

Examining The Effects of The Mahatma Gandhi National Rural Employment Guarantee Act (Mgnrega) On the Lungei Municipal Council Region: An Analysis

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Cite this paper as: R Lalremthanga, Rotluangpuia, Lalremtluanga, Rosangpuui, MC Lalchhuanawma, (2025). Examining The Effects of The Mahatma Gandhi National Rural Employment Guarantee Act (Mgnrega) On the Lungei Municipal Council Region: An Analysis. *Journal of Neonatal Surgery*, 14 (7), 732-739.

ABSTRACT

Lunglei Municipal Council (LMC) is an unprecedented administrative stratum envisioned to be established within the Lunglei District and has been in embryonic form since its establishment. LMC has been an essential administration link since its origin, and planning has been undertaken to initiate the ultimate development confined to its area. Along with the introduction of LMC, Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), the wage employment programme initiated by the union government, encountered an abrupt termination within LMC. Therefore, the status of MGNREGA within the LMC is of great concern. Many records and data related to the programme implemented in Mizoram exist, yet the specified area of LMC is labelled as new and remains untouched. The study highlights how MGNREGA has been terminated and the impacts of the operation. Primary and secondary data were gathered. Face-to-face interviews with the local council chairman from different localities are also held, which paves the way for a decisive study.

Keywords: MGNREGA, Urban Local Bodies, Governance, Local Council, Schedule Caste, Schedule Tribe.

1. INTRODUCTION

Over the many years since its independence, the government of India has come up with several policies, including those concerning the environment, education, health, as well as employment. MGNREGA is a part of policies formulated by the Government of India addressing the challenge of unemployment in the country's rural areas, aiming for rural development. This policy was framed to deal with the problem of unemployment in rural India. It had gone through the Lok Sabha in August 2005 as an Employment Guarantee Act, later renamed MGNREGA on October 2 2009, as a tribute to Mahatma Gandhi, who felt strongly that India needed mass production and not mass production by masses. His concern was to make the poorest of the poor happy by associating them with nation-building. MGNREGA is considered a milestone in the history of rural development in India. Unlike the previous employment generation schemes, for the first time, MGNREGA legally provides guarantee employment to India's poor.

The MGNREGA was created to help the poor, especially those at the edge of development, as an important part of India's social welfare laws. It started at a time when rural areas were struggling, with many people losing their jobs. Studies show that traditional poverty relief programs didn't work. The Act gives rural people, like those in backward castes and women, rights to development benefits. It was made to address the challenges of rural poverty and empower the poor during a time when global political forces were changing and supporting the need for this type of policy.

The government of India recognized the need for work programs early on during development planning. These programs aimed to improve livelihood security, particularly for casual workers, by providing wage employment. Examples of such programs include the 1960-1961 Rural Man Power schemes, the 1972 Pilot Intensive Rural Employment Programme, the Small Farmers Development Agency, Marginal Farmers and Agriculture Labor Scheme, Food for Work Programme, 1980 Nation Rural Employment Programme, Rural Landless Samridhi Yagna Programme (1999-2000), Sampoorn Grameen Rojgar Yojana (2001-02), and 2005 National Food for Work Programme.

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) marks a significant shift in India's employment policies. Unlike previous programs that were simply schemes, MGNREGA has an enforceable legal mandate; ensuring workers have a guaranteed 100 days of paid work each year. It empowers rural women, reduces migration from rural to urban areas, promotes social equality, and fosters development of assets at the village level. The Act applies to all rural households willing to do unskilled manual labor for a stipulated minimum wage and offers work when demand is expressed. Applications are considered within 15 days; failure to secure work results in a daily unemployment benefit. A minimum of 15 days should be between each job, with no more than 100 days in a year. MGNREGA initially covered the 200 poorest districts and began in Anantapur, Andhra Pradesh. It relies on Panchayati Raj Institutions (PRIs) for its

implementation, and encourages grassroots participation. The Act also empowers Gram Panchayats, which are responsible for organizing tasks, issuing employment cards, and monitoring the program at the village level. This includes the establishment of Gram Rojgar Sewak posts in every panchayat.

