

## **IMPACT OF MGNREGA SCHEDULED TRIBE WORKERS ON POVERTY IN SIKKIM**

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### **ABSTRACT**

*In Sikkim, an impact of MGNREGA Scheduled Tribe (STs) workers on poverty is noticeable. The MGNREGA was implemented in Sikkim in February, 2006. Under it, presently, land development and rural connectivity activities are the major works that are environment conservation and sustainable approaches in nature. More than one-third of the total job card holders and employment or persondays generated are benefited by STs; which is more than their population contribution in the State. Importantly, MGNREGA work increases the period of engagement in work for both principal/main and subsidiary/marginal workers thereby reducing underemployment and unemployment among the agriculturists. It is widely and effectively implemented in rural areas, with the help of strong and efficient Panchayati Raj Institution, as one of the most successful employment generation schemes. It improves the economic participation rates as well as strengthens an economic well-being of the rural household status by supplementing their income with the assured minimum wage rate of MGNREGA work. It acts as a driving factor for poverty alleviation and enhances development for STs in particular in rural Sikkim.*

### **Introduction**

The flagship programme of the Government of India (GoI) namely, Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is a widely

acclaimed and popular rural infrastructural development and employment scheme. It is an inclusive approaches programme by including all rural persons irrespective of caste, creed, culture, gender, religion and language. It enhances the livelihood security

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of the rural people, especially the poor and the marginalised, by guaranteeing at least 100 days of wage<sup>1</sup> employment in a financial year to every rural household whose adult member volunteers for unskilled manual work. In Sikkim, it was launched and implemented only in the North district on 2 February 2006 after enacting of NREG Act in 2005; it was later covered in the South and East districts from 1 April 2007 and from 1 April 2008 it was implemented in the West district of the State. Since then the State of Sikkim is fully covered under the scheme. The scheme is implemented as a Centrally Sponsored Scheme on a cost-sharing basis between the Centre and the States as determined by the Act.<sup>2</sup> The study of the scheme is imperative because the State has distinct rural characteristics. As large as 99.46 per cent (against 94.34 per cent in India) of the total geographical areas (7096 sq km) of the State are rural areas. According to the Census of India 2011, about 75 per cent (against 69 per cent in India) of the people in Sikkim live in rural areas. The scheme, which is a demand driven in nature, is successfully progressing as a catalyst of rural development in general and poverty reduction by strengthening household income in particular.

### Methodology

The study is based on secondary data, such as Ministry of Rural Development (MoRD), National Sample Survey Organisation (NSSO), Registrar General of India (RGI) and Planning Commission, spreading from the period since the implementation of the scheme till recently in Sikkim. The objective of the study is to assess an impact of MGNREGA work on poverty level among the Scheduled Tribes (STs) in Sikkim.

The paper begins by reviewing a brief literature on the linkages of work and poverty. Subsequently, the size of population and work participation emphasising for rural areas for STs are examined. It is followed by analysing the various developmental works under MGNREGA and the extent and nature of MGNREGA workers emphasising on STs. It further explores the linkage of the workers emphasising on MGNREGA workers as a means to reduce poverty in rural areas. Sikkim's poverty level for total population is used as a proxy for ST. Finally, a conclusion is drawn.

### Literature Review

Employment is associated with poverty especially in rural areas. In India, people predominantly live in rural areas. Thereby, rural economy continues to provide the major source of employment and source of livelihood to the people. Smith and Sender (1990:1334) contended that "...there would be a systematic relationship between poverty and participation in wage labour, so that persons offering themselves as wage workers would be from the poorest household..." Sundaram (2007) explicitly showed the changes in the employment and poverty in India. Fuller employment of human resources is considered as the most important feature and best strategy for poverty reduction or elimination (Sundaram and Krishnamurty, 1978). Poverty is closely related to employment and occupational characteristics (Sen, 1996). Employment is to be guaranteed in agriculture sector as well as non-agriculture sectors for rural people in order to combat the poverty. Bhalla and Hazell (2003) examined the possible strategies for increasing

employment and significantly reducing poverty in rural as well as urban areas in India. Sinha (1981) asserts that there is a relationship between poverty and employment, unemployment and underemployment. However, the relationship between unemployment and poverty is weak in India. For example, people in backward regions like rural areas and underprivileged groups like SC or ST are poor, despite some of them have very little underemployment. Dandekar (1986) opined about poverty which is institutional referring to scheduled castes and tribes of India. SCs and STs are not only poor but they suffer from various social and economic impediments that need to be removed. The Constitution of India safeguards them in the form of reservations in employment. Institutional barrier is to be removed to reach the course of economic development in India. Similarly, protective measures and safeguards should be established for the rural people in general and rural females in particular in order to achieve inclusive growth and development.

