

**NATIONAL RURAL EMPLOYMENT GUARANTEE ACT:
A STUDY OF ITS IMPLEMENTATION AND IMPACT**

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MASTER OF PHILOSOPHY

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DECLARATION

I declare that the dissertation entitled, “**NATIONAL RURAL EMPLOYMENT GUARANTEE ACT: A STUDY OF ITS IMPLEMENTATION AND IMPACT**” submitted by me for the award of the degree of **Master of Philosophy** of Jawaharlal Nehru University is my own work. The dissertation has not been submitted for any other degree of this University or any other university.


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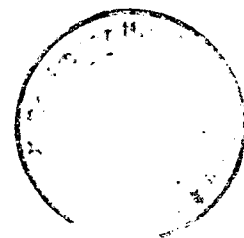
CERTIFICATE

We recommend that this dissertation be placed before the examiners for evaluation.

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TO MY BELOVED

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CHAPTER
One

INTRODUCTION

“...the ambition of the greatest man of our generation has been to wipe every tear from every eye. That may be beyond us, but as long as there are tears and suffering, so long our task will not be over.”

-Jawaharlal Nehru

The world today is striving hard to secure a decent standard of living for all people. These initiatives, such as the Millennium Development Goals, are intended to redress the many inequalities in the world, which are manifested in different ways. There are inequalities of income, wealth, opportunities, access to knowledge and resource endowments. Hence, efforts at the national and international level are directed towards correcting this imbalance and creating a more equitable society. This will ensure that people are able to fulfill their basic needs and enjoy a certain minimal quality of life.

Poverty and unemployment are two major manifestations of the hardships faced by people the world over. Inequality aggravates the situation as the rich are in a position to make use of the opportunities while the poor are unable to do so. It is here that the State plays a major role in facilitating the poor to overcome poverty and unemployment. The assistance of the State can take many forms - from free distribution of food and essential commodities to ensuring the right to work, the State can intervene in different ways to bring people out of poverty.

Growth and Economic Development

Development is the most important challenge facing the human race. Despite the vast opportunities created by the technological revolutions of the twentieth century, more than one billion people, i.e., one-fifth of the world population, live on less than one dollar a day. This means that one section of the population still lives in a state of deprivation. The primary aim of many multilateral institutions is the reduction and ultimately the

removal of poverty. These bodies, such as the World Bank and IMF, lend to the poor countries and provide them other aids to help correct their structural imbalances.

The Millennium Development Goals (MDGs)¹ offer the world a chance to do better vis-à-vis the poorest countries after twenty years of failed structural adjustment policies. The MDGs are eight goals to be achieved by 2015 that respond to the world's main development challenges. They are drawn from the actions and targets contained in the Millennium Declaration that was adopted by 189 nations and signed by 147 heads of state and governments during the UN Millennium Summit in September 2000. The 8 MDGs break down into 18 quantifiable targets that are measured by 48 indicators. These goals are directed towards building a world free of hunger and poverty. India as a signatory to this has made a commitment to work for the fulfillment of these goals. International aid in the form of monetary and technical support is obtained for the attainment of the same.

Economic growth and development are frequently assumed to mean the same thing. However, there is an important difference between the two. While economic growth refers to the growth rate of real per capita output of a country, economic development refers to an improvement in the quality of life and standards of living of the people which takes place along with an increase in the per capita income of the people of a country. This happens over a fairly long period of time. Economic growth is a purely economic phenomenon and is measured on an annual basis. Development is a multi-dimensional process. It involves the reorganisation and reorientation of entire economic and social system. In addition to increase in income and output, it typically involves radical changes in institutional, social and administrative structures as well as in popular attitudes and in many cases, even customs and beliefs.²

¹ The eight Millennium Development Goals are : Eradicate extreme poverty and hunger, achieve universal primary education, promote gender equality and empower women, reduce child mortality, improve maternal health, combat HIV/AIDS, malaria and other disease, ensure environmental sustainability, develop a global partnership for development.

² Ahmad, Syed Noman, "*Rapid Rural Transformation Through Voluntary Action*", MD Publications, New Delhi, 1997, pp11-26.

Economic development has important connotations for governance. This is so because it requires a government oriented toward development. The government has many roles to play. It must identify and finance high priority infrastructure projects, and make the needed infrastructure and social services available to the whole population, not just a select few. The government may create an environment conducive to investments by private businesses. Governments must also maintain internal peace so that the safety of persons and property is not unduly threatened; maintain judicial systems that can define property rights and honestly enforce contracts; and defend the national territory to keep it safe from invasion. When governments fail in any of these tasks, the economy may fail.³ Therefore, it is imperative that the structure of government is tuned to support economic growth. This will require a conducive climate to be created in the background of legal provisions and suitable governance mechanisms.

Poverty

The concept of poverty is multi-dimensional (viz income poverty and non-income poverty). It covers not only levels of income and consumption, but also health and education, vulnerability and risk; and marginalisation and exclusion of the poor from mainstream society. This is so because, in the life of a poor, poverty is not the only curse. Along with lack of affluence, the poor also face food deprivation, unemployment and social disrespect. It is the poor who die of hunger, unable to meet the most basic necessities of life.

Poverty strikes at the core of existence, for hunger supersede everything. By effectively taking away the rights of a human being to live in good health, to obtain an education and to enjoy adequate nutrition, poverty destroys the aspirations, hopes and enjoyment of the future as well. Poor families often have a high ratio of dependent members, often children. The burden of poverty then falls disproportionately on the young. Family size may be both a cause of poverty as well as an effect. A natural

³ Sachs.D. Jeffrey, "*The End of Poverty: How We Can Make it Happen In Our Lifetime*", Penguin Books, London, 2005, pp 59-60.

characteristic of poverty is that it is correlated with the lack of ownership of productive assets. The bulk of the poor are found among the landless or near landless. Side by side with the scarcity of physical assets are the low levels of human capital. Also, there is an intimate connection between poverty and undernutrition.⁴

Poverty itself can be a trap. When poverty is very extreme, the poor do not have the ability to pull themselves out of it. When people are poor, but not utterly destitute, they may be able to save. When they are utterly destitute, they need their entire income or more just to survive. This is the main reason why the poorest of the poor are most prone to becoming trapped with low or negative economic growth rates.⁵ Poverty is thus not only a problem in itself but also is the cause for further poverty. Therefore, the present generation of poor will have to strive hard to place the next generation in a better position in terms of income and wealth.

Moreover, poverty is not just a tragedy for its victims, but also a deep scar on the national fabric. It affects everything - from the self-respect of the nation to the quality of democracy. A twenty first century society cannot let its citizens starve or suffer from chronic hunger and government must ensure provision of food to the destitute. A 21st century democracy must in fact go further and empower the poor who cannot afford to pay for their education. Government must ensure that all its citizens are literate and all children attain some basic level of education, which we currently define as primary or elementary level. We can restate the basic goals of economic development in the context of a 21st century democratic society and economy as elimination of poverty.

Measuring Poverty

To decide on the measures required to combat poverty, it is important in the first place to comprehend its magnitude and intensity. This will facilitate the adoption of suitable policies which are region specific and beneficiary oriented. It is here that the

⁴ Roy, Debraj, "*Development Economics*", Princeton University Press, 1998, pp 249-267.

⁵ Sachs.D. Jeffrey, op cit, p 56.

measurement of poverty becomes important. Poverty can be measured using a number of criteria. These parameters depend on the general levels of development in the country and hence vary from country to country. The most popular measure uses a nutritional requirement level to decide on the poverty level. Others used include income, access to resources, participation in economic and social life, etc. A hypothetical poverty line is constructed and that section of the population that falls below this threshold is considered to be poor. It is an expenditure threshold that is regarded as minimally necessary for adequate participation in economic life.

The World Bank uses a figure of \$US 1 per day for measuring absolute poverty. Alternatively, relative deprivation is also used. According to the European Union, the poor is taken to mean persons, families and groups whose material, cultural and social resources are so limited as to exclude them from the minimum acceptable way of life in the member state in which they live.⁶ In India, the Planning Commission uses a norm of 2400 calories per capita per day for rural areas and 2100 calories per capita per day for urban areas. Rather than the nutritional requirement in itself, it indicates the amount of money required to purchase a minimum basket of food articles to meet it. Thus consumption based poverty is also ultimately decided by income levels. Although poverty lines incorporate relative notions of what constitutes necessity or basic needs, still they represent something as fulfilling a certain absolute notion of the ability to function in a society. Apart from consumption and income, there are also indicators based on education, health, gender and social factors, which are used to measure poverty.

Most authors have argued that using a calorie-based poverty line or a food adequacy standard is an appropriate way to measure moderate or extreme levels of poverty in developing countries. This method helps to know the number of people living below the determined poverty line. But the problem with head count ratio is that it fails to capture the extent to which individual income or expenditure falls below the poverty line. The poverty gap ratio expresses the total amount of money which would be needed to raise the poor from their present incomes to the poverty line, as a proportion of the

⁶ Maxwell, Simon, "The Meaning and Measurement of Poverty", *ODI Poverty Briefings*, 3 Feb 1999.

poverty line, and averaged over the total population, which measures the depth of poverty. The poverty gap ratio is not really a measure of poverty in itself, but a measure of resources required to eradicate it.

Anti-poverty Interventions

Poverty may be viewed as the most dangerous phenomenon faced by mankind. It is a problem in itself and also creates many other problems. Eradication of poverty is then the top priority of governments the world over. Taking into consideration the local factors and the local requirements, each country has a different approach towards tackling poverty. Most countries depend upon aid from international institutions or the financial assistance by developed countries to overcome acute poverty conditions in their own countries. International experience in poverty reduction suggests that a greater commitment by all the parties involved, like the home government, the local government bodies, non- governmental organisations and the people themselves contributes to its success.

In India, a series of programmes and schemes have, over the years, been launched towards this end. They have met with mixed results. The effectiveness of anti-poverty interventions depends upon both the design and implementation of policies. The existence, capacity and cohesiveness of institutions are also important factor. A comprehensive anti-poverty strategy encompasses not just policies intended to create self-employment and wage-employment opportunities to the poor and marginalised. Nor is it limited to merely accelerating economic growth. While both sets of policies are necessary, they are not sufficient. A third element is also necessary, viz. policies to improve the quality of life of the poor and those directed to expand their ability to shape their own future. This calls for not just accelerating growth but improving the quality of growth itself.⁷

⁷ Rao, M Govinda (ed), "*Development, Poverty and Fiscal Policy: Decentralisation of Institutions*", Oxford University Press, New Delhi, 2002, pp 1-3.

The relief process is initiated both by Government agencies as well as by various organisations. But the fact that there is poverty still in the country inspite of all the efforts draws to the point that their efforts were not sufficient vis-à-vis the magnitude of the problem. A certain amount of groundwork needs to be done to understand the nature of poverty that consumed the people. It is according to this understanding that, suitable anti-poverty measures have to be devised and implemented. Only such measures can provide lasting solutions rather than temporary ones. For example, as a measure of poverty eradication, many poor people were provided loans for goat keeping, in the belief that this would help in enhancing their income. The scheme failed as it was implemented unmindful of the fact that there was neither any availability of goat-feed nor water and even the ponds in that region had completely dried up. This illustrates the point that anti-poverty schemes have to be well thought out and planned before they are worked out. Any lasting solution to the poverty problem must, in the long term, be found in accelerating growth and directing its benefits to the poor.

The Problem of Unemployment

A highly populous country, India is characterised by hidden or disguised unemployment. This is called under-employment. Woefully poor people cannot afford to be unemployed. They, therefore, end up doing low productivity jobs in agriculture or informal service sector. The problem of poverty is closely linked to this problem of disguised unemployment. At least for able-bodied adults, these are two sides of the same coin and the elimination of 'surplus labour' is almost synonymous with the elimination of poverty. The bigger problem in the Indian economy, therefore, is under-employment rather than outright unemployment. Under-employment is a situation in which the marginal productivity of labour is equal to or near zero. This means that the additional unit of labour does not produce an additional unit of output. This creates a situation where people are working for very low wages as they simply cannot afford to remain unemployed for too long.

Though low quality jobs may be sufficient to eliminate hunger and abject poverty, this is not a sufficient objective for a long-term employment policy. A long-term employment policy must also focus on the quality of jobs that are created. Only the creation of more productive jobs will raise the income and living standards of the common man. Thus, we are left with only one feasible option - fast, productive, self-sustaining, labour intensive growth which will generate higher productivity jobs rather than 'make-work' jobs.

There is no more visible characteristic of economic underdevelopment than poverty. There is inequality of income distribution not only among countries but also among different regions within a country. There is inequality within households also, as for instance between men and women. Much of the existing under-employment or low quality employment is in the rural areas. Much of the new demand for employment will also be created in the rural areas. These areas cannot generate productive employment at a sufficient rate unless their basic infrastructure is improved and they are integrated with each other and the neighbouring urban areas. Therefore, there is utmost urgency to resolve the employment shortage in the rural areas thereby correcting the phenomenon of under-employment. These should be in the nature of asset and infrastructure creation along with a focus on human capital enrichment.⁸

Dimensions of Rural Poverty

Of the total Indian population of 1,028,737,436, according to the 2001 Census, the rural population was 742,490,639 or 72.2%. It is, therefore, important to raise the standard of living of the rural masses that form a significant part of the population. Agriculture is the mainstay of rural population. In drought affected rural areas, the situation is worse because agriculture cannot be carried on to the advantage of masses. It is in these cases, that rural labourers have been deprived of employment for long periods of time. Drought conditions have led to intensified hunger, poverty and unemployment in

⁸ Virmani, Arvind, "*Accelerating Growth and Poverty Reduction*", Academic Foundation, New Delhi, 2004, pp 117-322.

large parts of the rural areas of the country. Employment opportunities in the agricultural sector have shrunk over the last decade due to various reasons. With few jobs being generated in other sectors, unemployment is the most burning problem facing the rural poor.

