in labour migration by NREGA activities.

All households unanimously reported that wages of casual labourers have increased after implementation of NREGA. As shown in table-6.6, the reasons cited are shortage of labour availability caused by NREGA (31.50 per cent), higher wage rate in NREGA activities compared to other activities in the village (65.00 per cent), increased job opportunities due to the introduction of NREGA (35.50 per cent).

All households unanimously pointed out that after introduction of NREGA there has been no change in the trend of people living in village and going to work outside daily or to go to work outside daily for longer period.

NREGA is expected to bring about changes in the standard of living of village people. In this regard, all respondents feel that living standard in general improved after the introduction of NREGA. The responses show that due to incremental income obtained from NREGA activities, household consumption is increased. Households were able to spend more on food, clothing, housing and education and thus improvement in the living standard after the introduction of NREGA. After introduction of NREGA, household daily consumption is increased as reported by 50.20 per cent of households. About 28.60 per cent of households reported improvement in health treatment condition through increased medical expenses. Notably in the education front more children are going to school after NREGA implementation as reported by cent per cent of the beneficiaries.

Village households were asked to offer suggestions for improvement of NREGA implementation in the interest of benefits accruable to both labourers as well as cultivators. Village households offered their suggestions mainly in three important aspects of NREGA for improvement of NREGA functioning. Firstly, as reported by 68.50 per cent of households, action plan of NREGA works should be worked out on the basis of opinion/perception of local people. Secondly, according to the opinion of 56.30 per cent households, NREGA works should be made available throughout the year and thirdly, 100 days work limit should be enhanced under NREGA as reported by 48.20 per cent of households. If the work is continuously available in the villages for longer periods, the labourers can afford the delay in wage payment depending on lump sum amount of wages which they receive after every few days. About 26.40 per cent of households reported that payment of wages should be at the close of the day's work. Among others, some of the village respondents (30.10 per cent) suggested hike in wage rates under NREGA as compared to the same in the plains, while some others (12.40 per cent) suggested wage payments entirely through banks.

#### **7.4.8: Policy Implications**

Although there has been a debate about the effectiveness of NREGA, the experience of Sikkim show a mixed picture. The scheme is successful in terms of coverage of weaker sections of society (94.37 per cent) and asset creation under the scheme. The major problem however relates to the employment generation in terms of

person days employed per household. As evidenced by survey data, despite making provision of 100 days of employment in a financial year, average number of person days employed per household was of the order of 81 days in the state. For women households it was 37 days, well below their male counterpart. Obviously, NREGA works should be made available throughout the year. This has been reported by 56.30 per cent of village households. The implementing agency should take up proper planning of work for both short-term and long-term benefits for the villagers. Further, 100 days limit of guaranteed wage employment under the Act should be increased. This has been suggested by 48.20 per cent of village households in the surveyed villages. There is thus a lot to do for better functioning of the NREGA. **(attn: Ministry of Rural Development, Government of Sikkim).**

The participatory process, the main route to ensuring transparency has not been taken seriously by the implementing authority in the state. As is evident, during the year 2010-11 only a total 23 VMC meetings were held as against the corresponding figure of 59 in 2009-10. Notably, in phase 2 and phase 3 districts VMC meetings were not held at all during the year 2010-11. Again in phase 2 districts, such meetings were not held at all in 2009-10. **(attn: Ministry of Rural Development, Government of Sikkim).**

The projects/works undertaken in the NREGA were consistent with the eight categories of works listed under NREGA. However, for the fulfilment of the quota of 100 days of employment per household per year, the state government should be empowered to expand the list of permissible works in the light of local conditions. New innovative works need to be found out to fulfil the quota of 100 days of employment per household per year as also to provide productive employment. **(attn: Ministry of Rural Development Government of Sikkim, Department of Rural Development, Government of India, New Delhi).**