Prior to the launching of the scheme, the State of Maharashtra government formulated the Maharashtra Employment Guarantee Scheme (1972-73) and Maharashtra Employment Guarantee Act (1977) to provide wage employment to those who demanded employment. Its success story has led to the enactment of MGNREGA, a wage employment programme, in 2005 to reinforce the commitment towards livelihood security by providing 100 days guaranteed wage employment in rural areas. It is implemented by the State Governments

with Central assistance to provide enhanced livelihood security. The model of the scheme is considerably borrowed from the Maharashtra Employment Guarantee Act (Hirway 2004).

It is targeted to those employed as a casual manual labour. Its basic objective is to provide work for rural households. It acts as a source of wage income for landless labour and marginal farmers in the lean agricultural season. It also creates assets that raise land productivity. Mehrotra (2008) opined that the allocations for the scheme could well take an inverted-U trend i.e. the allocations to the scheme rise initially, then fall over time. The region/State's demand for work under the scheme depends on the nature of labour-surplus or labour-deficit region/State.

MoRD (2012-13) highlights that MGNREGA is a supplementary source of income, raises a monthly per capita consumption expenditure of rural households significant, self-targeting programme, assets creation scheme, employment and environmentally sustainable works. Its participation rate among the SCs and STs exceed their share in the total population. It reduces the traditional gender wage discrimination, vulnerability of production system to climate variability and distress migration. It has a positive impact on the socio-economic status of the women.

In Sikkim, MGNREGA was launched and implemented only in the North district in 2006. In following year, it was covered in the South and East districts. Later in 2008, it

was implemented in all the four districts of the State. Sikkim has received seven national awards for exemplary work done under MGNREGA in row over the last four years<sup>3</sup>. Dheeraja, Siva and Rao (2010) found that in Sikkim there is no instance of gender or caste/tribe discrimination either in the allotment of work or payment of wages or at work site that portrays a hazel free implementation of the scheme. Moreover, the environment for work participation is conducive for all types of community irrespective of gender or caste/tribe in the State. In Sikkim, the scheme is better implemented due to the good panchayati raj institution system prevailing in the State (Panda, Dutta and Prusty, 2009). Through the scheme the level of poverty is reduced by raising their household income.

#### Population and Labour among Scheduled Tribes

In India, the term “tribe” is not properly defined and is used as administrative groupings. There is no definition for tribal in the Constitution of India. It simply says that

the President of India can specify the tribes or tribal communities to be Scheduled Tribes. According to Clause 25 of Article 366 of the Constitution, “Scheduled Tribes” means such tribes or tribal communities or parts of or groups within such tribes or tribal communities as are deemed under Article 342 to be Scheduled Tribes for the purposes of this Constitution (Chandra, 2011).

According to the census of India (2001), Bhutia (including Chumbipa, Dophapa, Dukpa, Kagatey, Sherpa, Tibetan, Tromopa, Yolmo) and Lepcha are in the list of STs in Sikkim. As per the 2011 census, about 34 per cent of the population of Sikkim is STs. The composition of ST in the State is greater than NER with 27 per cent. A similar pattern is prevailing in both rural and urban areas as presented in Table 1. In Sikkim, in 2011, the most ST population dense district is North District with about 66 per cent followed by West District with slightly over 42 per cent, South District with slightly above 28 per cent and East District with close to 28 per cent.

**Table 1 : Share (%) of Scheduled Tribes in the Total Population in Sikkim/India, 2011**

State/ Country	Rural			Urban			Total		
	Person	Male	Female	Person	Male	Female	Person	Male	Female
Sikkim	36.57	35.44	37.86	25.53	23.92	27.30	33.80	32.58	35.16
NER*	28.27	27.89	28.65	23.00	21.99	24.05	27.29	26.80	27.80
India	11.26	11.02	11.51	2.77	2.70	2.85	8.61	8.41	8.83

Note: \*Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura.

Source: PCA Tables, Census of India, 2011.

Land is an important resource of livelihood in rural areas. Nevertheless, some of the rural households both among STs and all social groups do not possess land in Sikkim as well as in India. In 2009-10, as much as four per cent of the ST households do not possess land in Sikkim (Table 2). The situation is worse for the country as ten per cent of the ST households do not have land. The size of landless households is lesser in Sikkim than the country for ST and all social groups. It indicates that the distribution of control

over the natural land resources by ST households in particular is more equitable in Sikkim in comparison to the country's level. However, the size of the land possessed by the STs and all social groups' households are small and marginal up to one hectare suggesting a subsistence rural agriculture income. In Sikkim, households having more than one hectare of land comprised about seven per cent among the STs; while it is about nine per cent for all social groups. It is much lower than the country's level.