The extent of rural unemployment, captured in two sets of data - the Census and surveys conducted by the National Sample Survey Organisation (NSSO) – indicates that widespread unemployment exists in the countryside. The most recent NSSO survey indicates unemployment to the extent of more than 7 per cent. Although the 2001 Census data do not show much of a decline in the growth of rural employment, they indicate that the ranks of marginal workers swelled faster in the 1990s, when compared to the 1980s. These are typically people with low wages, without full-time employment, and mostly in the non-formal sector. This indicates greater underemployment in the rural areas. The latest official estimates of poverty in India are based on the 55th Round NSS data, which throw up a figure of 190 million rural poor in 1999-2000. At an average family size of five, this gives 38 million rural poor households.

Constitutional Provisions

The makers of Indian Constitution dreamt of an egalitarian society. The State, they thought, would offer equal political, social and economic opportunities to its citizens. To accomplish this goal, various provisions were created in the Constitution. Important among these are the Fundamental Rights and Directive Principles of State Policy. While it is compulsory for the government to ensure the fundamental rights to all the citizens, the Directive Policy is in the nature of guidance and instructions to the State. These help the government in building a just society and a welfare state. The ultimate aim of these principles is the establishment of economic and social democracy.

Article 38 of the Indian Constitution reads, “(1) The State shall strive to promote the welfare of the people by securing and protecting as effectively as it may a social order in which justice, social, economic and political, shall inform all the institutions of the

national life. (2) The State shall, in particular, strive to minimise the inequalities in income, and endeavor to eliminate inequalities in status, facilities and opportunities, not only amongst individuals but also amongst groups of people residing in different areas or engaged in different vocations.”

Also in Article 39, clauses (a), (b) and (d) are important in this context. Article 39 (a) reads, “that the citizens, men and women equally, have the right to an adequate means of livelihood.” 39 (b) reads, “that the ownership and control of the material resources of the community are so distributed as best to subserve the common good.” Article 39 (c) talks about equal pay for equal work for both men and women. Article 41, states that the State shall, within the limits of its economic capacity and development, make effective provision for securing the right to work, to education and to public assistance in cases of unemployment, old age, sickness and disablement, and in other cases of undeserved want. Under Article 43, the State is endeavored to secure by suitable legislation or economic organisation a living wage to all workers.

On the one hand, there is a need to reduce the levels of poverty and on the other, the Directive Principles have to be honoured. The right to work is indeed the best protection against hunger and poverty. Access to gainful employment is also an important basis of participation in the society. It is this wisdom that is encapsulated in the passage of the National Rural Employment Guarantee Act 2005.

Efforts Towards NREGA

The movement for an EGA at the national and state levels was especially strong in the late 1980s and early 1990s. Amongst the national-level initiatives was a national seminar in Kolkata in 1989, a cycle rally with over 1000 cyclists from various parts of India to Delhi in 1989, a national convention at Delhi that was attended by the then Finance Minister Madhu Dandavate, and various campaigns in the states of Tamil Nadu, Andhra Pradesh, Orissa, West Bengal, Karnataka and Maharashtra. During that period,

all Left and Socialist Unions also held a huge rally at Delhi demanding the Right to Work.

The movement for EGA also began to have an impact on the Government. At the State level, both Tamil Nadu and Andhra Pradesh adopted pilot schemes in a few districts. At the Central level, a meeting of the National Development Council (NDC) in October 1990 endorsed the principle of making employment generation the central focus of development planning in order to achieve the goal of Right to Work for all.

On 31 July 1991, the National Commission on Rural Labour (NCRL) submitted its report and recommended that for the betterment of agricultural labourers, the Right to Work should be accepted as a Fundamental Right with certain qualifications and an Employment Guarantee Act should be enacted to implement this. A few years later, the Central Government adopted the Employment Assurance Scheme (EAS) as a limited way of providing guaranteed employment for 100 days, though it did not receive any statutory backing.

A draft Bill was formulated in Rajasthan and circulated before the Assembly elections in 2003. It also formed the basis for a state-wide campaign on the issue. In 2003, the organisations and individuals who informally formed the Right to Food Campaign undertook a week-long campaign demanding an Employment Guarantee Act in various states. This culminated in a National Day of Action on the Right to Work on 1st May 2003. Campaigns on the issue picked up in various states before the Lok Sabha elections in 2004. All parties were also asked to include the promise to pass a National Rural Employment Guarantee Act in their manifestoes. These campaigns met with some success. The Common Minimum Programme of the UPA government pledged to immediately enact a National Employment Guarantee Act, to provide a legal guarantee for at least 100 days of employment to begin with, on asset-creating public works programme every year at minimum wages for at least one able-bodied person in every rural, urban poor and lower middle-class household.⁹

⁹ National Common Minimum Programme of the Government of India, May 2004, p 3.

Knowing that there is a substantial difference between promises made and promises kept, a National Convention on the Right to Food and Work in Bhopal in June 2004, attended by over 500 delegates from 120 organisations, declared the need for the immediate adoption of a National Rural Employment Guarantee Act. The Campaign has since then drafted a Bill that received endorsement from a wide cross section of people and organisations. State level conventions for discussion of the Bill and a National level convention were held. October 16 2004 was declared as a National Day of Action for a National Rural Employment Guarantee Act.¹⁰ Finally, in September 2005, the NREGA was passed in the Parliament. It came in to force on 2 February 2006.

NREGA

Various rural poverty alleviation and employment generation programmes have been implemented since the Fifth Five Year Plan. All the earlier programmes were schemes, but the present National Rural Employment Generation Act, like the Maharashtra Employment Guarantee Scheme has taken the form of a law. This is an Act to provide for the enhancement of the livelihood security of households in rural areas of the country by providing at least one hundred days of guaranteed wage employment in every financial year to every household whose adult members volunteer to do unskilled manual work. This is also an attempt to create rural infrastructure by the people themselves. This Act is an important step towards the realisation of the right to work. It is also expected to enhance people's livelihoods on a sustained basis, by developing the economic and social infrastructure in rural areas.

The Act provides an opportunity for creating durable assets that strengthen the livelihood resource base of the area. It is believed that those who work for wages in creating these assets will gradually move into self-sustaining employment. The nature of works suggested in the Act offers an opportunity to states to rejuvenate their natural resource-base and banish poverty. A careful selection and execution of works has the

¹⁰ Fact Sheet on the Right to Work and Employment Guarantee prepared by Anuradha Talwar for the Convention on EGA (19 Sep 2004) available at http://www.righttofoodindia.org/data/RTW_factsheet_anuradha.doc.

potential to transform the rural economy of the state and to change the very geography of poverty by offering a legal guarantee to work.¹¹

In making employment a right, the Act goes beyond poverty alleviation and recognises employment as a universal legal right. Programmes for guaranteeing employment have overriding priority in the allocation of public funds over several other competing demands. “The three watch-words that best describe the Act are: outlays are matched by outcomes, productive assets are created to pay for the money spent, and the guarantee is implemented in its true spirit.”¹² Also, the economic security presented by the Act can be leveraged for social equity.

Its implementation is the first national safeguard of the Right to Work. In a country where labour power is the only economic asset for millions of people, gainful employment becomes the only channel for the fulfillment of the other basic rights - the right to life, the right to food, and the right to education. The Act gives people work entitlement as a matter of right, a legal right enforceable in Court. This will give labourers bargaining power and help them to claim their due. It will make the administration accountable, because if employment is not provided, the unemployment allowance will have to be paid and local officials will have to answer for it.

The NREGA is a culmination of several sustained and systematic peoples’ struggles, movements and campaigns. These movements and struggles joined hands to successfully translate the aspirations, needs and basic rights of the people into a statutory legal right. A proactive role by the Indian judicial system has also contributed to the growing rights discourse in contemporary politics and governance.

This Act would translate the Right to Work as envisaged in the Article 41 of Indian Constitution to a statutory legal right. Crucially, this Act paves the way for

¹¹ As described by “Major Programmes of the UPA Government: Two Years of Achievement (Tamil Nadu)”.

¹² Prime Minister’s Address in Meeting of State Ministers of Rural Development on the National Rural Employment Guarantee Act, 2005 on 27.9.2005.

maturing of Indian democracy, which would recognise human rights holistically and not differentiate between civil and political rights on one hand, and socio-economic and cultural rights on the other. Workfare schemes aim to reduce poverty by providing low-wage work to those who need it. They are one of the oldest forms of direct intervention for fighting poverty, and are found in various forms in most countries, both developed and developing.

Literature Review

Programmes to address poverty have been undertaken in every part of the globe. Poverty alleviation and employment generation programmes have been implemented since the Fifth Five Year Plan in India. A vast literature in the form of books, journals and Government documents is available on the issue. Many authors have written about the need and importance of such schemes. Also they have brought out the demerits of the same pointing out the flaws in implementation. To succeed, NREGA, 2005 would have to overcome their flaws and incorporate their merits.

Poverty amid plenty is the world's greatest challenge. Successful development requires a comprehensive, multifaceted and properly integrated mandate. Poverty not only encompasses low income and consumption but also low achievement in education, health, nutrition and other areas of human development. Poverty thus includes powerlessness, voicelessness, vulnerability and fear. Promoting opportunity by stimulating economic growth, making markets work better for poor people and building up their assets is the key to reducing poverty. To prevent social and economic exclusion, the State and social institutions must be made more responsive to poor people.¹³

State action for the elimination of hunger can take many different forms. It need not involve only food production or food distribution. It can take the form of income or employment creation on a regular basis to combat endemic under-nourishment. It can

¹³ World Development Report-2000/2001, *Attacking Poverty*, World Bank, Oxford University Press, 2000.

also involve famine relief operations in the form of employment for wages in cash or in kind to regenerate the purchasing power of hard-it occupational groups. State action can also take the form of enhancing economic development in general and the growth of incomes and other means of subsistence in particular through the expansion of productive activities.¹⁴

Anti poverty programmes can be broadly grouped under three categories - wage employment programmes such as the Employment Guarantee Scheme, Employment Assurance Scheme, Jawahar Rozgar Yojana, Public Works Projects, etc., self employment programmes such as the Integrated Rural Development Programme, micro credit etc., subsidised food and goods provided through the Public Distribution System and thirdly, nutrition programmes such as Integrated Child Development Scheme. In the long run, the most effective anti-poverty programme is high economic growth along with a redistributive aspect. This creates opportunities in the form of productive employment for the poor.¹⁵

The poor are not homogeneous. They are sharply differentiated by caste, political clout and the extent of development benefits received. Targeting of anti-poverty programmes for the poorest becomes exceedingly difficult in this kind of situation particularly in the case of the top-down approach which selects beneficiaries on the basis of a single or a few criteria uniformly applied all over the country.¹⁶

Our experience with the implementation of poverty alleviation programmes has not been particularly encouraging. Leakages, corruption, lack of sectoral integration and absence of people's participation have all contributed to their limited impact. An effective delivery system is an essential prerequisite for the success of such programmes.

¹⁴ Dreze, Jean, Sen, Amartya, "Hunger and Public Action" in *Democracy in India* (ed) Jayal, Niraja Gopal, Oxford University Press, 2001.

¹⁵ Parikh, S, Kirit, Radhakrishna, R, (ed), *India Development Report*, Indira Gandhi Institute of Development Research, Oxford University Press, 2002, pp 110-115.

¹⁶ Rao, V.M, "Eradicating Poverty: Some Missing Policy Dimensions" in Rao, Govinda (ed), *Development, Poverty and Fiscal Policy: Decentralisation of Institutions*, Oxford University Press, 2002, pp 70-84.

It has to be ensured that higher growth is accompanied by job creation at a higher rate than the rate of growth of the labour force.¹⁷

A major weakness of the architecture of rural development programmes and anti-poverty programmes in particular is that they are conceived as having an isolated existence in a self-contained universe of micro-oriented programmes and projects for specific groups of the poor. Such programmes remain incapable of generating the synergy needed to eliminate poverty and tend to degenerate into welfarism. As a result, they become unsustainable without continuing access to financial assistance.¹⁸

Theoretical Framework

Agriculture is the main source of employment for the rural people, and it is, therefore, important that the country experiences agricultural growth. Progress in agriculture no doubt provides food and fodder. More than this, it supplies the necessary raw materials to the industries and yields savings and tax revenue for development elsewhere in the economy. This in turn creates a market for industrial goods and ultimately leads to earning of foreign exchange. Therefore, the general health of an economy depends on the development of agriculture. Efforts should be directed towards strengthening of the primary sector of the economy. Intersectoral relations between industry and agriculture determine the course of structural transformation in a developing economy.

When the newly independent countries were striving to build their economies after the Second World War, there was a widespread feeling that Keynesian principles of macro-economic management of the economy by governments should be extended to developing countries. The development economics that emerged in the 1950s was different from neo-classical and Keynesian economics because of their specific focus on

¹⁷ Sharma, P.N, "Poverty Alleviation Programmes and Poverty Reduction", in Misra, S.N, (ed), *Poverty and Its Alleviation*, Deep and Deep Publications, New Delhi, 2005, pp 68-78.

¹⁸ Kaushik, P.D, "Rural Development: Decentralisation and Rural Markets" in Debroy, Bibek, Kaushik, P.D, (ed) *Energising Rural Development Through Panchayats*, Academic Foundation, New Delhi, 2005, pp 305-355.

developing countries and their greater practicality in terms of a more immediate policy orientation.¹⁹

The challenge in finding a solution to poverty is to break the vicious circle of poverty. With low levels of literacy and skill development, there is unemployment and underemployment of the poor. This results in low incomes and the poor remaining in the same state. This way poverty breeds poverty. To intervene in this chain, the potential capacities of the poor have to be utilised. There should be generation of income. Empowerment and capacity building will follow.