Regarding the quality of assets created under NREGA, about 15 per cent of households were of the view that assets created under NREGA could last up to 5 years. About 25 per cent of the households reported that the structures created under NREGA would last only up to one year. Hence, these structures would require timely repairs and maintenance to be capable of lasting more and generating expected benefits. Thus quality and maintenance of assets need more attention in future so that investments made would not go futile. In fact, employment guarantee and durable assets creation have to be seen as two sides of the same coin. **(attn: Ministry of Rural Development, Government of Sikkim).**

In our survey data, irregularity in wage payments is noticed in some cases. About 26.9 per cent of sample beneficiary households were paid wages beyond fortnight and accordingly they are entitled to receive compensation as per the provision of the act. However, no compensation is paid to labourers in the state in respect of delayed payment of wages beyond the stipulated period of 15 days. Obviously, in the long run, much more sustained effort will have to be put in to ensure continued compliance with norms laid down in the NREGA Act. **(attn: Ministry of Rural Development, Government of Sikkim).**

The reluctance of state government to disburse unemployment allowances is noted in the study. Official level secondary data shows that unemployment allowances due for payment were for 30230 days in 2010-11 but it was not paid at all. Further the primary data shows that the unemployment allowance became due for payment to 15.00 per cent of households. Notably, no unemployment allowance is paid. In this context, it is suggestive that the central government should pay a part of the unemployment allowance after amendment of NREGA rules so that workers could draw unemployment allowance as per the provisions of the Act in the event of failure to provide unemployment

allowance by the state government (**attn: Ministry of Rural Development, Department of Rural Development, Government of India, New Delhi**).

The rural labour markets have been influenced by the introduction of NREGA and have had a decisive impact on agriculture. Nearly 62.50 per cent of households in the surveyed villages believed that cost of production in agriculture is increased in the range of 20 – 50 per cent due to scarcity labour caused by the introduction of NREGA leading to rise in wages. In fact wage rise caused by NREGA could only be maintained if productivity rises too in agriculture. NREGA works must be such as to contribute to raising agricultural productivity. This has to be taken seriously by the administration which calls for innovative thinking and action. (**attn: Ministry of Rural Development, Department of Rural Development, Government of India, New Delhi**).

The NREGA holds the powerful prospect of bringing major changes in the social and economic well-being of women. As is evident from secondary data, women workers shared 44.90 per cent of total person days generated under NREGA. What is however frustrating is that the issue of child care is overlooked. Under the NREGA, it is clearly stated that in the event where there are at least five children under the age of six years at the worksite, one of the female workers should be deputed to look after them and she should be paid the same wage as other NREGA workers receive. Yet in our survey data only 50 per cent of the sample households reported the availability of child care facility at the worksite. Disturbingly many of the respondents were unaware of this basic entitlement (53.10 per cent). Thus the provision of effective child care facilities at NREGA worksites is an important issue that calls for creative thinking and action. (**attn: Ministry of Rural Development, Government of Sikkim**).

#### **Conclusion:**

Overall, the scheme of NREGA has the great potential in enhancing income and livelihood security of the rural poor. The present study, in an attempt to evaluate the impact of NREGA has identified the key areas of progress as well as the shortcomings of the programme. Notably, NREGA has not been able to provide the employment that one would have expected. Despite making provision of 100 days of employment in a year, actual employment generation has been below than 100 days in a year. In the matter of wage payment, in many cases, delay in wage payment is noticed. Procedural irregularities are also noticed at the stage of implementation of the scheme such as irregularities in conducting VMC meetings which needs to be conducted for the participation of affected persons in the process of decision making and validation. True that NREGA addressed many of the weaknesses of the earlier wage employment programmes through introducing several features in its design. However, as evidenced by the present study, NREGA is also not free from limitations despite having its positive impact on income generation, asset creation and above all improving standard of living. Obviously, if the remedial measures are taken to address the limitations, the effectiveness of NREGA would increase with experience and would go a long way in ensuring livelihood security to the rural poor in a sustainable manner and in altering the balance of power in rural society. The key lies in proper implementation ensuring participation of affected persons and planning of the scheme as per the guidelines laid down in the Act.