**Table 2 : Share (%) of ST/All Social Groups Households by Size Class of Land Possessed (Hectares) in Rural Areas in Sikkim/India, 2009-10**

State/ Country	Social Group	0.000	0.001-0. 0.004	0.005- 0.40	0.41- 1.00	1.01- 2.00	2.01- 4.00	4.01 and above	All Classes
Sikkim	ST	4.00	14.60	39.50	34.80	4.20	2.90	0.00	100.00
	All	6.30	23.40	33.80	27.70	7.10	1.70	0.00	100.00
India	ST	10.10	13.80	32.80	19.80	13.00	8.30	2.20	100.00
	All	8.30	11.70	44.80	16.10	9.70	6.50	3.00	100.00

Notes: Figures of 1999-2000 under 0.005-0.40 land possessed size relates to 0.01-0.40 size. Figures given 1000 in NSSO Reports are converted into percentage.

Source: NSSO (2012), Report No. 543.

The above discussion on land ownership has further established that large share of the households are engaged as self-employed in agriculture activities especially among the STs in Sikkim. Rural agricultural labour is significantly less prominent in Sikkim in comparison with the country's level. For example, only four per cent of the ST households are engaged as agricultural labourers in Sikkim against 33 per cent in India in 2009/10 (Table 3). Households

engaging as rural other labour and other than self-employed and rural labour are much more visible in Sikkim than in India for STs as well as India. About 17 per cent of the ST households are from rural other labour in Sikkim, against 13 per cent in India in 2009/10. It has not changed much from 2004/05 particularly in Sikkim as the household continues to depend or engage in the same employment avenue portraying the constraint of employment in other than self-

employment and rural labour. It also indicates that despite the introduction of rural employment scheme like MGNREGA, employment among the ST has not benefited much in terms of full employment. In other words, MGNREGA has only reduced

the under-employment. Meanwhile the share of rural other labour has increased for ST in India and for all social groups in Sikkim and India suggesting a certain change with the MGNREGA work.

**Table 3 : Share (%) of ST/All Social Groups Households by Household Type in Rural Areas in Sikkim/India**

Social groups	State/ country	Year	Self-Employed			Rural Labour				
			Agri	Non-Agri	All	Agri-Lab	Other Lab	All	Other	All
ST	Sikkim	2004/05	45.20	6.80	52.00	4.30	17.20	21.50	26.50	100.00
		2009/10	45.00	11.20	56.20	3.80	17.40	21.20	22.60	100.00
	All India	2004/05	39.30	6.40	45.70	34.00	11.30	45.30	8.90	100.00
		2009/10	37.00	7.00	44.00	33.40	13.10	46.50	9.50	100.00
All	Sikkim	2004/05	43.10	11.60	54.80	2.30	20.20	22.50	22.70	100.00
		2009/10	38.30	11.00	49.30	1.60	23.50	25.10	25.60	100.00
	All India	2004/05	35.90	15.80	51.70	25.80	10.90	36.70	11.60	100.00
		2009/10	31.90	15.50	47.40	25.60	14.80	40.40	12.20	100.00

Notes: Agri – agriculture; Lab – labour. Figures given per 1000 in NSSO Reports are converted into percentage.  
Source: NSSO (2006 and 2012), Report No. 516 and 543.

**Table 4 : WPR (%) According to Usual Status (PS+SS) for ST/All Social Groups, Rural Areas, Sikkim/India**

State/ country	Year	Scheduled Tribes				All Social Groups			
		Male	Female	Person	Gender Gap	Male	Female	Person	Gender Gap
Sikkim	2004/05	56.30	34.90	46.50	21.40	55.40	31.80	44.30	23.60
	2009/10	53.10	39.70	47.20	13.40	55.60	30.90	44.20	24.70
India	2004/05	56.20	46.40	51.40	9.80	54.60	32.70	43.90	21.90
	2009/10	55.90	35.90	46.10	20.00	54.70	26.10	40.80	28.60

Notes: Figures given per 1000 in NSSO Reports are converted into percentage. PS – principal status; SS – subsidiary status. WPR: Number of persons employed per 100 persons.

Source: NSSO (2006 and 2012), Report No. 516 and 543.

During 2004/05 to 2009/10 in rural areas among the STs the WPR increased due to the considerable increase in the females' participation rate in Sikkim (Table 4) which may be attributed to MGNREGA work. It does not happen at the country's level. In India, the rate declined for ST following all social groups trend. For all social groups, Sikkim exhibits a similar trend with the country. The change in the participation rate is associated largely with the change in the levels of unemployment and school enrolment apart from economic development and good governance practice. Data of 2009/10 show that the rate is slightly greater for Sikkim than India for STs as well as for all social groups indicating the lower unemployment level and increasing females' participation in economic activities. However, the participation rates continued to considerably exceed for males as compared to the female counterpart. Interestingly, the gender gap, i.e. difference between males and females, in WPR narrowed down only for STs in Sikkim

from 21 to 13 per cent from 2004/05 to 2009/10 suggesting either the tendency of females' labour participation is increasingly greater than males or the requirement of females' participation in work to supplement household income has increased in order to alleviate from poverty level. On the contrary, the gap has widened for STs in India and for all social groups in Sikkim as well as India over the years.