The number of people from different social groups taking part in the MGNREGS, a government job program, varies a lot from state to state. Over the last 15 years, Punjab has had the most participants. In states where more people from Scheduled Castes (SCs) live, a higher percentage of people from SCs participate. On the other hand, in states like Goa, Gujarat, and Jammu and Kashmir, where there are few SCs, SC participation is low. For Schedule Tribes (STs), the rate of participation is very high, over 90% in some northeastern states. The program mostly helps people who are poor or living in rural areas, including SCs and STs.

OBJECTIVES OF THE STUDY

1. To trace the evolution of the municipality within the Lunglei District of Mizoram

To identify the impacts of Lunglei Municipal Council (LMC) in Lunglei District

2. METHODOLOGY

Both primary and secondary data were used for collecting data. The study profoundly depends on empirical studies and is based on a survey method. Interviews were conducted with the general public and the staff at LMC. Convenience sampling is also used for this purpose, and the data collected related to earnings and expenses is presented through a line graph. Secondary data such as research papers, magazines, newspapers, government reports, and websites were also gathered to assist the study.

URBAN LOCAL SELF-GOVERNANCE (74TH CONSTITUTIONAL AMENDMENT ACT OR MUNICIPALITY ACT)

Local Self-Government (LSG) handles community issues by elected local people, ranking as India's third-level government after national and state levels. It consists of two types of local governments: Panchayats in rural areas and Municipalities in cities. Before the Constitution supported LSG in a formal way, its significance was recognized through numerous advisory committees, including the Balwant Rai Mehta, Ashok Mehta, L.M. Singhvi, G.V. Rao, Thungon, and Gadgil committees. Their suggestions finally led to the enactment of the 'Panchayati Raj Institutional Bill' (Constitution Act of 1992) by the P.V. Narasimha Rao Government, which legally recognized LSG.

Urban local governance is egalitarian, unlike its rural counterpart. The Constitution outlines urban local governance with three tiers: municipal corporations for major cities, municipal councils for medium-sized cities, and Nagar Panchayats for semi-urban areas. State governments have the freedom to establish their local government acts as long as they meet certain criteria. The Constitution also delineates the powers and duties of municipalities, including details in the XII Schedule.

MGNREGA IN MIZORAM

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) was introduced in September 2005 and was launched in Mizoram on February 2, 2006. The Mizoram government is actively implementing this scheme in 874 villages across 11 districts (originally 8) with 28 Rural Development Blocks. As of now, more than 2.17 lakh job cards have been issued to 2.42 lakh workers, making the number of active workers exactly the same. The act, initially called the NREGA, was renamed MGNREGA in 2009 and has been in effect since 2007, with Mizoram joining it then. Implementation is planned on a phase-wise basis, including new districts like Hnahthial, Khawzawl, and Saitual, covering various towns and villages. The economic growth of Mizoram is tracked in the form of balances, showing progress from 57681.47 in the financial year 2024-2025 to 50209.05 in the same year.

PROFILE OF LUNGLEI DISTRICT

Lunglei located in the South Central part of Mizoram and also the second largest city was established in 1889 by Capt. J. Shakespeare's on the Lushai Military Expedition. It covers an area of 100.88 km from north to south, 81.22 km from east to west, and vice versa. The district has a population of 1,61,428, with a population density of 36 people per sq. km and an effective literacy rate of 85.49%. It has two civil subdivisions, three rural development blocks, and a significant role as an administrative unit. The majority of the population relies on agricultural production, with shifting cultivation being the main type of cultivation. Only a few cottage industries contribute to the economy, mainly handloom cloth, furniture, agriculture equipment, woven textiles, bamboo, etc.