This is the basic principle on which anti-poverty programmes operate. This is also suggested by the Keynesian theory of employment. Unemployment is due to a deficiency in the demand for goods and services. Governments could, by adjusting their own spending, overcome that deficiency. The scourge of unemployment could be eliminated through enlightened monetary and fiscal policies. It is important to generate income and provide purchasing power in the hands of the people to solve unemployment.²⁰ Free distribution of doles is not an effective method of poverty alleviation. Income has to be generated. This means that there should be a flow of income corresponding to a contribution to productive activity. The remuneration that labour earns for its work is wages. It is this income that helps the labour to come out of poverty. The present study is set against the background of this theory. The right to work manifested in the form of National Rural Employment Guarantee Act is expected to break the vicious circle of poverty by providing the much needed employment during lean season in the rural areas of the country.

¹⁹ Peet, Richard, Hartwick, Elaine, "*Theories of Development*", Rawat Publications, Jaipur, pp 17-63.

²⁰ Keynes, John Maynard, "*The General Theory of Employment, Interest and Money*", 1936.

Objectives of the Study

The present study is conducted with the following objectives:

1. To study the impact of NREGA on rural poverty alleviation.
2. To understand the problems in the implementation of the Act.
3. To evaluate the prospects of this Act.

Hypotheses

1. NREGA is more effective than the earlier rural poverty alleviation schemes in terms of improving the standard of living of the people.
2. The role of Panchayati Raj Institutions in the implementation of the NREGA is crucial to its success.

Research Questions

The study is intended to find answers to the following questions:

1. What are the special features of NREGA 2005?
2. What is the role of PRIs in the implementation of the Act?
3. How has the Act made an impact on the lives of the rural people?
4. How far has the Act succeeded in empowering rural women?
5. What are the inadequacies of the Act?
6. What are the problems faced in the implementation of the Act?
7. How may these challenges be tackled?

Methodology

The purpose of the study is to see how the Act actually works. This can be studied in the backdrop of the criticisms leveled against it, because the Act is expected to overcome these challenges in order to accomplish its objectives. An analysis of the ground realities will have to be undertaken. This study will look into the operations of the Act in Nagapattinam district of Tamil Nadu. The experience of earlier poverty alleviation programmes, in particular the National Food for Work Programme and

Employment Guarantee Scheme of Maharashtra will also form the background of the study.

The study tries to understand the field level difficulties in the execution of the Act. The issues of job cards and maintenance of muster rolls, the project selection and performance, all of which are crucial ingredients, have to be observed. Wage payment will be the central theme of the study. The conduct of social audit which is one of the important features of the Act will also be looked into.

There are various agencies involved in the implementation of the Act. They are the Gram Sabha and Gram Panchayat at the village level, Intermediate Panchayat and Programme Officer at the Block level, District Panchayats, District Programme Coordinator at the district level, State Employment Guarantee Council and Employment Guarantee Commissioner at the State level and Central Employment Guarantee Council and Ministry of Rural Development at the Central level. The study intends to appraise the role of agencies involved in the implementation of the Act at the village and district level. Central Government's Documents - NREGA Act, NREGA Operational Guidelines, State Government's Scheme on NREG, Circulars and Notifications issued by the Tamil Nadu Government were studied to develop understanding on NREGS, as secondary sources of data. The operational guidelines issued by the Ministry of Rural Development specifying the responsibilities of each tier of Government were made use of in the study.

To begin with, the study will be descriptive. It will look into the institutional mechanisms involved in the implementation of the Act. It will describe the role and responsibilities of the Panchayati Raj Institutions (PRIs) as principal authorities for planning and implementation of the schemes. The reports of the State government and district offices will be studied. Since the Act is a new piece of legislation, not much academic work is available on it. Hence, newspaper and journal articles are used as secondary data. The work is largely qualitative and undertakes an analysis of the impact of the Act on the standard of living of the rural masses.

To understand the role of PRIs in the planning and implementation of the scheme, the method of direct observation was used. The beneficiaries were contacted and administered questionnaires to understand and analyse the nature of impact. Five villages in two blocks were selected to conduct the field study. In each village 10 beneficiaries were interviewed. In each village, the gram panchayat leader or panchayat secretary was interviewed to get the details from the official side. At the district level, in the absence of the Project officer, the Assistant Project Officer was contacted. A general discussion was held with him instead of administering a questionnaire.

Structure of the Dissertation and Chapterisation

Chapter 2 deals with poverty alleviation in India. A brief note on the nature of poverty and unemployment puts forward the arguments for the need of an employment guarantee, followed by a description of the various poverty alleviation and employment generation programmes implemented in India during past decades. Focusing on the lessons learnt from these programmes, conclusions are drawn that can be used to make the National Rural Employment Guarantee Act more meaningful. The merits and flaws of Jawahar Rozgar Yojana (JRY), Integrated Rural Development Programme (IRDP), Employment Guarantee Scheme (EGS) in Maharashtra and the National Food for Work Programme (NFFW) are analysed, and since the EGS is most closely connected to NREGA, its merits and demerits are discussed in greater detail.

Chapter 3 provides a description of the NREGA. Viewing it as a form of both protective and promotive social security, attention is drawn to the poor state of the rural economy, particularly the problems of environmental degradation and lack of capital formation in agriculture. There is a short note on the particular features of NREGA as compared with the earlier schemes. Some of the important features of the NREG Bill and the recommendations of the parliamentary Standing Committee on rural development are discussed. The merits of the bill as evidenced during the initial stages of implementation are described in detail. The challenges inherent in the Act, which could slow down its implementation and impact, are also highlighted. The financial implications of any

project are important, and a detailed account of this is also provided. The Act has come into force at a time when an equally important legislation on the Right to Information has been enacted. The relationship of the Right to Information and NREGA is discussed, as is finally the impact of Information and Technology on the Act.

Chapter 4 focuses on the Nagapattinam experience. This is an analysis of the field study conducted in five villages of two blocks in Nagapattinam district of Tamil Nadu. Starting with a description of the geographical conditions of the district, the chapter proceeds to provide data on the human resources based on 2001 census reports, along with an account of the information obtained from interviews and discussions of the officials in the state and district offices. Identifying the salient differences between the two blocks, the profile of the five villages surveyed is given. The results of the survey are compared along 15 criteria. They are government measures to spread awareness, issue of job cards, work site selection, muster rolls, wages, work site facilities, use of machinery and contractors, inspection by government officials, economic impact, impact on rural women, status as right, social audit and vigilance groups, contribution in asset creation, comparison with earlier blocks and other impact. There is also a description of the difficulties faced by the participants and the panchayat members in the execution of the Act. These findings are used to draw conclusions about the role played by the panchayat in the successful implementation of the Act.

Chapter 5 provides a summary of the literature on the earlier schemes and NREGA along with important findings from the field study. Suggesting areas where the implementation of the Act can be improved, it suggests the expansion of the scope of the scheme. It ends on the optimistic note that the Act has a promising future that can create a positive impact on the lives of the rural asset less poor. It can go a long way in not only eradicating rural poverty and thus urban congestion and associated problems but can also contribute in a big way to sustainable rural development by adding to the asset creation process in rural India.

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CHAPTER
Two

POVERTY ALLEVIATION IN INDIA: EARLIER INITIATIVES AND THEIR INADEQUACIES

Poverty

Poverty is probably the most serious human rights and development challenge both advanced and developing countries face in today's world. As a global issue, the eradication of poverty is integral to humanity's quest for sustainable development. The World Food Programme, the United Nation food agency, reports that 18,000 children die of hunger and malnutrition every day. In September 2000, the Millennium Development Goals (MDGs) were announced as goals to be met by the year 2015 by the world community. Of the twelve MDGs, the first is to eradicate extreme poverty and hunger.

Poverty implies not merely hunger and malnutrition, but a state of serious deprivation of basic needs. In absolute terms it reflects the inability of an individual to satisfy certain basic minimum needs for a sustained, healthy and reasonably productive living. For identifying the poor, it has been conventional to look at the level of personal expenditure (or income) that enables the individual to satisfy a certain minimum consumption level. The proportion of population not able to attain the specified level of expenditure is then specified as being poor.

The other important measure of poverty is the amount of calorie intake. The Planning Commission of India uses minimum consumption expenditure, anchored in an average (food) energy adequacy norm of 2400 (for rural areas) and 2100 (for urban areas) kilo calories per day to define State specific poverty lines.

Urban and Rural Poverty in India

Year	Absolute nos	Head count ratio	Rural poverty	Urban poverty
1983	323 million	44.48%	45.65 %	40.79 %
1999-2000	260 million	26.10%	27.09%	23.62%

Source: National Human Development Report 2001

The multi-dimensional nature of poverty means that its impact can be seen in many contexts including those of justice and human rights. Poverty inhibits access to justice, as it affects their capability to approach the courts of law or other institutions of governance. In countries where there is a functioning and effective legal system based on the rule of law, the courts and other democratic institutions could play an important role in determining what constitutes legal entitlements and how they can be enforced. The active and sustained involvement of civil society is also necessary for tackling social problem, like poverty. The recognition of poverty as a human rights issue broadens the scope for engagement and political consensus can be developed to ensure that violations are uniformly recognised.²¹

At the beginning of the new millennium, 260 million people in the country did not have the income to access a consumption basket, which defines the poverty line. Of these, 75% were in the rural areas. India is home to 22 % of the world's poor. It should be unacceptable to the political class in a democracy that, despite the country approaching middle income status, there are still close to 250-300 million poor people, desperate for work and livelihood. Such a high incidence of poverty is a matter of concern in view of the fact that poverty eradication has been one of the major objectives of the development planning process.²²

A strong case is often made for the primacy of growth in poverty alleviation. This rests on belief in the direct effect of growth, through 'trickle down' mechanisms, and an indirect effect, through the generation of resources for poverty alleviation programs, broadly interpreted to include human capital development. But research has show that growth alone will not make much of a difference unless it is combined with measures designed to promote the participation of the poor. Development will have no meaning for the vast majority of our people if the poor in the rural areas are not able to secure a

²¹ Kumar, C Raj, "Poverty, Human Rights, and Development" *The Hindu*, New Delhi, 22.2.2007.

²² Poverty Alleviation in Rural India- Strategy and Programmes, Tenth Five Year Plan, 2002-2007, chapter 3.2, pp 293-314.

livelihood through satisfactory productive work, in spite of the enormous growth taking place in the economy in general and the external sector in particular.

Unemployment

Poverty breeds poverty. One of the components of the vicious circle of poverty is unemployment, a challenge to planners in recent times. A high rate of growth of GNP does not by itself create conditions favourable for elimination of poverty and unemployment or for redistributive justice. Despite robust economic growth of 4.3% in 2005 that increased world output by some \$2.5 trillion, the global economy is failing to deliver enough new jobs for those entering the job markets, globally.

A new item on the agenda of World Economic Forum is to create jobs. The world is sliding into an unprecedented global crisis of employment. Half of all the workers in the world, some 1.4 billion people are the working poor. Unemployment in terms of people with no work at all is at its highest point ever and continues to rise. Of these unemployed, about half the global total is of young people aged 15 to 24.²³

A decent job is about more than just earning a living. A decent job respects and confers the dignity of work, promotes a sense of self-worth and is the key to family stability. It is a world-wide democratic demand expressed in every election. The global job crisis is having profound political effects. People are disappointed that democracy has not delivered economic benefits. People, companies and countries feel that the rules of globalisation are not fair for them. Hence, a protectionist tendency is appearing. Job related uncertainties associated with globalisation have expanded. In the developed economies also, normal business operations such as outsourcing, delocalisation and foreign investments are increasingly criticised for creating jobs “abroad”.

The weakening of the link between growth and jobs needs to be addressed head on. This requires the right mix of macro, micro and sectoral policies. Growth cannot be pro-poor unless it is sustainable and employment intensive. The commitment of

²³ Somavia, Juan, “Dealing with the Global Employment Crisis” *The Hindu*, New Delhi, 27.1.2006.

governments to invest and create conditions to enhance education and training at all levels has been felt. Though this is not sufficient in itself to create jobs, it is a necessary step. All this sums up to suggest that we need better international governance.²⁴

In India, there are at least 200 million poor people and increasing inequality could lead to serious social tensions and urban turbulence. Only employment-intensive growth can ensure continued poverty-reduction. Poverty also brings with it a measure of inequality. In the years, 1980-1990, income inequality increased within rural and urban areas; between average incomes in rural compared to urban areas; and between states. A sectoral classification of the occupational structure suggests that agriculture still accounts for 59% of total employment. While in the medium-run transfer of labour out of agriculture is necessary, direct action by the government could dramatically reduce rural poverty within a stipulated time period.

According to Ela Bhatt, founder of the Self-Employed Women's Association (SEWA), in dry and drought-prone areas, many communities had to habitually migrate to other parts of the country in search of work, a painful and disruptive process. It destroyed the fabric of the community, the family lives of the migrants, the possibility for education of the children and perhaps, worst of all, the possibility for the development of their own area. Demand for farm labour is highly seasonal. During the slack season and when changes in technology and cropping patterns occur, the demand for labour is reduced. A large surplus of labour, a reserve army of the seasonally unemployed, serves the needs of rural capital quite well. Labourers who are sufficiently underemployed migrate, or turn to crime. Labour migration is taking place across regions within a country and also at the global level. This is a perennial source of tension as it creates both passive and active violence, which calls for control on labour migration.²⁵

²⁴ Ibid

²⁵ Herring, J Ronald, Edwards, Rex M, "Guaranteeing Employment to the Poor: Social Functions and Class Interests in the Employment Guarantee Scheme in Western India", *World Development*, Vol 11, no 7, 1983, pp 575-592.

The Incidence of absolute poverty in India has remained roughly constant at between 20 and 30% of the population and that about 5 million are added to the ranks of the absolute poor each year. The association between casual wage labour, unemployment and poverty is strong. Those labourers remain the truly 'awkward' class- peasants without land, with only their labour power to sell in a market that is highly seasonal and often glutted. Unemployment and underemployment are among the most striking features of the rural economy.