#### **MGNREGA Works**

Since the implementation of the programme, MGNREGA works in Sikkim, corroborating with the goals<sup>4</sup> of the scheme, include water conservation and water harvesting like digging of new tanks/ponds, percolation tanks, small check dams, etc; drought proofing such as afforestation and tree plantation and other activities; micro irrigation works like minor irrigation canals and other activities; provision of irrigation facility to land owned by scheduled castes

and scheduled tribes, beneficiaries of land reforms and beneficiaries of Indira Awaas Yojana, etc; renovation of traditional water bodies such as de-silting of tanks/ponds, de-silting of old canals, de-silting of traditional open well, etc; land development like

plantation, land levelling, other activities; flood control and protection including drainage in water logged areas, construction & repair of embankment; rural connectivity; any other activity as approved by MoRD.

**Table 5 : Share (%) of Completed Work Under MGNREGA in Sikkim**

Work/ Activities	March 2007	March 2010	March 2012	January 2014
Water conservation and water harvesting	6.80	14.36	7.62	5.15
Drought proofing	0.00	52.48	12.79	6.79
Micro-irrigation	21.36	4.23	2.64	6.09
Provision of irrigation facility to land development	0.00	0.00	0.00	0.00
Renovation of traditional water bodies	0.97	0.36	0.30	0.00
Land development	0.97	8.67	64.17	66.51
Flood control	53.40	6.78	5.28	4.22
Rural connectivity	16.50	13.12	7.08	11.24
Any other activity approved by MoRD	0.00	0.00	0.12	0.00
Total (Number)	103	1372	1666	427

Source: Author's calculation based on data up to 2012 from <http://mgnregasikkim.org> and 2014 from <http://nrega.nic.in> (15.01.2014).

In the beginning, as on March 2007, most of the completed works were flood control measure activities with slightly over 53 per cent followed by micro-irrigation, rural connectivity and water conservation and water harvesting (Table 5). Later in 2010, drought proofing work became the major concern of the scheme. In 2012, the scheme was devoted mostly for the land development covering plantation, land

leveling and other land development activities with a share of 64 per cent. Even at present the land development continues to be a main activity with over 66 per cent of the total 427 numbers of completed works of the scheme in Sikkim. Over the year there is a shift in the nature of work predominantly from flood control, micro-irrigation and rural connectivity to drought proofing to land development which indicated a remarkable



creation of assets for further development. This takes place not only with the completion of the prioritised developmental activities and securing livelihood opportunities but with the proper coordination between the State and the Centre as well as implementers and beneficiaries. All the above mentioned works are pertinent with the long-term livelihood security and strengthening of source of income and well-being among people living in and around the worksite. For example, the improvement in rural road connectivity with the help of the scheme improves and enhances the efficiency of means of transportation and accessibility to the markets for the rural marketable surplus products. Such developmental works are made possible with their own labour participation, in return earning wages, and for their own benefit to strengthen their economic opportunities and to reduce their poverty level.

#### **MGNREGA Workers among Scheduled Tribes**

MGNREGA work, one of the public works, was initially implemented only in the North district of Sikkim in 2006/07. Table 6 gives details of employment generated under the MGNREGA in Sikkim. By the end of the financial year of 2006/07 as many as 4498 households were issued with job cards of which 96 per cent were STs and the rest were SCs and others. In the beginning of the

financial year in 2007 the scheme was introduced to two more districts (South and East) resulting to the significant increase in the number of job cards issuance in the households touching a figure of 30907. Eventually, there was a drastic change in the share of job card holders among the various social groups. In 2007/08, 39 per cent of the households having job cards belong to the STs, seven per cent among the SCs and the major share of 54 per cent of the total cards were issued to the others social group. The cumulative number of households issued with the job cards increases to 87051 in 2013/14. Meanwhile, the census of India recorded 129006 households in Sikkim. Then the share of households issued with a job card is about 67 per cent in 2013/14 (using 2011 census household figure). From 2007/08 onwards the distribution of households issued with a job card among the social groups remains similar. For instance, in Sikkim, in 2013/14, about 37 per cent of the cards were issued to the STs, five to the SCs and the rest 58 per cent to the others social group; against, the 2011 census, population distribution of 33.80 per cent belonging to the STs, 4.63 per cent the SCs and the remaining 61.57 per cent to the others social group. It reflects that in Sikkim, job cards are distributed almost in proportion to their share of population among the social groups.