AN OVERVIEW OF LUNGLEI MUNICIPAL COUNCIL

The Mizoram government approved a plan to create a local government for Lunglei on November 24, 2021, and officially set it up on November 16, 2023, covering 24 areas. The Lunglei Municipal Council (LMC) had its first election on March 29, 2023, with over 44 polling stations, including 11 seats up for grabs. The new political parties, Zoram People's Movement

(ZPM), won all these seats, showing surprising results.

LMC structure is similar to Aizawl Municipal Council, which is now a municipal corporation, with 11 wards and 11 elected members, and the Governor appointing the others. Each ward also has a local council with a chairman and two members, chosen from the ward council. Additionally, one-third of the council seats are reserved for women who serve for five-year terms.

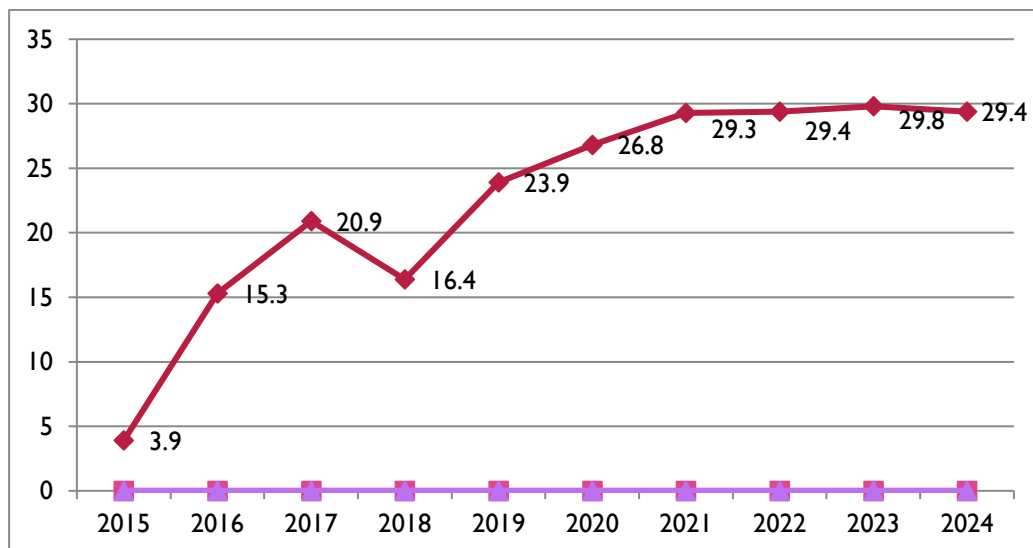
END OF MGNREGA'S IMPACT ON LUNGLEI MUNICIPAL AREA:

There has already been out-migration from Lunglei city since the MGNREGA scheme ended there. The LMC election on March 29 2023, has effectively taken the town into a municipal area. Since February this year, Village Councils have been renamed as Local Councils (L.C.s) along the lines of Aizawl City. From April 1 this year, MGNREGS also effectively ended with the LMC area. On March 27 this year, the Rural Development Department issued a notification that as per the Annual Circular issued by the Ministry of Rural Development (MoRD), Government of India, households living in the Lunglei Municipal living in the LMC are no longer eligible for employment under the MGNREGS. As a result, the notification said all MGNREGS Job Cards in the municipal area are cancelled effective April 1, 2024.

The following day, the Lunglei District Rural Development Officer also issued a public notice about the R.D.s notification cancelling the job cards. Time will tell how the end of MGNREGA will affect Lunglei and its residents. However, one can roughly calculate how much money will no longer be received by the new municipal area and families residing there. This study has analyzed a decade's worth of MGNREGS data related to the 24 localities that have now been included in the Lunglei Municipal area. During the past decade, i.e. from 2014-15 to 2023-24, the total MGNREGS expenditure for the LMC area totals Rupees 242 crore (an annual average of Rupees 24 crore). MGNREGA expenditure can be divided into different categories, including wages, materials, and administrative expenses. Wages are further categorized into skilled & semi-skilled wages and unskilled wages. The respective amounts of these two types of wages are not classified in the data. However, the average salary per person per day (in Rupees) is available, and it was Rupees 249 last year. A decade ago, in the 2014-15 financial years, it was Rupees 156. This indicates that as of the financial year, the average pay per person per day has climbed by almost 60%.