The Solution to Poverty and Unemployment

The dream of the Constituent Assembly and planners of India was to ensure social and economic democracy along with political democracy. To achieve these ends, certain provisions were inserted in the chapters on Fundamental Rights and the Directive Principles of State Policy in the Constitution. Historically few sections of the population have remained under privileged. The social, political and economic development of these people has remained less. The Fundamental Rights and Directive Principles seek to redress the historic injustice which certain people have suffered. In order to translate such intensions and dreams into reality it is important to empower people. One way of doing this is by granting them an inalienable right to livelihood.

The working population is the asset of any country. It is more so in a country like India because utilisation of the productivity of the labour not only enables the individual labourers to earn a living, it also creates the much needed economic infrastructure of the country, which forms the basis of further economic development and thus the cycle continues. The needs of the working class should be taken care of by the State. This is particularly so in the case of unorganised sector workers as their bargaining power is low compared to that of the organised sector. Their earnings are insufficient to even lead a decent living. Most often they work under poor working conditions with no social security protection.

Amartya Sen and Jean Dreze have distinguished between two different aspects of social security. They call these protection and promotion. Many steps have been taken by

the government to provide these measures to the unorganised workers. The Indian states of Kerala and Tamil Nadu took the lead in providing social security. An integrated effort to provide both has been incorporated in the National Rural Employment Guarantee Act (NREGA), considered to be one of the biggest social security programmes for unorganised workers.²⁶

During the 1990s rural India was under the grip of crisis. For the first time since independence, the decade witnessed a decline in per capita output in Indian agriculture. According to the Food and Agriculture Organisation, the number of hungry people in India increased by 19 million between 1997 and 2001. Nearly half our children remain chronically malnourished and a high percentage of the anemic pregnant women of the world are in India. Reports of starvation deaths and gruesome suicides by farmers, artisans and landless labourers abound in the media. This is an indication of the deep crisis the rural population is subject to. It proves the bankruptcy of the growth and governance model we are pursuing in the name of development.²⁷ The single most important factor contributing to the dismal performance of Indian agriculture in the 1990s is the decline in public capital formation.²⁸

The fact has to be acknowledged that our villages are in grave environmental crisis. There is an explosion of tubewell irrigation in large areas and the water tables have fallen dramatically. Rates of soil erosion have increased, which has significantly reduced the lifespan of dams, many of which were constructed at massive financial, social and ecological cost to the people. Towns and cities are facing a major crisis of drinking water. The situation calls for a massive increase in public investment in rural India in the direction of sustainable environmental regeneration. With agricultural production becoming more capital intensive, the rural distress has also become more acute and widespread.

²⁶ Dev, S Mahendra, "Social Security for Unorganised Workers" *The Hindu*, New Delhi, 26.9.2005.

²⁷ Desarada, H.M, "Guaranteed Employment for the Rural Poor: A Conceptual Framework and Operational Strategy", National Centre for Advocacy Studies, Pune, Aug 2005.

²⁸ Shah, Mihir, "Saving the Employment Guarantee Act" *Economic and Political Weekly*, 12.2.2005.

Catchment area treatment and rain water harvesting are, therefore, key areas of public investment in rural India that can help restore water tables, improve agricultural productivity and increase the lifespan of dams. The future of the small and marginal farmers depends on critical investments that can only be undertaken by the state. In the flood-prone and waterlogged areas of eastern India, restoring the profitability of agriculture requires massive investments in drainage systems comprising interlinked ponds across many villages and hundreds of farmers in each micro-watershed. These have to be undertaken by the state.

Public investment in environmental regeneration would not only improve the environment and water supplies, it will also make possible a quantum increase in agricultural productivity of small and marginal farmers in the neglected regions of India that have a massive untapped potential. This will keep up the supply of food available for employment programmes, midday meals, ICDS and the PDS, whose off take levels will rise because of the higher incomes of the poor. This will allow the food subsidy to be kept under control as people will be left with better purchasing power thereby meeting their food requirements. The need for public investment will also come down over time because the number of people who need support through public works will decline.²⁹The best way of undertaking the necessary public investment is by enshrining the mechanism to implement it as a constitutional right.

A comparison between the economy of China and India reveals that industrial employment accounts for 22% of China's labour force, compared to 16% in India (2000). China's poverty declined to barely 30-40 million people, average incomes rose, and education levels and life expectancy rose to levels much higher than India's. On the other hand, agriculture still accounts for 59% of total employment in India. In a low income country, the poor cannot afford to be unemployed. Most of the poor in India are the

²⁹ Shah, Mihir, "National Rural Employment Guarantee Act: A Historic Opportunity", *Economic and Political Weekly*, 11.12.2004.

working poor. Hence there is an immediate need to potentially raise 2/3rd of India's population above the poverty line.³⁰

There is mounting evidence that the agricultural sector's capacity to absorb labour has worsened substantially in the last two decades. Three sets of factors have been pointed out by academics. There has been a steep decline in per capita availability of foodgrains. Foodgrain production is labour-intensive, which implies that a decline in availability means that the agricultural sector's ability to absorb labour is seriously impaired. Secondly, there has been a sharp reduction in public investment in government expenditure relative to the national income. This means a contraction in the capital investment in rural infrastructure. But the contraction of expenditure on rural development schemes, relative to the national income, also means that there are fewer opportunities for jobs. The third set of issues arise out of policies that have been part of the liberal framework since the 1990s, which have resulted in the state playing a lesser role as an agent of stabilising the market.³¹

The Need for an Employment Guarantee

The rate of growth of employment in the rural sector has decreased in the last decade. The rate of growth of employment in agriculture in last decade has decelerated and is almost down to zero. In addition, the public investment in agriculture decreased during this same period. The rural poor, whose labour is their only asset, need employment. This situation explains the need for an employment guarantee. Given the extraordinary political and administrative obstacles to redistribution of rural assets in India, attention and finances have recently been focused on public rural employment programmes to alleviate rural destitution. A guarantee of employment to rural adults on demand has come to be seen as a necessity.

³⁰ Mehrotra, Santosh, "Employment Guarantee" *Yojana*, April 2005, pp 11-13.

³¹ Sridhar, V, "Bias in the Criticism", *Frontline*, Vol 22, no 19, 2005.

On the other hand, the maximum attainable share of industry in total employment in the late industrialising countries is lower than what it was in the now industrialised countries at their manufacturing peak. Hence, it is difficult for the regular wage employment share in total employment in India to rise to rich country levels. Thus, self-employment will perforce remain significant in the future in most developing countries. This underlines further the need for reducing the scope of casual labour and for active government effort for raising the income and living standards of the people.³²

Employment Generation During the Plan Periods

Although various rural wage employment schemes have been announced in India from time to time under different names, on the whole there has been a declining trend of achievement in terms of man-days of employment generated. The average annual generation of employment came down from 1,020 million man-days during the Eighth plan to 570 million man-days during the Ninth plan. Compared to the Eighth plan there was a sharp decline in the Ninth plan. Almost through the end of the Tenth Plan, we are still far from reaching the employment generation reached in the Eighth Plan. Average annual expenditure on rural wage employment schemes showed a decline of 12 per cent in the Ninth Plan period as compared to the Eighth Plan period. This 12 per cent decline in expenditure led to a decline of as much as 45 per cent in generation of employment. This shows that the cost of generating man-days is increasing quite fast.

The bitter reality is that in terms of the generation of employment under rural wage employment schemes, in the first two years of the Tenth Plan, 2002-03 and 2003-04, we fell short of what was already achieved in the Eighth Plan (five-year average) by nearly 26 per cent. Such glaring failures should be clearly acknowledged, so that we learn from past mistakes and make better progress in future.³³

³² "Can India Really Do Without EGS?" *The Economic Times Editorial*, 20.12.2004.

³³ Dogra, Bharat, "Rural Employment Schemes", *Economic and Political Weekly*, 30.4.2005.

Poverty Alleviation Schemes in India

Poverty alleviation and employment generation schemes have been regular features of the planning process of India. Various schemes under varying names have been implemented during different time periods. Important among these during the Tenth Plan period are Swarnajayanti Gram Swarozgar Yojana (SGSY), Jawahar Rozgar Yojana (JRY), Employment Assurance Scheme (EAS), Food for Work Programme (FWP), Sampoorna Gramin Rozgar Yojana (SGRY), Indira Awaas Yojana (IAY) and National Social Assistance Programme (NSAP).

The SGSY is conceived as a holistic programme of micro enterprise development in rural areas with emphasis on organising the rural poor into self-help groups, capacity-building, planning of activity clusters, infrastructure support, technology, credit and marketing linkages. The JRY was meant to generate meaningful employment opportunities for the unemployed and underemployed in rural areas through the creation of economic infrastructure and community and social assets. The EAS was designed to provide employment in the form of manual work in the lean agricultural season. The programme aims at augmenting food security through wage employment. The basic aim of the scheme continues to be generation of wage employment, creation of durable economic infrastructure in rural areas and provision of food and nutrition security to the poor. IAY is the core programme for providing free housing to BPL families in rural areas and targets SC/STs households and freed bonded labourers. The NSAP is a centrally-sponsored programme that aims at ensuring a minimum national standard of social assistance over and above the assistance that states provide from their own resources.

Experiences Learnt in Earlier Poverty Alleviation Schemes

The experiences of the earlier poverty alleviation schemes provide useful lessons for implementing the future efforts. The merits of these schemes can be repeated and measures can be taken to prevent the demerits from resurfacing. An analysis of the merits

and demerits of four programmes is attempted in this chapter - Jawahar Rozgar Yojana, Integrated Rural Development Programme, Food for Work programme, and most importantly, the Employment Guarantee Scheme in Maharashtra. This is because these programmes are closely connected in one way or another to the National Rural Employment Guarantee Act in terms of the principles, organisation and implementation. A closer look at the merits and demerits of the earlier poverty alleviation and employment generation programmes aimed at achieving rural development will go a long way in better understanding the features of NREGA. This would help in enhancing the benefits accruing to the people from this Act. It is important to thoroughly analyse the existing schemes in order to ensure improved delivery of the new Act.

Jawahar Rozgar Yojana (JRY)

A large, well-meaning project the JRY failed to meet reasonable targeting standards. The design of the JRY in itself was a major reason for this. The wage structure contained some flaws. The JRY wage is frequently higher than both the local wage as well as the minimum wage. The higher the JRY wage, the greater would be the incentive for the non-poor to compete with the poor for JRY employment in slack periods. JRY income is as attractive to non-poor applicants as it is to the poor ones. JRY intends to pay workers at the end of every day. Excess of JRY wages over local wages induces the participation of the relatively affluent, while delays in payment of wages and part payment of wages in kind discourage the poor. Bureaucratic and other procedural requirements cause delays, even though it is stipulated that wages will not be delayed beyond a week. A portion of JRY wages is paid in the form of food grains and this acts as a strong disincentive to the rural poor who need cash more. The quality of food grains is often unsatisfactory and therefore, people resist to wages in kind.

Apart from the design flaws there were also serious flaws in the implementing agency of the JRY. In general, using an income criterion, the targeting of the JRY was unsatisfactory. Flaws in design and implementation contributed to mistargeting in the JRY. There were also other features of JRY that impinge on its targeting. Although the

Ministry of Rural Development's official assessments of the JRY tend to be highly favourable, they have limited value as they are invariably based on aggregate indicators. No account is taken of whether a large number of the poor participated in the programs, the duration of their participation and actual income gains.

The gram panchayats acted as the implementing agencies. The feature of their functioning has an impact on the working of JRY. Three crucial aspects of the panchayat structure are representativeness, financial autonomy and accountability. Shortcomings in all three areas compromise the effectiveness of the JRY. The use of private contractors in implementing JRY projects and works is not uncommon. It is plausible that the combination of unsatisfactory targeting and poor quality assets reflects the ineffective functioning of panchayats. Inadequate staff and weak support from line agencies, coupled with corrupt behavior and practices of elected representatives have a lot to do with such violations. In general, the corrupt practices relate to favouring of contractors who are related to the district officials. Another serious violation is non-availability of muster rolls. Fudging of employment records, no record of a substantial chunk of JRY funds and the large- scale diversion of resources have only aggravated such violations.

Integrated Rural Development Programme (IRDP)

The IRDP was a dismal failure. Instead of the village assembly identifying the beneficiaries, the chairpersons of the gram panchayats selected them. These chairpersons extracted hefty fees. Lack of awareness as well as weak accountability mechanisms in the village community compounded the problem. Given the monopoly power of panchayats in land allotment, employment, credit, health care and education there are ample opportunities for earning 'rents'- especially from relatively affluent sections. Transparency was lacking in the decision making of panchayats. On interviewing some of the persons named by the Panchayat Chairman and Secretary as participants of IRDP, it was found that they were not receiving wages but admitted contributing free labour to prevent waterlogging in residential areas. The whole operation was masterminded by the chairpersons, panchayat secretaries and village development officers for their personal

benefit. None of the panchayat members knew anything about the scheme - financial outlays, nature of activities and number of participants.

Greater accountability of panchayats to the gram sabha could to some extent check rent-seeking behavior among the chairpersons and village officials. Coalitions of the poor need to be strengthened. Economic betterment precedes empowerment to a certain extent. Greater political awareness leads to more active participation in politics. But, caste hierarchies act as a barrier to collective action among the poor. Economic betterment through self-managed activities better equips the poor to play a more assertive role in the community. With a local power structure in which the upper castes are dominant and there is lack of awareness and organisation among the poor, rent seeking behavior remains unchecked. A strong coalition of the poor must supplement even well designed local organisations if the needs of the poor are to be addressed.³⁴

EGS in Maharashtra

The Employment Guarantee Scheme in Maharashtra is one of the longest surviving programmes of its kind in the field. It is an effort to combine the dual goals of providing unskilled work and generating productive assets. The philosophical underpinning of the scheme is that anyone who wants work should have work. It is the conceptualisation of 'right to work.' The EGS has the capacity to bring stability, loyalty and vitality to society as a whole. It was in the context of the increased pressure of landless labourers on the rural economy and perceptions of the socially disruptive consequences of lack of work, that the EGS was formulated. It is an outcome of strong political mobilisation and a commitment to reduce the distress of the poor, which in turn becomes the vehicle for further political mobilisation.