**Table 6 : Employment Generated Under MGNREGA in Sikkim**

Particulars	Social Group	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Cumulative No. of Households (HH) issued job cards (JC) <sup>^</sup>	SCs	58	2149	4995	4619	4692	4043	4153	4393
	STs	4327	11972	28728	28781	30263	29025	29983	31883
	Others	113	16786	43389	36650	38620	46128	47778	50775
	Total	4498	30907	77112	70050	73575	79196	81914	87051
Share (%) of cumulative No. of HH issued job cards in total	SCs	1.29	6.95	6.48	6.59	6.38	5.11	5.07	5.05
	STs	96.20	38.74	37.25	41.09	41.13	36.65	36.60	36.63
	Others	2.51	54.31	56.27	52.32	52.49	58.25	58.33	58.33
Cumulative No. of HH demanded employment (DE) <sup>^</sup>		4179	21773	52554	54156	56401	55765	55596	59052
DE%JC		92.91	70.45	68.15	77.31	76.66	70.41	67.87	67.84
Cumulative No. of HH provided employment (PE) <sup>^</sup>		4107	19787	52006	54156	56401	54464	54536	50613
PE%DE		98.28	90.88	98.96	100.00	100.00	97.67	98.09	85.71
PE%JC		91.31	64.02	67.44	77.31	76.66	68.77	66.58	58.14
Cumulative persondays generated (PDG) (in thousand) <sup>^</sup>	SCs	2	61	150	418	579	149	148	87
	STs	238	366	1162	1841	1921	1177	1243	745
	Others	3	433	1321	2068	2314	1950	1924	1197
	Total	243	860	2633	4327	4814	3276	3315	2029
Share (%) of cumulative persondays generated in total	SCs	0.82	7.09	5.70	9.66	12.03	4.55	4.48	4.29
	STs	97.94	42.56	44.13	42.55	39.90	35.94	37.49	36.72
	Others	1.23	50.35	50.17	47.79	48.07	59.51	58.03	58.99
Cumulative No. of HH completed 100 days <sup>^</sup>		222	2006	2863	12633	25695	8731	9233	1106
HH completed 100 days % to HH provided job <sup>*</sup>		5.41	10.14	5.51	23.33	45.56	16.03	16.93	2.19
PDG%PE (Average number of days worked per HH)		59	43	51	80	85	60	61	40

Notes: Figure of 2013-14 is up to December 2013. <sup>^</sup>Till the reporting month. % - Author's calculation. Figures of 2006/07 include only North district, 2007/08 covers North, South and East districts; however, later all four districts including West district are included in Sikkim.

Sources: Data up to 2007/08 from <http://mgnregasikkim.org/> and 2008/09 onwards from NREGA Implementation Status Report of Sikkim (22.01.2014><http://nrega.nic.in/>).

Table 7 presents the distribution of MGNREG workers classified by different social groups in Sikkim according to NSSO. In 2009/10, about 46 per cent of the rural households were having job cards in Sikkim, against 35 per cent in India. Strikingly, more than half of the entire ST households both

in the State and India are job card holders. A very small ratio of about two per cent of the entire households sought for work but did not get it in Sikkim, against 19 per cent in India, indicating smooth and fast delivery of employment resulting to low unemployment rates.

**Table 7 : Share (%) of MGNREG Work Classified by Social Groups in Sikkim/India, 2009/10**

State/ Country	Social Groups	HHs having job card	HH who got work					Sought but did not get work	Did not seek work	All	Average No. of days worked*
			<20	20-50	50-100	>100	All				
Sikkim	ST	55.20	6.90	7.90	37.40	0.00	52.20	0.80	47.00	100.00	66
	All	45.80	6.00	10.30	27.70	0.00	44.10	1.90	54.00	100.00	59
All-India	ST	54.10	14.30	12.90	12.30	0.30	39.80	19.70	36.30	100.00	42
	All	34.70	10.20	7.60	6.20	0.20	24.20	19.30	53.80	100.00	37

Notes: \*Average No. of days worked in MGNREG by HH got MGNREG works.

Source: NSSO (2012), Report No.543, 2009/10.