According to the data, 89.5% (about Rupees 216.58 crore) of MGNREGA expenditure in the last ten years was for these two types of wages under the scheme. A large majority of this was for unskilled wages. Over the past ten years, as much as 212 crore rupees were spent in what is now the LMC area. As a municipality, the LMC is likely to receive specific grants and be able to avail of other sources of funds. However, the abovementioned amount transferred directly to the resident's bank account will likely be the final amount as MGNREGS Job Cards will no longer exist in the Municipal area.

Fig. 1: Earnings from MGNREGA by Lunglei Residents (2015-2024 fiscal years)

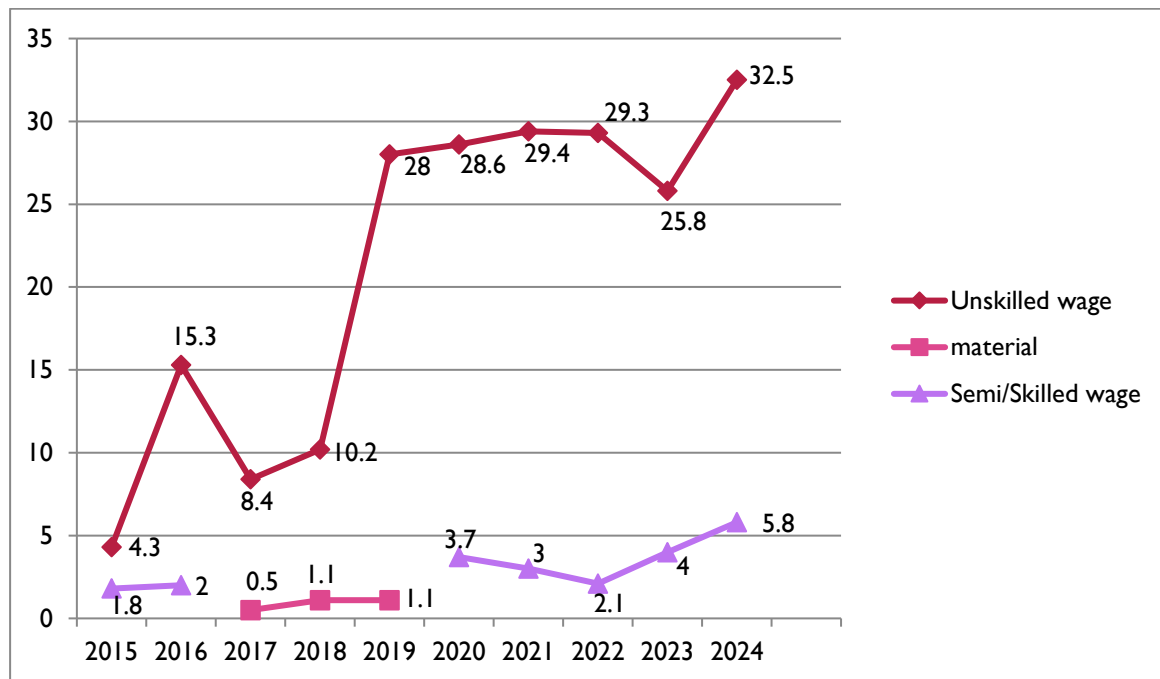


Source: Ministry of Rural Development, Government of India

Note: #Figures in Rupees (in Crore), Earnings from MGNREGA= (average wage per person day) x (person days worked)

*Total amount earned by job card holders in 24 localities now within LMC

Fig.2: Trend in MGNREGA expenses by Lunglei Residents from (2015-2024 fiscal year)