In terms of numbers of people, cash expenditure and also administrative efforts, the EGS became an extremely important state-level programme with a sophisticated institutional base, and the largest effort directed at rural poor. There is no 'either'/'or'

³⁴ Gaiha, Raghav, et.al, "Jawahar Rozgar Yojana, Panchayats, and the Rural Poor in India", *Asian Survey*, vol 38, no 10, Oct 1998, pp 928-949.

situation to choose between public employment and public investment programme. The programme is not for distributing dole but an instrument to change the rural economy.

The EGS seeks to tackle poverty at two levels - short-term and long-term. The short-term component seeks to provide employment, especially during bad agricultural years, and in a given year during the lean agricultural season. The wage income from EGS is to serve as supplementary income during the period when agricultural work is not available, and in this way provide food security and minimise other effects. It works as a relief programme. It has to be seen as a complement to, rather than competition with, agriculture in the provision of jobs. The long-term impact of EGS on poverty thus depends strongly on the quantity and quality of assets created and the effectiveness of these assets in generating mainstream employment opportunities by proper integration with the development plan of the state. The scheme is self-targeting.

In response to drought, EGS also called Page scheme after its architect and proponent Mr. V.S. Page, was implemented in 11 districts in November 1970. Finally, it was launched for the entire state on May 1, 1972. It is a kind of Crash Scheme for Rural Employment, a permanent scheme for protecting vulnerable groups and creating assets that would reduce the effects of future droughts. It got statutory support vide Maharashtra Employment Guarantee Act, (No. XX of 1978), which came into force on January 26, 1979. It was in its heydays between 1973 and 1983. It was implemented during the severe drought in Maharashtra from 1970 to 1973. The scheme grew to consume as much as 10% of the state budget during the last decade. The implication is also that government exhibits such high levels of commitment, idealism and energy only in response to crisis situations.

EGS represents a deep understanding of the agrarian situation in the state, and a realistic appreciation of the state's administrative machinery, rare combination of practical sense derived from a strong understanding of grassroots reality, mixed with a sense of idealism, and a genuine concern for the poor, that is so necessary to developing a robust programme design. Its design and execution demonstrates a greater clarity of

goals, considerable flexibility and consistency in approach. It represents state's responsibility towards the poor. The highlight of the scheme is its simplicity. Its aim is "to provide gainful employment - gainful to the individual as well as to the community".³⁵

The EGS is implemented via a three-tier set up, comprising committees for planning, direction and co-ordination at the State, District and Panchayat Samiti levels.³⁶ Of the seven departments involved at the state level in the implementation of the scheme, the planning department plays a very important role. At the district level, an organisational matrix operates. The technical departments associated with the scheme are irrigation, public works, agriculture including soil conservation and forestry, zilla parishads. Co-ordination is done by the revenue department as well as through EGS committees. State level-academic experts are also involved. Technical department officials provide the expertise necessary to create productive assets, while revenue officials are responsible for ensuring that the EGS remain responsive to changes in demand for employment. EGS cells were created at both collectorate and tehsil level offices.

There are no other restrictions or criteria for the eligibility of able-bodied adults, beyond a willingness to work. Any adult can demand work, there is no need to prove any eligibility based on caste / tribe, being BPL or any other category. This simplicity is one of the basic reasons for its success. With criteria, come discretion and power to the local authority and this is completely avoided in the EGS procedure. The concept of self-selection gives better targeting, since it is hard work. EGS has the potential to address urgent needs and avoid further complications of poverty which may occur if the present levels of poverty are left unattended to.

Adults desiring employment in the EGS have to register with either the Tehsildar or the Panchayat Samiti or a designated village-level official. Upon receipt of at least 50

³⁵ Bagchee, Aruna, "Political and Administrative Realities of Employment Guarantee Scheme", *Economic and Political Weekly*, 15.10.2005.

³⁶ The Maharashtra Employment Guarantee Scheme, Policy Brief 6, Feb 2006 available at http://www.odi.org.uk/inter-regional_inequality/papers/Policy%20Brief%206%20-%20India.pdf

requests, begins a new project. Work has to be provided within 15 days in projects located not more than 7 km from the labourer's residence. If not, unemployment compensation of Re.1 per day is to be paid. Two criteria followed in selection of projects are that it should be labour intensive (unskilled manual employment) and second, that it must create productive assets. Wages and material costs are borne in the ratio 60:40.

Wages are by statute linked to the amount and kind of work done. At present the EGS wage is equivalent to the zonal statutory minimum wage. The wage rates for EGS works are computed, keeping in mind the district schedule of rates (DSR) for departmental works under the regular planning process and the minimum agricultural wages applicable to the district. The piece rate (that is, payment according to the volume of work completed) are fixed so that an average person working diligently for seven hours able to finish a specific amount of unskilled work, would earn a wage at least equal to the zonal minimum wage. The existence of a separate fund for financing the scheme has ensured its sustainability by freeing it from dependence on the general pool of budgetary resources and the attendant vagaries. At times, the wages are divided into two parts; one as cash component and the other as food coupons. These food coupons give food grains from the local shop of the Public Distribution System. There is provision for basic facilities for the workforce and amenities at the work site.

The distinctive nature of the state's political economy is relevant to for economic development is highly uneven in Maharashtra. The funding pattern of the EGS is based on the principle that it is the duty of the haves to help the have-nots. The program is accordingly funded by taxes generated predominantly in Mumbai, in accordance with the ideal that better off groups in society should contribute to the government's efforts to provide a 'safety net' for the less well-off. It is financed by equal contributions from two sources - a new set of taxes and cesses specifically earmarked for the scheme and a matching contribution from general revenues of the State. This means that a disproportionately high share of the cost of EGS is borne by the urban population.

In the implementation of the EGS, the identification of projects was not difficult. The District collector selected the projects from blue-prints approved by the District

Employment committee. These blue prints were generated by interaction between the local administration and elected local government bodies. Preferences of workers were an important factor in determining the location and size of EGS projects. In actual practice, it was the officials of the tehsil level implementing agencies who identified prospective projects. They submitted the project proposals/budgets to the appropriate departmental authority for technical approval. The district collector prepared an annual EGS plan or blueprint for his district. This was then submitted to the planning department for sanction. It was assigned to an implementing agency after that. Hence, there were no special agencies to implement the public works undertaken for the Scheme. The administration of this Scheme was through the Revenue department at all the levels, the State, District and the Block. There was only a special EGS cell in the collector office with a Deputy Collector assigned to co-ordinate the Scheme.

The EGS was thus seen as providing gainful employment to the poor who depended on it for their livelihood. It was a statutory guarantee, backed by a genuine political commitment. During the mid-1970s, the EGS was widely acclaimed as a uniquely successful programme, and was the pride of Maharashtra. The design, flexibility and rapid responsiveness it required, and the various checks and balances that worked within the political and administrative system of the time in Maharashtra, contributed to this success.

Merits of MEGA

The uniqueness of this Scheme comes from - self selection of the needy, dedicated funds, no separate bureaucratic structure, no contractors, a clear line of authority and accountability, coordination, administrative costs kept to a minimum, and much greater transparency in departmental operations. The Employment Guarantee Scheme (EGS) is not merely a unique programme for poverty alleviation through the provision of employment and asset creation, more importantly, it is an Act.

Funding

The EGS is one of the better designed public works programmes that have survived several changes in governments and macropolicy largely because of two of its features – (a) the involvement of all sections of society including politicians and the urban populace and (b) the availability of finance through the creation of a separate fund for the scheme. Since the Scheme has dedicated fund allocation automatically determined by the provisions under law, there have not been shortfalls due to either change in Government or change in status of Government treasury. The taxes linked have been growing and therefore, has the fund. The most beneficial feature of this fund utilisation is that the majority of the fund is used in actual wages and so a smaller proportion goes into overheads.

Targeting

The scheme is quite well targeted, in that the non-poor are rarely attracted and many of the able-bodied rural poor participate at one time or another, and further the net transfer and income stabilisation benefits to the poor are likely to be sizable. For these reasons, it is responsive to the needs of the poorest.

Administrative Efficiency

The matrix structure of administrative authority, decentralised planning and the revenue department's co-ordination of work performed by the various technical departments combine to make it possible for the EGS to meet local developmental needs. The power of the technical departments is illustrated by their role in land acquisition for EGS projects. EGS illustrates the relative autonomy of the technical departments even vis- a- vis leading state politicians. The government's administrative messages also shape the demand for employment. EGS needs strong departmental inputs in terms of planning, budgeting and technical supervision. It also involves local governments.

Political Power

Guaranteeing jobs to the unemployed, the EGS creates an incentive that shapes behaviour. It politicises the rural poor and provides an incentive for political activism. By making employment an entitlement, it facilitates creation of circumstances conducive to collective political action and promotes the realisation of their common interests. It provides them with opportunities for effective action and encourages the mobilisation of their political resources. This provides incentives for politicians to be more sensitive to the interests of the poor. It enhances the political capabilities of less privileged groups and alters the state's political terrain in a manner that enhances the prospects for more equitable development. It influences the ways that public policy shapes political activity. Public policy is more effective if its implementation creates pressures that encourage administrators to promote policy objectives. The cumulative impact of policy implementation conditions the nature of that society's politics and ultimately, the direction of its political and economic development.³⁷

Bargaining Power

It is indisputable that the EGS has benefited the poorest by boosting their income and somewhat increasing their bargaining power *vis-à-vis* agricultural employers. This is because alternative employment allows some degree of freedom of choice. In this, EGS has clearly provided a focal point and mechanism for the articulation of demands by the rural poor, and has spurred their collective action. EGS remains responsive to the demands of the rural poor. The right to demand gives bargaining power to the unorganised and deprived sections of the poor. The scheme had significant income stabilising effect; it helped raise agricultural wages by strengthening the bargaining power of agricultural labourers.

³⁷ Gent, John Echeverri, "Guaranteed Employment in an Indian State: The Maharashtra Experience", *Asian Survey*, vol 28, no 12, Dec 1988, pp 1294-1310.

Social Equity

The Scheduled tribes and scheduled castes are positively benefited by EGS employment and expenditures. There is a strong support for the contention that the EGS redistributes employment and expenditures to underprivileged groups and is responsive to the same. Districts with the highest levels of agricultural labourers in the work force would have the highest levels of EGS employment and expenditures since these workers seem to be most in need of EGS employment. But, it appears that the EGS is more responsive to underemployment in dry land areas than to the unemployment of agricultural labourers. Extensive shifting of labourers, intermixing people from different backgrounds and areas, and granting women equal pay for equal work, are among the important features of EGS. In the EGS sites, interaction helps to break down social differences. It also discourages sexual barriers and inequality and provides a measure of security.

Boost to Civil Society

EGS has fostered a limited but considerable increase in nongovernmental organisations (NGOs) representing the rural poor. The resources generated by the EGS provide opportunities for politicians as well as independent organisers. The opposition parties have established groups that take advantage of these opportunities. EGS also provides politicians with resources to build independent political organisations. Significantly, it facilitates the organisation of workers by opposition parties and NGOs as well as by ruling party politicians.

Safeguards Against Corruption

EGS includes sanctions against corruption that do not exist in regular departments. There is scope for outside scrutiny. EGS project sites are usually selected in tehsil committee meetings. It provides more means to hold officers accountable. While

the legal system is notoriously ineffective in combating corruption, the EGS in contrast opens channels through which pressure can be brought to bear upon corrupt officials.

Economic Redistribution

In effect, the guarantee places EGS administration in a quasi-market environment. Demand for EGS employment is likely to occur in less developed areas. In making employment an entitlement, the EGS does more than provide workers with jobs and create assets through public works. It redistributes employment and expenditures and helps to reduce uneven development. Traditional, unirrigated crops tended to have high rates of EGS employment and expenditures as did districts that received relatively low amounts of rainfall and those with relatively low levels of agricultural productivity per hectare. Greater responsiveness of politicians and government officials to the less privileged sections of society ultimately results in the redistribution of developmental expenditures to backward areas.³⁸

Asset Creation

EGS produces assets as well as employment. Assets produced by the EGS are largely basic infrastructure. It provides assets that increase productivity and enhance the value of their land. Demand for such assets is greater in backward areas. Development Group of Pune, a research organisation conducted an extensive study of EGS workers and has stated that increase in irrigation potential and other agricultural works has helped the farmers in that area and has even induced decrease in demand for EGS work in that area. Since planning of projects will be in the hands of the local panchayat, one might expect them to have an interest in constructing and maintaining infrastructure that is genuinely useful.

³⁸ Ibid

Participation of Women

A distinctive feature of the scheme has been the large-scale participation of women, as it is especially attractive to them. It provides special consideration to female labourers with everyday concerns being addressed through a crèche. And the fact that work was always available near home has made accessibility to the female labourers easier. The female labour force has shown major participation and is also increasing significantly; over the years as also across regions. The ramifications have been wide-ranging. There is no gender differentiation in wages and thus equal wages were to be paid to men and women. Labour teams (called gangs) were to be so constituted that the male workers were as equally distributed in all the gangs as possible. Though most women on EGS received less than the minimum wage, they reported that the EGS wage was higher than their usual wage. The project also offered women some freedom from the petty tyrannies of day to day dependence on village oligarchs.

Prevents Migration

The Public Works / infrastructure buildings through various agencies are normally carried out through contractors. The contractors can get labour from anywhere, and anyone can become labour. The contractor and not the agency employ the labourers. This leaves the labourers at the mercy of the contractor. This is not the case in EGS. People in the rural areas get to work in the vicinity of their settlement which avoids forced migration. EGS has at least prevented the further deterioration of the conditions of the weaker sections in Maharashtra.