In Sikkim, the share of households who demanded MGNREG employment in the total number of job cards issued substantially declined from 93 per cent in 2006/07 to close to 68 per cent at present, as presented in Table 6, indicating that many of those who applied for job are neither desperate for employment as they have other means of livelihood, e.g. family support, nor interested to engage in manual work. It does not depict the situation of excess wage employment generation because all the job card holders who demanded employment do not get job. It also shows that a significant share of them just got

job cards issued for the name sake and not keen to work. However, interestingly, over 98 per cent of households were provided with employment among those who demanded employment in the initial year of launch of the scheme. Later, in 2009/10 and the next year, all households who demanded employment got it. In the subsequent periods, some of them do not get employment even if it was demanded. For example, at present only 86 per cent of those who demand for job got it. The situation worsens when the share of households provided with employment in the total number of households issued with job

cards is observed. At present only 58 per cent, much lower than earlier periods, of those who hold a job card got employment. NSSO also recorded that some households did not get work even if they have a job card among different social groups in Sikkim and the extent of it is more intense at the country's level (see Table 7). Out of the 45.80 per cent of the rural households who have job cards, only 44.10 per cent of them got job in Sikkim. That means close to two percentage points among the rural households with the card do not get job. The extent of those who do not get work among the job card holders is larger (about 10 percentage points) in India. This situation highlights that job cards are issued without verifying the eligibility criteria of the beneficiaries to enlarge the State's budget for the scheme, job card holders do not want to work in manual activities, card holders are engaged in employment with higher earnings (than MGNREG wage) and government is unable to identify and provide adequate avenues for MGNREG work.

All the ST households having job card got work in Sikkim unlike in India (Table 7). However, Sikkim, like India, has not experienced a full 100 days of guaranteed employment under the scheme to each rural household who would like to engage in manual work because the average number of days worked per household (the ratio of number of persondays generated and households provided with employment) was 85 days, the highest in the history of MGNREGA of Sikkim, in 2010/11; however, it gradually declined recording only 40 at present (Table 6). NSSO also gives a similar figure of 59 days per worker in a year during 2009/10 (Table 7). It indicates a shortage of

MGNREGA employment supply due to the government's inability to generate adequate rural unskilled manual work. It also indicates MGNREGA work as subsidiary or secondary economic activities; for example, rural agriculturists engage in MGNREGA work during the lean agricultural season. However, Dheeraja, Siva and Rao (2010) studies of MGNREGA in Sikkim found the reasons for not working for 100 days in the scheme as follows: own farming activities, household responsibilities in nursing children and aged, health problems, low wages and hard work involved in the scheme, distance to the worksite, etc. STs engaged for greater number of days in MGNREGA work with an average of 66 days in a year, against 59 for all social groups, in Sikkim. Similar is the case for all India witnessing a greater number of days worked in the scheme among the STs in comparison with all the social groups.

In Sikkim, employment generation in terms of persondays has substantially increased from 243 thousand covering only North district in 2006/07 to 860 thousand in the following year as it covers two more districts. It further rose to 2633 thousand covering entire districts of the State in 2008/09 and furthermore substantially increased to 4814 thousand in 2010/11. However, later, it declined to 2029 thousand in 2013/14 (Table 6). The distribution of persondays generated is similar with the distribution of households issued with a job card as discussed earlier. In 2013/14, slightly over four per cent of employment generated were made available for the SCs, about 37 per cent of the persondays were performed by the STs and largest share of 59 per cent of it were given to the others

social group. Employment opportunities delivery is somewhat in accordance with the size of social groups in the total population. It indicates that some sort of social justice and transparency is prevailing in the State. The detailed data examination gives an impression that the socially disadvantaged group especially STs are benefiting to a greater extent as the share of person-days generated or the share of households issued with a job card were more than their population composition. It negates the disguised unemployment and underemployment besides general unemployment problems emancipating from the cocoon of poverty through wage earnings.

#### **Poverty and Worker**

Poverty and employment is interrelated with each other which in turn are affected by the wage rate. Wage rate for the MGNREGA works has been revised upward from time to time linking with the Consumer Price Index for Agricultural Labour for all the States and Union Territories. Empirical data do not show any wage differential across various social groups. In general, wage rate in Sikkim increased by about 59 per cent in 2013 since 2005/06 at ₹ 85 per day (Marchang, 2014). Concerning the payment in Sikkim, wages are not paid in time and are often delayed in disbursement either through the bank or post office accounts or other means. Dheeraja, Siva and Rao (2010) found that in Sikkim, all workers have opened their accounts in bank or post office; however, about half of them do not receive timely wage payment through their accounts.

The change in the inflationary rate has led to the change in the wage rates of MGNREGA. However, it has a positive implication in the poverty alleviation process.

The wage received by the workers raises their purchasing power affecting the poverty scenario. The level of poverty in Sikkim, following the national pattern, has substantially declined in recent years for both rural and urban areas (Table 9). Poverty level in Sikkim is relatively much lower than the level of India. It is about eight per cent in Sikkim against 22 per cent for the country in 2011/12. Sikkim topped in poverty reduction performance among the Indian States. The drastic reduction in the level of poverty in Sikkim is contributed by equitable, balance and inclusive development strategy reinforced by the implementation of the manifold developmental programmes and schemes introduced by State as well as the Centre. Moreover, wide magnitude of people's participation in various developmental activities has changed the poverty scenario in the State.