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## ANNEXURE-I

### **Coordinator's Comments on the Draft Report**

Impact of NREGA on Wage Rates, Food Security and  
Rural Urban Migration in Sikkim

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1. Chapter 2; data not provided for the year 2008-09 in any table. Include the year 2008-09 also if the same data is available on the website or the with the state government department.
2. Chapter 3, Table 3.1: Please recheck the number of male and female members in the gender, it does not look realistic with male member ratio of 87 and female members of only 13. There is some calculation error as male and female ratio approximately should be near to 50/50 (The data asked here is about no of male and female members and not male and female headed households). Similarly age group with children (less than 16) cannot be 0 and working age people exceeding 90 percent does not look realistic.0
3. Chapter 3, Table 3.3: Income from wages in public programme is shown 4.4 percent in beneficiaries and 6.6 percent in non beneficiaries. However, in the previous table shown occupation allocation, shows zero work in public work programmes. How can there be earnings from pwp without devoting any hours of work for the same.
4. For the NSS figures for 1993-94, 1999-00 and 2004-05 please refer to the following NSS reports. Data is available for Sikkim:  
*NSSO (1993-94); "Consumption of some Important Commodities in India", National Sample Survey Organisation, Government of India, March, Report No. 404.*  
*NSSO (1999-2000); "Consumption of some Important Commodities in India", National Sample Survey Organisation, Government of India, July, Report No. 461*  
*NSSO (2004 - 2005); "Level and Pattern of Consumer Expenditure", National Sample Survey Organisation, Government of India, Dec, Report No.508*
5. Chapter 4, Table 4.1: Number of members per household employed in the category of aggregate is not correct as average of four districts cannot be equal to one district when other three district value is zero. Kindly make the correction. While providing information on numbers of members and no of days per hh employed during the year include another category of men as that of women and sum total of men + women should supposedly be equal to aggregate. Also in this table provide another row with details of percentage of HH employed 100 or more days, selected district wise.

Table- 4.3: Wage differentials among different activities

Occupation		Sikkim					
		Beneficiaries		Non beneficiaries		Aggregate	
		Average	CV	Average	CV	Average	CV
Wage rate in agricultural casual labour (Rs)	Male	82.32	21.9	82.50	22.3	82.41	22.1
	Female	78.06	21.3	78.75	28.0	78.41	22.3
Wage rate in non agri casual labour (Rs)	Male	91.53	12.0	93.75	15.5	92.64	12.6
	Female	86.93	14.7	89.06	14.8	88.00	14.7
Wage rate in public work programmes (Rs)	Male	-	-	-	-	-	-
	Female	-	-	-	-	-	-
Wage rate earned by migrant workers (Rs)	Male	-	-	-	-	-	-
	Female	-	-	-	-	-	-
Wage rate under NREGA (Rs)	Male	100.00	0.0	0.00	0.0	100.00	0.0
	Female	100.00	0.0	0.00	0.0	100.00	0.0
Any other work (Rs)	Male	-	-	-	-	-	-
	Female	-	-	-	-	-	-

## ANNEXURE-II

### Action Taken Report

Impact of NREGA on Wage Rates, Food Security and Rural Urban Migration in Sikkim

1. Chapter-2: Data for the year 2008-09 are incorporated.
2. Chapter -3: Table 3.1, figures are checked. It may be noted that as per the original table design, figures relate to the beneficiary and non-beneficiary respondents expressed in terms of percentage of households.
3. Chapter-3: Table 3.3, figures are checked and corrected.
4. NSS data (1999-2000) on household consumption of food items are incorporated (Table 3.4A).
5. Chapter-4: Table 4.1 corrections are made.

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September, 2012

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