Maintains Labour during Off-season

The problem for the capitalist farmer is that labour is worth its hire only at certain times of the year, but is critical at those times, increasingly so with agricultural modernisation. The EGS permits the labourers to survive locally when capital has no need for their labour power, but at an average wage which leaves them available for field

labour when needed by capital. The EGS, like welfare schemes elsewhere, is not meant to provide an alternative to the existing system of labour utilisation. Leftist parties argue that the projects could lessen the abject dependence of the rural poor on their patrons. Though it is assumed that the projects are needed only in the slack season, in fact there seem to be local labour gluts even during the peak demand season.³⁹

Transparency and Accountability

Politicisation also resulted in greater transparency and accountability. Supervisory visits were conducted at intervals. Implementing agencies were to disclose relevant information on a blackboard at each project site. Active involvement of the elected non-officials of the Panchayati Raj Institutions and adhoc village leaders contributed to this transparency. Its success in meeting the demand for employment in even the remote corners of the district was mainly on account of the 'voice' of the non officials representing those constituencies. Greater visibility is attached to EGS works and consequently higher transparency was required. As a decentralised programme, operating in a politically charged atmosphere, it had more protection against fraud than did most other programmes.

Something for Everyone

Based on the facts stated so far, it can be said that the poverty impacts of the experience from Maharashtra indicates that it has helped to provide income to the poorest during lean periods and to reduce seasonal migration, while the landed classes have benefited from the infrastructure created. The claimed impacts included - mitigation of unemployment/underemployment at the aggregate level; increase in average income; attainment of food security; improvement in diet, clothing and housing of participants; spread of education especially amongst poor children; self-sufficiency in fodder and firewood as a result of forest conservation and development under EGS; positive agricultural growth via increase in production, productivity and diversification due to soil

³⁹Herring, J Ronald, Edwards, Rex M, op cit, p 586-588.

and moisture conservation works under EGS; mitigation of seasonal migration; and mobilisation of the poor, especially women.⁴⁰

EGS offers something for everybody. The rural poor get jobs, urban residents get less overcrowding, cultivators profit from traditional obligations and politicians benefit from a progressive image not to mention an abundant source of patronage. The result is widespread support that makes the EGS one of the State's most popular programs.⁴¹

Weaknesses of MEGA

Various factors are responsible for the decline in expenditure and employment generated under the EGS. This can be interpreted in different ways. The expense and administration of entitlement programmes usually are considered too burdensome for third world countries. This presents many problems. They need to be properly planned and implemented. Many simple provisions have not been provided; hence one can imagine the plight of more advanced provisions. The monitoring aspect of the Scheme is the weak link. The records being maintained are minimal. Lack of primary data has hampered better understanding of the impact of this Scheme.⁴²

Unemployment Allowance

The provision for unemployment allowance if work is not provided within the time period specified has not been used in the EGS in the entire state for more than three decades of its operation. The unemployment allowance has not been paid even once.⁴³ It is a modest dole of Re. 1 per person per day.

⁴⁰ Krishnaraj, Maithreyi, et.al, "Does EGS Require Restructuring For Poverty Alleviation and Gender Equality? I: Concept, Design and Delivery System", *Economic and Political Weekly*, 17.4.2004,

⁴¹ Gent, John Echeverri, op cit, p 1296.

⁴² Ashwini, Kulkarni, "Experience of Employment Guarantee in Maharashtra: Implications for National Employment Guarantee Act", *Assuring Livelihoods and Empowering Poor: A Case for National Rural Employment Guarantee Act*, Working Paper Series No. 22, National Centre for Advocacy Studies, Pune, Aug 2005.

⁴³ Joshi, Anuradha, " For Effective Employment Guarantee", *The Hindu*, New Delhi, 8.2.2005

Corruption

Conflict between the revenue department and the technical department also contributes to corruption. In a way, the matrix structure in itself is responsible for it. Officials remain alienated. Profuse corruption, enhancement of the power of the ruling party politicians and the bias in creating assets that favour medium and large farmers has led several analysts to be highly critical of the EGS.⁴⁴ There have been many instances of corruption and fake labourers added to the actual labour register. Wage payments are the key domain for rampant corruption.

Fiscal Burden

Implementing the EGS requires a major commitment of resources. 12% of all expenditures in Maharashtra's annual plan go towards the EGS. This issues a warning that the EGS could lead to a fiscal crisis. Besides the wage, EGS workers must also be paid other entitlements. The failure to pay these entitlements is another source of leakage. Sharp increases in labour attendance may render locally available funds insufficient to pay wages.

Wages

The participants do not receive timely and adequate compensation. Most often there is wage manipulation and falsification of expenditures.. The main problems are delayed payments, less payments and ghost labourers. Remuneration is on a piecework basis. This method acts as a disincentive to those lacking physical strength and dexterity especially women.

Delay in Payment

In reality there is almost always a delay in payment of wages. The delay in payment can be directly traced to the inordinately long administrative path for the release

⁴⁴ Gent, John Echeverri, op cit, p 1309.

of funds. Planning department functionaries usually explain the delay in wage payment in terms of late submission of reports either by the implementing agency or the collector.⁴⁵ It is not uncommon for wage payments to be delayed upto four to eight weeks. The official explanation is slow disbursal of funds by the treasury. The flow of funds is irregular.

Less Payment

The assessment of work done takes time. Wages are paid on a particular day and in case a participant fails to show up on that day, he/she has to wait for a month to get paid. Adding to the grief, wages paid are sometimes less than the recorded amount. The complex wage rate schedule utilised often prevents workers from calculating their earnings because these complicated formulae are poorly understood by labourers. On many projects, payments are de facto at a fixed daily wage rather than determined by piece rates. Piece rate payment is by no means optimal for the poor.

Farmers of Maharashtra opposed the programme, fearing that labourers would flock to the EGS projects and thus become unavailable for wage labour on private farms. There has been a concern that competition from the scheme for agricultural labour has increased wage rates and thus reduced the productivity of agriculture. Pegging the wage rate at the lowest minimum wage applicable in the state is one means of overcoming the objections of rich peasants and capitalist farmers who feared that the scheme would deprive them of farm labour at critical times. EGS projects are to be adjusted seasonally to avoid peak-demand periods and thus competition with private employers.

Administrative Complexity

The complex administrative structure calls for uncommon skills of coordination and responsiveness to the changing field situations and political pressures. This involves assessing the labour demands accurately, planning the implementation, and preparing a manpower budget for each district. Proper oversight becomes difficult due to the

⁴⁵ Krishnaraj, Maithreyi, et.al, op cit, p 1603.

difficulty in managing a large number of workers. Also, the productivity decreases when the number of workers grows beyond a point. Sudden increases overload administrative personnel and resources.

No distinct or separate organisational arrangement was envisaged for the implementation of the EGS. It uses the multilayered administrative system in existence. The use of the existing administrative machinery for the implementation of the EGS saves on administrative costs. Unfortunately, it also means that EGS administration replicates all the limitations and weaknesses of the existing top-down system of management – such as lack of decentralisation particularly in financial matters, overlap of functions, lack of imagination and corruption.

Work under this scheme is seldom readily available. Registration involves an elaborate procedure with several forms having to be filled in and different officers contacted. Projects have to be cleared by technical departments. The projects may not be executed promptly due to slow and ad hoc disbursement of funds. The period of waiting may be too long for the acutely poor.

Assessment of Demand

It is difficult to accurately estimate the additional employment opportunities because village-wise registers of employment seekers are not reliable. The guarantee does not involve a corresponding obligation on the part of the worker to report for work, moreover, it is unfeasible to enforce the obligation. The assessment of demand for employment can be done on the basis of the actual response (attendance) of labour on projects. The villages from where workers came were to be identified and average monthly attendance from each village has to be computed. This theoretical model of assessing demand was never seriously operationalised. Primarily, it was assessed on the basis of politically mobilised demand. Ultimately, the need for employment was always politically articulated.

Despite government regulations requiring preliminary registration with the tehsildar or a designated village official, labourers prefer to appear at project sites and ask for employment. Because of the guarantee, project supervisors feel obliged to accept them, and while this gives local labourers considerable autonomy in determining when and where they will work, it creates problems for administrators who are unable to predict the number of workers on a given project.

They may for instance leave projects en masse if another EGS project opens up closer to their village. The difficulty of work is another factor entering into their calculation. As such the demand for EGS employment can be quite volatile. Sometimes projects that may be of little productive value are sanctioned. Implementation must be made responsive to fluctuations in the demand for employment, which are sizable and occur over time and across space.

Lack of Commitment of Officials

In the implementation of projects, the EGS organisational structure places those with a limited commitment to the program in key positions of authority. Supervising EGS projects is generally unpopular among government officials; even among most senior officials in the technical departments. On EGS projects, technical department officials must supervise the workers themselves, placing them under political pressure. Field level officers affirmed that they had problems in their relations with revenue department officials.

No Skill Development

The aim of the EGS was to use the mostly unskilled labour of the rural areas. The EGS has so far failed to come up with ways in which the skills of the participants can be built up. The failure of the scheme on this count is one reason why the poor, especially women, even today, continue to depend heavily on the EGS for employment and income after three decades of its existence. The EGS has in fact, become an ad hoc system of

providing employment, eroding the importance of the objective of providing productive assets, and ultimately of poverty alleviation. Pressure from the local politicians for projects with large employment potential and the perception of people, who look at EGS as an exclusively employment programme also contribute to this outcome.

No Logical Sequence

The absence of linkages with the larger plan for the district remains one of the significant weaknesses of the EGS. This method of project selection fails to incorporate policy directives or priorities as criteria resulting in a serious mismatch between assets built and the district or *samiti* area plan priorities. Nor does it cater to the actual needs of the villagers as perceived by them.

Not Gender Friendly in Practice

In practice the Scheme has not been women friendly at all, since there is lack of proper implementation. Once the work starts on any site, labourers form into groups (popularly called gangs). Each group takes up a section of the work to be accomplished. Periodically the work is measured and wages paid. It has been documented that in such cases the gangs prefer not to have female labourers amongst them, since it might slow down work leading to lower payment. Also, facilities like crèche not being provided makes female labourers spend time with their children even while being on site. There is considerable disparity in male-female participation rates and the disparity in male- female earnings also widened as a consequence of the larger concentration of women in less remunerative tasks.

Low Coverage in Tribal Areas

In tribal areas, which are resource-scarce and also, low in levels of awareness in how to leverage Government support, there has not been much EGS activity. The majority of villages in the tribal, hilly areas lack roads, wells and other irrigation

facilities. A lot of work can be undertaken in these places, which is not being done. In acquiring land for the project sites from the scheduled castes or tribes, there were disputes over the rate of land compensation. The people belonging to these groups protested as they felt it to be an injustice.

Mistargeting

A survey by the International Crops Research Institute for the Semi - Arid Tropics (ICRIST) shows that the EGS in Maharashtra was mistargeted and that the targeting worsened over the years with the more affluent capturing a larger share of the EGS earnings. In a random sample survey of agricultural and non-agricultural labour households, it was found that there is a marked reduction in the EGS participation. The proportion of the 'not poor' rose more than moderately. It was largely the more affluent participants who gained and earned substantially higher amounts. This suggests that targeting worsened and was unsatisfactory. The male female disparity among EGS participants points to another targeting failure.⁴⁶

The 'Trickle Down' Myth

That agricultural growth reduces poverty is beyond doubt. This varies depending on the nature of the agricultural growth process. When growth takes place in a setting of inequality of endowments, its benefits are not likely to 'trickle down' to large segments of the rural poor. Even when agricultural growth does trickle down, poverty alleviation tends to be slow. A factor that offsets trickle down mechanisms is market imperfection. The demand for agricultural labour is seasonal and there are often limited employment opportunities outside agriculture. Large sections of the rural poor experience acute poverty during slack periods. Rural public works generate additional income during slack periods and help build rural infrastructure. So, the trickle down effect does not work much and genuine efforts have to be taken to distribute the benefits of growth.

⁴⁶ Gaiha, Raghav, "The Employment Guarantee Scheme in India: Is It Mistargeted?" *Asian Survey*, Vol 36, no 12, Dec 1996, pp 1201-1212.

Selection of Projects

EGS may lose its momentum for lack of suitable projects. There were few sites scattered over a large area. There were restrictions on opening of new work sites. Some participants withdrew from the project sites because of expansion of employment opportunities elsewhere. There were longer delays in responding to the demand for work. In general, there are two types of works- ongoing and proposed. In EGS, there was a third category- sanctioned but closed. There were large number of abandoned projects and inefficiencies were reported in them. The greater challenge for the EGS is to accommodate the demand for locally accessible employment, for which travel costs (pecuniary or non pecuniary) are not prohibitive. More projects could be identified in consultation with the local community and potential beneficiaries. Also, if such projects are efficiently implemented and their outputs accrue to the poor, the rigid labour intensity criterion could be dispensed with, resulting in a larger choice of projects.

Inequality in the Distribution of Costs

Almost four-fifths of the new taxes to support the EGS were to be collected primarily from those who were not rural land owners. In both the design and implementation of financing the EGS, the rural elite effectively escaped the burden. Inequality in the distribution of costs and benefits across sectors has caught the attention of critics. While the rural poor do benefit from the EGS, the urban poor receive no direct benefit and bear some of the tax burden. The rural poor do benefit, but not very much.⁴⁷

Continuing Migration

The scheme however, did not seem to affect the seasonal migration of certain groups of traditional pastoralist and nomadic tribes. Contractors' recruiting agents offered advance payments at a crucial time towards the end of the Kharif season. This made the workers indebted to the contractors. The people considered the contractors' work more reliable because, once recruited, they were taken care of for the next seven or eight

⁴⁷ Herring, J Ronald, Edwards, Rex M, op cit, p 584.

months. EGS should assure the people that it will be operated for a sustained period of time before it can bring about such changes.