As expected, the problem of poverty is more acute in rural than urban areas. However, with the implementation of MGNREGA work, large number of rural people are being relieved as number of rural poor persons declined sharply and systematically. For example, in Sikkim, number of persons below poverty line declined from 150 thousand in 2004/05, a period before the launch of the scheme, to 45 thousand in 2011/12, a period when the scheme is in full operation. Studies by Dheeraja, Siva and Rao (2010) established that MGNREGA reduced the poverty particularly among the poorest of the poor. And, Institute of Rural Management Anand, IRMA, (2010) found that the scheme attracted not only rural poor but also those households above the poverty level. The scheme enhances the economic security in general and food security in particular across different social groups including the STs.

**Table 9 : Number and Share (%) of Population Below Poverty Line in Sikkim/India**

State/ Country	Year	Rural			Urban			Combined	
		No. of Persons (Thousand)	% of Persons	Poverty Line (₹)	No. of Persons (Thousand)	% of Persons	Poverty Line (₹)	No. of Persons (Thousand)	% of Persons
Sikkim	2004/05	150	31.80	531.50	20	25.90	741.68	170	30.90
	2009/10	70	15.50	728.90	10	5.00	1035.20	80	13.10
	2011/12	45	9.85	930.00	6	3.66	1226.00	51	8.19
India	2004/05	325810	42.00	446.68	81410	25.50	578.80	407220	37.20
	2009/10	278210	33.80	672.80	76470	20.90	859.60	354680	29.80
	2011/12	216658	25.70	816.00	53125	13.70	1000.00	269783	21.92

Notes: Estimates based on Tendulkar method on mixed reference period.

Source: Planning Commission, Government of India.

**Table 10 : Workforce Participation Rate (%) of ST in Sikkim/India**

State/ Country	Year	Rural			Urban			Total		
		Persons	Male	Female	Persons	Male	Female	Persons	Male	Female
Sikkim	2001	49.48	55.11	43.56	39.06	48.71	29.64	48.59	54.58	42.33
	2011	51.90	58.16	45.27	40.26	51.74	29.24	49.69	56.99	42.09
India	2001	50.37	53.78	46.88	34.56	46.82	21.58	49.06	53.20	44.83
	2011	50.00	54.33	45.62	37.18	49.84	24.26	48.71	53.88	43.49

Note: Ratio between the workers (main + marginal) and population including 0-6 years in per cent.

Source: Author's calculation based on Census of India, B-Series (ST) 2001 and PCA Table (ST) 2011.

**Table 11 : Share (%) of Main and Marginal Workers Among the ST in Sikkim/India**

State/ Country	Year	Rural		Urban		Total	
		Main	Marginal	Main	Marginal	Main	Marginal
Sikkim	2001	76.48	23.52	93.50	6.50	77.64	22.36
	2011	69.63	30.37	87.89	12.11	72.44	27.56
India	2001	68.05	31.95	83.17	16.83	68.93	31.07
	2011	63.33	36.67	82.06	17.94	64.77	35.23

Source: Author's calculation based on Census of India, B-Series (ST) 2001 and PCA Table (ST) 2011.

The decline in the level of poverty which is partially attributed by the scheme, if not overstated, has concurrently led to the increase in the extent of economic participation. In rural areas, according to the Census of India 2011 data, as shown in Table 10, over half of the ST population in Sikkim were engaged in economic activities both in full and part time as main and marginal workers, respectively in 2011. Most importantly WPR has slightly increased particularly for Sikkim for both males and females. In India, the WPR in rural areas remains unchanged although WPR for males slightly rises which is subsided by the decline in the rate for females. The increase of WPR particularly in Sikkim among the STs is largely contributed by the increase among the marginal workers. The size of marginal workers among the STs has significantly increased especially in rural areas, which are largely based on agriculture sector, from about 24 per cent in 2001 to about 30 per cent in 2011 (Table 11) at the cost of reducing the proportion of main workers in Sikkim. The introduction of MGNREGA work does not necessarily raise the extent of work participation for a long period of the year. The increase in the share of marginal workers also indicates the widespread situation of unemployment and underemployment. In fact 100 days guaranteed for employment under MGNREGA should result to a longer period of economic participation per year among the marginal workers and also tend to increase work participation as marginal workers among the fresh entrant in the labour market. This process ideally strengthens and improves the annual household income that in turn reduces the level of poverty by strengthening their purchasing power in rural areas among the STs. It paves a way for

development and to achieve self-reliance in the rural areas in Sikkim.