Source: Ministry of Rural Development, Government of India

Note: # Figures in Rupees (in Crore)

*Total expenses in 24 localities within LMC

MAJOR FINDINGS

Local Council officials from Lunglei City have expressed concern that the end of the 100-day employment scheme will financially burden many residents. Hauruang, which has received the most MGNREGA (Mahatma Gandhi National Rural Employment Guarantee Act) wages in the past decade, is expected to be particularly affected. Located in Ward V, which also includes Rahsi Veng and Sazaikawn, this area has seen the highest MGNREGA expenditures, indicating its importance to the community. The chairman of Hauruang Local Council emphasized that, despite being a village since 1987, Hauruang has thrived on the 100-day employment scheme, offering a significant income to residents. He worried about the community's future after the scheme ends, noting challenges with property taxes, restrictions on building, and the introduction of parking fees, which have sparked resentment among residents. The cancellation of MGNREGA job cards led to widespread debate and criticism within the community, especially since 90% of residents rely on the scheme for daily income.

Table I: LMC Constituencies

Sl No	Ward No	Name of Constituents Local Councils	No of seats.
1	Ward No I	1. Zotlang	1
		2. Pukpui	
2	Ward No II	1. Zohnuai	1
		2. Serkawn	
3	Ward No III	1. College Veng	1
		2. Bazar Veng	
4	Ward No IV	1. Venghlun	1
		2. Venglai	
5	Ward No V	1. Hauruang	1
		2. Rahsi Veng	
		3. Saizaikawn	
6	Ward No VI	1. Electric Veng	1
7	Ward No VII	1. Chanmari	1
8	Ward No VIII	1. Farm Veng	1
		2. Ramthar Veng	
9	Ward No IX	1. Salem	1
		2. Lunglawn	
10	Ward No X	1. Thleiriat	1
		2. Hrangchalkawn	
		3. Sethlun	
		4. Luangmual	
11.	Ward No XI	1. Zobawk 'N'	1
		2. Lungpuizawl	
		3. Zobawk' S'	

Source: Retrieve from <https://lmclunglei.com> accessed on 3/05.2024

Saizaikawn is within the same LMC ward as Hauruang. The L.C. Chairman, F Lalsangliana, said 110 Job Card holders were in the area. He said that the overall feeling in the locality about the end of the MGNREGS job cards is one of woe. This is the overarching sentiment not just in Saizaikawn but among residents and L.C. members in Lunglei in general; he said, "I doubt any of us in the locality wants to be within the municipality now. I don't think the Municipal has yet started functioning as it should. When it does, we will complain more than we do now," he said. Like neighbourhood areas, the MGNREGS wages for the January/ February period have not yet been credited to their accounts; he said, "When that money comes, and then the money stops coming into the bank accounts, we will be shocked" he said. He said that when the LMC was in the process of being formed, some said that Gram Sabha was necessary. However, in various statements I saw, I did not see any such provision; only individuals who wanted to criticize it could criticize it. "Therefore, we didn't have a public consultation. But as a locality, we don't want job cards to disappear," he said. Among the localities within Ward V of the LMC, Rahsi

Veng received the largest share of MGNREGS fund in the past ten years, at Rupees 18.6 crore. Rahsi Veng, L.C. Chairman, has said that many people in the area depend on the 100-day rural employment guarantee scheme. He said there are 1,200 job cards in the locality, and cardholders own about Rupees 240 per day, translating to as much as Rupees 24,000 for the whole year, a reasonable sum for people with low incomes. "We never asked for the municipality, but it was forced upon us. Now MGNREGS has ended, and the people are complaining. Some of them want to return to their villages. The poorest will be the worst off. They moved to Lunglei because it is an urban area. But they may now have to go back," he said.