Piece Rates and Wage Rates

The piece rates paid on EGS were such that a typical EGS worker could earn a daily wage roughly on a par with prevailing agricultural wages. In May, 1988, these rates were doubled, in line with a doubling in statutory minimum wage rates in agriculture. *Ceteris paribus*, labour attendance under the EGS would have increased in response to the higher wage after mid 1988, due to an increase in the attraction towards EGS. The records however reveal otherwise. Attendance actually declined sharply during the agricultural year 1988-89.

The average real monthly cost of running the scheme actually fell and this was due primarily to a fall in the average monthly attendance at EGS sites. The allocation of available work across activities is determined by the EGS authorities through their project choices. Under such conditions, it may be that the authorities adjust the projects in favor of activities with lower piece rates in response to the increase in the wage schedule. Both inflation and the change in work composition were important in holding down real costs after the increase in the minimum wage. During the mentioned year there was higher than normal rainfall and therefore, food grains production resulting in greater availability of agricultural employment. The process of opening and closing projects allows the scheme to influence employment, irrespective of demand at a given wage rate.

Employment rationing did occur after the wage increase. Doubling of the EGS wage rate in May 1988 did not go hand in hand with a commitment to the extra budgetary resources needed to avoid substantial subsequent rationing of the EGS employment. Achieving these benefits must entail a wage rate consistent with budgetary resources in a typical year. Finding those resources will not be as easy as raising the statutory minimum

wage rate, and there can be no presumption that higher wage rates under fiscal restraint will be in the interests of the poor.⁴⁸

Work Preference in EGS

One area of constant debate and discussion is the weightage or preference to be given to different kinds of works. Different categories of works to be listed in order of preference/ priority based on the aspect of productivity. In the 1977 Act, productive works are defined as any works which, in the opinion of the state government, will directly or indirectly, contribute to the increase in production or the absence of which will inhibit increase in production. First preference is given to regular plan schemes. Concerned departments became increasingly reluctant to take up labour intensive works of the plan schemes under EGS. This was due to the seasonal variation in labour availability. Controversy surrounded two kinds of works in particular- percolation tanks and road works. Detailed techno-economic evaluation done by the Indian School of Political Economy concluded that only about 13% of the water impounded by percolation tanks becomes available for irrigation through wells and that even the minimum cost of irrigation through this method is prohibitive. The mistaken view prevailed that village roads only helped better off farmers take their produce to the market and hence were not a productive asset from the point of view of the interest of the poor.

The Failures

The fake registers, the delayed payments, the less than actual payment, the lower quality of works and the incomplete works are the most common reasons for the perception of the scheme as failure. There has also been criticism that assets for private benefit are created from public expenditure. There are problems of unemployment between projects. The number of employed on projects is but a fraction of the total need. Scandals were reported in food coupons and muster roll frauds. Managing the political

⁴⁸ Ravallion, Martin, et.al, "Does Maharashtra's Employment Guarantee Scheme Guarantee Employment? Effects of the 1988 Wage Increase", *Economic Development and Cultural Change*, Vol 41, no 2, Jan 1993, pp 251-275.

pressure was a challenge in itself. One serious constraint that remained unresolved was the issue of maintenance and utilisation of the completed works. EGS is more concerned with providing employment and amenities for workers than with the quality of work.

The Weakening of the Scheme

In the late 1980s, and throughout the 1990s, the EGS underwent several significant modifications, particularly, from durable public assets to privately owned assets such as dug wells for individual farmers and horticultural development in private lands. Dilution of the focus from employment generation to creation of more durable assets encouraged the construction of community centres (“samaj mandirs”), and even brought back the use of contractors and heavy equipment. EGS funds were to be channeled through a newly developed scheme, called ‘Shramashaktidware Gram Vikas’, or participatory village development. In 1991, in a significant move at crop diversification, developing horticulture was undertaken.⁴⁹

EGS was never replicated in any other state in India. The lessons to be learnt include the following. The programme needs a strong departmental input in terms of planning, budgeting and technical supervision. At the same time, it needs to be responsive to the poorest, and requires the involvement of local governments. The officers from other states who visited Maharashtra to learn about the implementation of the scheme concluded that they do not have that kind of democracy in their state.

Food for Work Program

The National Food for Work Programme also had some inherent problems. The productivity levels expected on a food-for-work site are virtually impossible to achieve. To reach the productivity standards set for attaining the minimum wages, actually two workers are required. In many cases a couple works together and it is the woman who does the earth-lifting. In most of the cases, the woman worker was not paid at all. In the FFWP sites single women cannot find independent work since the earth-lifting work they

⁴⁹ Bagchee, Aruna, op cit.

do is not calculated separately. In government-organised projects, earth-lifters do the work for free. This draws attention to the fact that calculation of piece rates for earthwork requires drastic overhaul. Each activity like digging or lifting must be given a separate minimum wage. Only then will the invisible worker get her rightful due.⁵⁰

The district administration says that only BPL families are to be provided work. Although the guidelines of the National Food for Work Programme (NFFWP) do not specify that only BPL families are to be provided work, administrative convenience has ensured that this happens. There is no mechanism for gauging the demand for employment. There is also confusion over the target families of the programme. For the programme to be effective, structural problems will have to be ironed out, before any real gain can be made from it.⁵¹

Most beneficiaries are selling wheat allocated to them under the project in the market for cash. According to the guidelines of the National Food for Work Programme, 75 per cent of the wages paid are in form of wheat and 25 per cent in cash. The cash component of the wage is so small that most beneficiaries sell the wheat in the market for cash. The real tragedy of the situation is not that the labourers are selling the wheat in the market, but that the government, in the process, is losing at least Rs 6 on every kg of wheat sold.⁵² This is wastage of resources.

NFFWP called for five-year plans for the works to be carried out in each district. The number of people for whom the plan is to be drawn, however, remains a mystery. In Gram Sabha meetings, which are called for people to demand work, and decide on the work to be carried out, it is often found that not many people can turn up at a day's notice. Another problem is regarding land availability for erecting water harvesting structures. Water harvesting structures can only come up in catchment areas, which may not necessarily lie on community land, as required by the programme. The nature of

⁵⁰ Karat, Brinda, "The Faceless Female Worker: Why Women Toil For Free in Food-For-Work Programme", *Times of India*, 22.6.2005.

⁵¹ Hebbar, Nistula, "Not All Poor Get Work Here", *Business Standard*, 17.5.2005.

⁵² Hebbar, Nistula, "Grains for Workers Reach Mandis", *Business Standard*, Udaipur, 18.5.2005.

works permitted is also restrictive. As a result, dams are built in a place which is not an ideal site for a dam to be constructed.⁵³

Therefore, the impact of the poverty alleviation and employment generation programmes implemented for the improvement of the rural areas of India have been one of mixed experience. While the employment guarantee scheme of Maharashtra has a close resemblance to NREGA, the other programmes have some similarity to the new Act. The experiences in their execution will have to be taken into account for the successful implementation for NREGA. Based on this knowledge an attempt is made to analyse the positive and negative features of NREGA. This is useful because it will then be easier to take precautions to reduce the inadequacies and to deal with them better. This is done in chapter 3.

⁵³ Hebbar, Nistula, "Nobody Knows What to Build", *Business Standard*, Udaipur, 19.5.2005.

CHAPTER
Three

NATIONAL RURAL EMPLOYMENT GUARANTEE ACT

In developing countries, widespread poverty is basically due to landlessness and unemployment. Employment guarantee and cash transfers are seen as solutions to this problem. Countries across the world are, therefore, trying to address the problem in their countries using a mix of these policies. They take the shape of programmes and schemes or as is the case in recent times, the form of legislation. India is one of countries to introduce a bill recognising employment as a legal right. Latin American and African countries are also interested in similar legislations. South Africa, Argentina, Bangladesh, Srilanka and Indonesia are among the nations, which already run employment and food-for-work schemes.⁵⁴

NREGA: An Outlook

In the history of poverty alleviation programmes, NREGA is unique because it has taken the form of a law. The earlier programmes were operated as schemes. There are a lot of differences between a scheme and an Act. An Act places an enforceable obligation on the state, and gives bargaining power to the labourers. It creates accountability. By contrast, a scheme leaves labourers at the mercy of government officials. Schemes come and go, but a legally binding guarantee is likely to be more durable and equitable than adhoc schemes. A scheme can be trimmed or even cancelled by a bureaucrat, whereas, changing a law requires an amendment in Parliament. Earlier schemes were subject to budgetary constraints, rules and regulations to suit implementing authorities. Judicially enforceable rights are clearly superior to these. The NREGA differs substantially from earlier schemes in that its starting point is the empowerment of rural folk rather than providing employment to the poor.⁵⁵

NREGA is a path breaking legislation. It is a landmark in the economic history of the people, in the regime of rights enjoyed by the people and in the efforts for social

⁵⁴ Ganapathy, Nirmala, "Rural Employment Bill: World is Watching India", *Indian Express*, 1.9.2005.

⁵⁵ Sahoo, Niranjan, "Why Employment Guarantee Scheme Will Work", *ORF Strategic Trends*, Observer Research Foundation, Vol 3, no. 38, Sep 2005.

equity and justice. It entitles the rural poor to guaranteed employment, to a means of sustenance, a means to avert distress, a means to secure two square meals a day and a means to lift them out of the trap of poverty. NREGA is a unique social safety net because its beneficiaries are not passive recipients of doles, but will become active participants in the creation of rural assets.

NREG Bill

The bill was first drafted in August, 2004 by the National Advisory Council. On December 23, 2004, it was referred to the Parliamentary Standing Committee on Rural Development. NREGA came from the three-decade-long track record of the Employment Guarantee Scheme (EGS) in Maharashtra, which as we saw in chapter 2, originated as relief programmes in the wake of a severe drought in the early 1970s. Though the MEGS and the NREGA are similar in many ways, there are differences between the two. The NREGA provides employment for a maximum of 100 man days per household. The MEGS, on the other hand, had no upper limit on the number of days in a year when employment can be sought by a person. The concept of a 'cap' and of a 'household' are alien to the MEGS - each adult can seek employment in his own right for as many days as he wishes. In other words, the MEGS is a much more liberal scheme than the NREGA. However, the wage payments in the MEGS are graded and are somewhat lower than the Rs 60 in the NREGA.

One other factor that contributed to the enactment of the Act was the demand from political democracy. The unemployed poor had a valuable vote, including more than 150 million ever increasing voters. It was important to recognise the needs of this section of the population as the strength of this force could not be ignored. As a response to the demands of the working population, the long awaited employment guarantee at the national level had to be enacted. The enactment process was full of arguments and counter arguments as the bill attracted a lot of criticisms right from the stage when it was introduced in the Parliament. Some of the features of the bill, explained below, were felt would convert a guarantee scheme into a discretionary programme similar to its non-statutory predecessors.

Clause 1 (3) of the bill read that the Act will commence when the Central Government may implement it in "different States and different areas". It is known from A.K. Roy's case (1981) that the courts cannot mandate that an Act with such a clause cannot be brought into effect. Moreover, there is also a clause which states that the Central Government may change the statute after simply informing Parliament. This seemed that the Act will become so discretionary in its application that it will result in political patronage or very few schemes with even lesser guarantees.⁵⁶

It was also argued that the bill did not talk of minimum wages. This seemed to be against the spirit of the bill as it would also affect other provisions of the Act. In a situation where the minimum wage rate already varies substantially across states, central government financing the programme as per wages determined by the states may not have been a viable option. When the funding authority and the wage rate fixing authorities are different, then competitive hiking of the wage rate by different states cannot be ruled out, as that is a way by which states can get more funds. The clause in the bill could, it was feared be used to undermine the programme by setting the wage at an overly low level. A national minimum real wage rate fixed at a level that meets a fixed basket of minimum needs of an average household would be a better alternative. This should be somewhat comparable to the current reservation wage for casual workers, based on an all-India poverty line, average household size and worker-population ratio.

Restrictions such as 100 days per individual or one member per family as proposed in the Act would not only dilute the rights perspective, but would also increase the administrative workload. Demand for employment should determine the size of the programme. Given a particular wage rate, it is the individual who has to decide whether to work or not. There should be no restrictions on number of days of employment or number of participants per family. The better option may be to operate the scheme for those seven months in a year which are identified as the agricultural lean season by the state government.

⁵⁶ Dhavan, Rajeev, "The Case for Employment Guarantee", *The Hindu*, New Delhi, 21.1.2005.

It was also felt that the Act should be brief and have only the minimum essential clauses. Details on implementation procedure should be left to office orders and guidelines that provide enough flexibility for state governments and local implementing agencies to design works and procedures to suit local needs.

There was no provision to ensure the time bound extension of the Act to the whole country. It had no provision which explicitly stated that Panchayati Raj Institutions should control the planning and monitoring of works taken up under the Act. The rate of unemployment allowance, which would be $\frac{1}{4}$ th of the wage for 30 days and $\frac{1}{2}$ for the rest of the year until the 100 days target is met was also low. This would not serve the purpose of providing purchasing power in the hands of the rural poor. Moreover, if this unemployment allowance was not paid, the bill suggested that a note would be made of it. It has not been stated as to what this would lead to. Therefore, there is no serious effect of non-payment of unemployment allowance.

The Lok Sabha Standing Committee on Rural Development opined that the Bill suffered from three major problems, which posed the danger of creating a moth-eaten legislation. First, the Committee sought the removal of the clause that only one member of a household in rural India below the poverty line (BPL) would be entitled to work. Such a clause, besides being unduly restrictive because it would have excluded many looking for manual work, would have opened the gates to maladministration because the BPL lists in states are dated as well as defective. Second, since a major shortcoming of the Bill was that no time frame had been set for countrywide coverage, the Committee asked the government to implement the programme in a phased manner covering the entire country over the next four years. Third, an important recommendation was that the misguided provision entitling the centre to 'switch off or switch on' the programme at its will should be removed.