### Conclusion

Employment and poverty are significantly linked particularly in rural areas where agriculture is the main source of income and livelihood. In Sikkim, MGNREGA work has changed in the structure and in intensity over the years across the social groups especially for the STs. Predominant activity such as flood control in the beginning has been replaced by the land development and rural connectivity works. The scheme has changed as well as enhanced the livelihood and purchasing power of the rural people in general and STs in particular. It provides a source of supplementary income to them thereby reducing their poverty level, underemployment and unemployment. It has changed the traditional rural household workers to wage workers. Expectedly, the number of job card holders has significantly increased. NSSO (2009/10) recorded that close to half of rural households have the cards. However, at present, it is two-thirds of the households in Sikkim. All of them do not demand for job suggesting they have other means of livelihood. Some of the households did not get job even when it was demanded. Presently only three-fifths among the job card holders got employment under the scheme. It suggested that job cards are issued without verifying the actual eligibility criteria of the beneficiaries to inflate the State's budget for the scheme, card holders do not want to work in manual activities, card holders are engaged in employment with higher earnings (than MGNREG wage) and government is unable to identify and provide adequate avenues for

MGNREG work. There is a shortage of MGNREGA employment supply. Importantly, MGNREGA employments are delivered in accordance to the size of the social structure of population. Moreover, the participation rate in the scheme among STs is considerable both in terms of the size of card holders and engaged in employment negating the issues of unemployment and underemployment and improves the livelihood condition and reduces the poverty level. There is an absence of caste/tribe discrimination either in the allotment of work or payment of wages or at worksite. The working environment is conducive for all types of community irrespective of caste/tribe. A good panchayati raj institution system prevailing in the State is also attributed to the better implementation of the scheme. Further, presently, wage rate increased by more than half of the wage since the start of the scheme

in Sikkim. Wages are not paid in time and are often delayed in disbursement either through the bank or post office accounts or other means. The increase in the wage has a positive implication for poverty reduction. ST's participating in the MGNREGA work raise their purchasing power and reduce their poverty level. Poverty problem continues to be more acute in rural areas than urban areas despite the low prevalence and the general decline of it substantially in the State. However, with the implementation of MGNREGA work, large numbers of rural people are being relieved as number of rural poor persons declined sharply and systematically. There is no doubt that the scheme enhanced the economic security of the STs in particular. Undoubtedly, MGNREGA work raised the size of the marginal workers resulting to an increase of WPR in the State for the STs.

### Notes

1. Wage refers to the minimum wage fixed by the State Government under section 3 of the Minimum Wages Act, 1948 for agricultural labourers (The Gazette of India, 2005).
2. See details at The National Rural Guarantee Act 2005 (NREGA), Operational Guidelines 2008, MoRD, Department of Rural Development (DoRD), GoI (p.38). The financing funding pattern of the NREGS is to be shared by the Centre and State. The Central Government will bear the entire cost of wages for unskilled manual workers, 75 per cent of the material costs, 75 per cent of wages for skilled and semi-skilled workers, and administrative expenses as may be determined by the Centre and the Central Employment Guarantee Council. While the State Government will pay unemployment allowance, if the State Government cannot provide wage employment within 15 days of job application under NREGS, 25 per cent of the material costs, 25 per cent of wages for skilled and semi-skilled workers, and the administrative expenses of the State Employment Guarantee Council.
3. The seven national awards received in a row by Sikkim for exemplary work done under MGNREGA, the National Flagship Programme, are as follows – (i) best performing gram



panchayats: Chuba Phong Gram Panchayat for transforming a village reeling under perennial drought for construction of 120 household level water storage tanks of 10,000 litres capacity each, (ii) best performing district MGNREGA team – North District for excellence in district administration in the effective implementation of MGNREGA, (iii) best performing NGO: Voluntary Health Association of Sikkim received the Rozgar Jagrookta Puraskar (Employment Awareness Award) for promoting effective implementation of MGNREGA in Sikkim in 2011 (<http://zeenews.india.com>, 2011); (iv) Deepak Tamang, Panchayat President, Martam Nazitam- Gram Panchayat, Martam Block, East District for his outstanding contribution in 2012 (<http://isikkim.com>, 2012); (v) The Hee Gyathang – Gram Panchayat, Dzongu Block, North District for excellence in the implementation of the programme in 2013 (<http://voiceofsikkim.com>, 2013); and (vi) The Lamten Tingmo – Gram Panchayat, Wok Block, South District for excellence in the implementation of the programme and (vii) Rural Management and Development Department (Sikkim) received the recognition for excellence in convergence initiatives in 2014 (<http://isikkim.com/>, 2014).

4. See detailed goals of the scheme at MGNREGA 2005, Operational Guidelines 2013, MoRD, DoRD, Gol, Delhi, page 3.

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