Table II: MGNREA Fund Flow into Newly LMC Area (2014-15 to 2023-24)

Sl No	Ward No	Name of Local Council	Money received (2014-15 to 2023-24) Rupees in lakh
Top 5 Ward/ Localities (amount received)			
1.	Ward V	1.Rahsi Veng	1862
		2.Hauruang	546
		3.Sazaikawn	243
2	Ward IV	1. Venglai	1687
		2. Venghlun	878
3	Ward VIII	1. Farm Veng	852
		2. Ramthar	1711
4.	Ward X	1.Thleiriat	851
		2.Luangmual	768
		3.Sethlun	440
		4.Hrangchalkawn	356
5	Ward III	1.College Veng	560
		2.Bazar Veng	1845
Bottom 6 Ward/ Localities (amount received)			
6	Ward IX	1. Lunglawn	1446
		2. Salem	816
7.	Ward VII	1.Chanmari	2050
8.	Ward I	1.Pukpui	1056
		2.Zotlang	956
9.	Ward VI	1. Electric Veng	1855
10.	Ward II	1.Serkawn	998
		2.Zohnuai	710
11.	Ward XI	1.Zobawk ‘S’	769
		2.Zobawk ‘N’	634
		3.Lungpuizawl	297
			Total:24,186

Source: Ministry of Rural Development, Government of India

Note: #Ward wise, top 5 by amount received in 10 years, decimal rounded off, figures in Rupees lakh.

*Includes unskilled, semi-skilled & skilled wages, materials and administrative parts expenses.

College Veng is one of two localities in the LMC's Ward III area. The ward may be considered mid-level regarding MGNREGS funds received in the last ten years. Rupees 560 lakh or so MGNREGS expenditure flowed into the locality during the period. College Veng Local Council Vice Chairman Mr H Darzinga said that when he was Village Council President, they had written to the government that they did not want to be under the new municipality. Pointing out that while the poor in Aizawl went through immense economic hardships during the COVID-19 pandemic and related lockdowns, the MGNREGS was a monetary cushion for the poor in their locality, who did not suffer as severely as their Aizawl counterparts: "When I was VCP, we hired a vehicle and came to Aizawl. We wrote to the government that we did not want to be under the municipality. MGNREGS is a good programme for us, and we will suffer at the end of it. When many people in Aizawl were in dire straits during COVID-19 lockdowns, the schemes saved us; even the poor were not too worried," he told us when we interviewed. The Local Council Vice Chairman said that there are about 307 job cards in the College Veng area and that the number of people who would be worst affected by the cancellation of these job cards would number somewhere around 200 people, the L.C. vice-chairman estimates" The cash income from the 100 days employment scheme is about Rupees 70 lakh per year. If we add the value of the development works, the economic gains would be much higher. In the end, some will want to return to their native villages. Later on, we will realize how painful it is, and we will cry", he said. H Darzika noted that when the LMC was being formed, they contracted people they knew in Aizawl to get their opinions. They even spoke to some Aizawl Municipal Corporation Councillors (now called Corporators)." They told us, 'Do not want it' when we talked to them, he claimed. He said a community gathering was also called; people did not want it. He also said the local MHIP and MUP branches did not want it. In the future, the LMC will collect taxes. Property tax payments will increase rent, and many people in their neighbourhood don't have a house. He predicted that these would cause more economic harm than good for many.

3. CONCLUSION

MGNREGA plays a key role in job creation in Mizoram. It's widespread in the state, suggesting its success as a welfare program. For many, it meets their significant needs, and expecting it to disappear prematurely would be a letdown. Frustration often arises from prematurely ending the benefits before people fully assess their economic situation. Despite the government's efforts, poverty continues to affect those under municipal councils, showing the program isn't permanent. The study highlights that in areas like Lunglei Municipal Council, people feel ignored and lack consultation and many are left jobless despite protests. It suggests that government should consider alternatives to MGNREGA and that setting up municipal councils solely for financial gain misrepresents their true purpose. Building such councils involves costs for workers and the public, making it crucial for both to ensure the program's success. LMC has faced previous issues but can learn and improve and people should support development despite the challenges it brings for the greater good.

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