The Standing Committee also recommended the raising of the unemployment allowance from $\frac{1}{4}$ th to $\frac{1}{2}$ the wages to as much as $\frac{1}{2}$ to $\frac{3}{4}$ th the rate. It suggested that the wage in the programme should be the ruling statutory minimum rate for agricultural

labourers in each state, with a proviso that this should be at least 75 per cent of the 'national floor rate'. The latter was meant to bring about some uniformity in daily wages, which vary from Rs 25 in Nagaland and Rs 134 in Kerala. This raised the question whether the states, with limited financial responsibility for the programme, would be encouraged to raise rates.⁵⁷

It is important to analyse the merits and demerits of the Act in the early stages of its implementation so that it can be improved in the interests of the common people. The same facts turn out to be merits in some cases and challenges in few others. This means that the success of the Act is area-specific and varies from village to village. Though it is not feasible to compile the results of all the 200 districts an overview based on informed analytical writings will be useful.

NREGA: Merits

Clearly, an EGA would help to protect rural households from poverty and hunger. A time bound statutory guarantee of employment to the poor would ensure that two thirds of poor households in rural India would be able to cross the poverty line. It should be a universal, self-targeting guarantee, ensured by the nature of the work to be done and the wage to be provided for it. Although it can only make a partial contribution to the objective of poverty reduction, it has a potential for unleashing rural transformation. In other words, it is a historic opportunity for socio-economic transformation in rural India.

S.K. Thorat argues that the Act was neither charity nor financially unviable, and in a demand-constrained system like India, an increase in purchasing power will generate growth with equity. A demand-driven approach would ensure that employment is provided where and when it is most needed. It facilitates the inclusion of the poorest of the poor. The right to work brings an element of predictability in people's lives.⁵⁸ The

⁵⁷ "Employment Guarantee: Setting Legislation Right" EPW Editorial, *Economic and Political Weekly*, 6.8.2005.

⁵⁸ Dreze, Jean, "Right to Food and Right to Work", in *Work for All At a Living Wage: Towards an Employment Guarantee Act*, Jan 2004. (Booklet prepared by the support group of the Right to Food Campaign for circulation at the World Social Forum, Mumbai.)

Act would not only provide employment but also enhance productivity in rural communities. It can provide immediate relief, but more importantly, enhanced productivity improves the rural economy's ability to absorb labour.

It is of utmost importance to analyse the Act in the background of poverty and social conditions prevailing in the society. The EGA, apart from protecting the rural population from hunger and destitution, would contribute to many other social and economic objectives, including the creation of durable assets, higher agricultural wages, tackling the prevailing environmental crisis that is gripping rural India, galvanising the Panchayati Raj Institutions, making significant changes in local power structures, empowerment of women, and slowdown of rural-urban migration. In addition, there would be strong multiplier effects of such employment, which would, therefore, have a positive effect upon rural livelihoods.

The spending on the rural employment programme will enable the nation to address and redress critical macroeconomic issues like inflation, giving push to effective demand, enhancing tax revenue, increasing investment in infrastructure and above all expand opportunities of self-employment as agricultural growth gets impetus and public investment in it is revived. It is not like a guaranteed government job providing wages for attendance but reward in proportion to and commensurate with the physical task performed.

Provisions of the Act: Positive Expectations

Some of the remarkable provisions of the Act are that wages are to be paid every week and in any event not later than a fortnight. In case of any delay in the payment of wages, labourers will be entitled to compensation as per the Payment of Wages Act. Unemployment allowance is paid at the rate of $\frac{1}{4}$ th for the first 30 days, then $\frac{1}{2}$ for the remainder period until the target of 100 days is met. There is no gender discrimination.

There are provisions for compensation and treatment in case of injury and for on-site safe drinking water, care of small children, periods of rest and a first-aid box. The

Act also forbids the use of contractors and labour displacing machines. At least 50 per cent of the projects, in terms of value, are to be implemented through the gram panchayats. There are provisions ensuring transparency, accountability and social audit. There is also provision for penalty, whoever fails to carry out his/her obligations under this Act, without any reasonable cause, shall be liable upon summary conviction to a fine of not less than Rs 1,000.

Migration

In the case study of Sahariya tribe (which is totally dependent upon forests for its existence and livelihood) in Singhrai village, Shivpuri district Madhya Pradesh, it was found that this right not only saves them from resorting to migration but also plays an important role in tackling the problem of their under-nourishment and malnutrition. The Act paves way for a dramatic reduction of rural-urban migration. If work is available in the village, with assured minimum wages, many rural families will stop heading for the cities during the slack season. Jean Dreze, formerly a member of the NAC believes even 50 days of employment with minimum wages could have a dramatic effect in checking migration. Professor Mahendra Dev, points out that while the Act supplements the incomes of workers, it also acts as an insurance mechanism by stabilising employment in the off-peak season.

The experience of relief work in drought years, notably in Rajasthan, reveals that relief works had a major impact on rural-urban migration. This was not without problems. Even when public works were opened on a large scale, there were many who did not get work at all, or who got less work than they desired. This leads to the fact that it is not just the scarcity, but also the unpredictability of employment opportunities at home that induce many people to migrate. The NREGA could become a predictable source of local employment as it provides work on demand and therefore, reduce distress migration. Distress migration has enormous personal and social costs and so the Act is a unique opportunity to protect people from hardships⁵⁹. The Rural EGA doesn't preclude an Urban EGA; in fact the former is a step towards the latter. Besides, the Rural EGA

⁵⁹ Khara, Reetika, "Employment Guarantee and Migration", *The Hindu*, New Delhi, 13.7.2006.

itself will be of tremendous value to urban workers as the reduction of rural-urban migration will lead to higher wages for those who stay in the urban areas.

Empowerment of Women

Guaranteed employment would be a major source of empowerment for women. The Act safeguards the interests of women and gives full attention to their concerns with regard to availability, location, type and organisation of work. Gainful and guaranteed employment for women will contribute significantly to their independence and social empowerment. In some places almost 80% women participation was seen in the work sites. Women left jobs in mines to work in NREGA projects as they were paid more and worksites were better.

Asset Creation

An EGA is an opportunity to create useful assets in rural areas. In particular, there is a massive potential for labour-intensive public works in the field of environmental protection - watershed development, land regeneration, prevention of soil erosion, restoration of tanks, protection of forests, and related activities. These options are less costly in terms of cost per hectare of development. Besides, improving watershed development could reduce damage to life and property caused by frequent flooding and save future costs of public flood relief measures. Watershed development is the most effective remedy to build the food, water, fodder, fuel security at the level of each village. Through such employment, there will be more water and through water more employment, which is the ultimate goal of the NREGA. It is a source of building massive basis infrastructure and through that strengthening the vital life-support system.

Power Equations and Empowerment

Guaranteed employment is likely to change power equations in the rural society, and to foster a more equitable social order, resulting in empowerment and mobilisation of the poor. If it results in higher wages for labour, it can be an empowering agency. In a

country where we do not have any unemployment insurance, there is no better alternative. The guarantee is a small step towards the goal of empowering the rural poor. Public awareness, agitations by local people and checking of muster rolls can check abuses.⁶⁰ In a society beset with deep social and economic inequities, such an Act can create an additional space for change. The right to work, fair wages, entitlement of the livelihood resources along with the right to health, education and human dignity and above all effective right to information constitute the basis of a democratic polity, economy and society. The Act leaves a lot of room for the poor to contest those holding power at the local level. This is made possible by the pre-eminent status given to panchayats in implementing the guarantee. It has been observed that the interaction of large numbers of people in one place in similar working conditions has helped in breaking down social barriers and aiding in their political mobilisation. It will bring in greater security and confidence into the lives of the poor and also strengthen their bargaining power. The guarantee of gainful employment holds the promise of eventually leading to the fulfillment of other basic rights to food, education, and to life.⁶¹ When new regular wage jobs are provided for the low skilled, it has a positive impact on their children. This is so because children of poor parents drop out of school as they cannot afford the direct and indirect costs of schooling. Raising their family incomes would reduce school drop outs.

Equity

The role of special employment generation programmes is to provide additional employment to those segments that do not benefit at all or benefit only inadequately from the employment opportunities generated by overall growth. These are mostly people in areas, which lag behind in economic growth and people who have little or no productive assets. They depend mostly on wage employment for their sustenance and often this is insufficient to meet their demands. More precisely, it is the class of casual labourers who happen to suffer from chronic social vulnerability and also comprise the bulk of those below the poverty line. Casual wage labourers constitute 35-40 per cent of rural workers

⁶⁰ Sridhar, V, "Empowering the Rural Poor", *Frontline*, Vol 22, no 19, 2005.

⁶¹ Dhavse, Rasika, "Entitling 40 Million Rural Workers", *India Together*, 15.4.2006.

and this proportion has been rising progressively over the years. They have, on the average, far fewer days of work in a year than the self-employed and those with regular employment; they are the ones most affected by reduction in employment due to droughts and natural calamities and due to the spread of mechanisation in agriculture; they are also the least likely to benefit from growth of non-agricultural employment. Properly implemented, special employment programmes can make a significant difference to this class by directly increasing their incomes and also by strengthening their bargaining power in the rural market for wage labour.⁶²

Safeguards Against Corruption

Democratically elected representative panchayats are more effective means for containing corruption and ensuring accountability. If decentralised planning and implementation leads to even a modest reduction in waste and leakage – from the current, and widely quoted, 85 per cent to even say 60 or 70 per cent – there will be a dramatic improvement in effectiveness in all aspects of the programme. As for corruption, misuse and misappropriation of public money by elected local leaders are far more visible to the community than to outsiders. That they have to seek re-election periodically to continue in office is the strongest inducement to check corruption in the choice and implementation of local programmes. There is a scope for social audit under the Act which can be taken up at three stages. At the first stage, social audit is taken up as regards the registration, distribution of the job cards and to make the people aware of the programme. During the second work stage social audit is done to assure the facilities to be provided at the worksite. Finally, post work social audit involves, asking for the details of the work, estimates, muster roll, bills & vouchers, total number of labour employed etc. The social audit is to be taken by Gram Sabha in six months. Increased transparency norms will ensure that muster rolls will be available to people where projects are implemented. It is also believed that the participatory model will serve to make employment guarantee a success.

⁶² Vaidyanathan, A, "Employment Guarantee and Decentralisation", *Economic and Political Weekly*, 16.4.2005.

Empowering Panchayati Raj Institutions

EGA is a unique opportunity to activate and empower the Panchayati Raj Institutions, including gram panchayats and gram sabhas. It will give them a new purpose, backed with substantial financial resources.⁶³ The panchayats are endowed with full functional authority to operate as institutions of self government, as envisaged by the constitution.⁶⁴ They are the torchbearers of the employment scheme and will have to play a critical role in making the Act work. Numerous elected panchayats are showing the willingness and the ability to decide on projects appropriate to local needs, mobilising local resources for such projects and taking responsibility for implementing government sponsored projects. It is a common belief that works transferred to panchayats are being completed faster, better and cheaper than those of government agencies. Chances are that panchayats will implement schemes with a greater sense of responsibility. Therefore, ensuring the regular conduct of panchayat elections and empowering the elected representatives with the authority and the resources to implement all local development works, is therefore, critically important.⁶⁵

Liberalisation, Privatisation, Globalisation

Aruna Roy, member of NAC, believes that the Act is not only a guarantee of work but also a voice against privatisation, drought and poverty.⁶⁶ According to Prof. Prabhat Patnaik, "Guaranteeing at least 100 days employment implies a reversal of liberalisation, directly as well as philosophically, because it refutes the idea that you can leave things to the market, to trickle down, that there is no need for the State." The introduction of such an Act is, therefore, an important avenue for mass mobilisation and resistance against neo-liberal policies. The Act is a recognition that the state cannot retreat from pro-poor development and has to ensure livelihood security and employment.

Such public investment will also fuel successive rounds of private investment, creating secondary employment opportunities. It would provide relief not just in times of

⁶³ Dreze, Jean, "Employment as a Social Responsibility", *The Hindu*, New Delhi, 22.11.2004.

⁶⁴ Jain, LC, "Work is the Crux, So is Self-governance" *Yojana*, April 2005, pp 9-10.

⁶⁵ Vaidyanathan, A, op cit.

⁶⁶ "Expedite Implementation of Employment Guarantee Act" *The Hindu*, New Delhi, 21.10.2005.

distress, but achieve a real movement towards long-term drought and flood proofing of Indian agriculture. This would make the employment guarantee truly sustainable in both environmental and fiscal terms. It will fuel growth and actually help lower the fiscal deficit. For as incomes rise, so would government revenues.⁶⁷

NREGA: Challenges

Government has failed to appreciate that Employment Guarantee has to be based not on figures, but on transparency, mutual cooperation and due social sensitivity. It is not a good sign that even in the initial stages of implementation people have started losing their faith in the scheme itself. There are a number of indicators that need to be understood and addressed by policymakers and civil society organisations. For the most part people are treating NREGA as yet another top-down scheme. This is so because in the field studies conducted during the initial stages of implementation of the Act, it has been found that the idea of a right to demand work has not sunk in the people. Most rural people consider it as a programme where they are provided with wage employment by the government.

In the survey of Sabarkantha district of Gujarat, it was found that there was inadequate facility for drinking water and no rest shade for workers, child labour was present, pregnant women were working, there were no printed muster rolls or formal applications made or taken from the persons working on the site. Details were not filled in the job cards and money was charged from the people for taking photographs for the job cards. The measurements did not have proper records. People had to buy their own tools and spend money to sharpen them. Local wage rate dropped down due to the lower wages paid in NREGA sites as compared to the local agricultural wage. This is representative of the problems of the Act and its implementation.

⁶⁷ Gupta, Smita, "Rallying for a Right", *Frontline*, Vol 21, no 23, 2004.

Drawbacks in the Act

Given intra-household gender discrimination, the right may have limited effect as it is restricted to the *households* instead of opening it up to each individual. The right to work is to be exercised by people in need which will vary depending on the vagaries of nature. They could be for more or less than 100 days. Reliance on the BPL list, which is both unreliable and obsolete, undermines the principle of self-selection. In addition, there is still a lot of confusion about the definition of the critical term 'households'. It creates competition for work within the household and friction among family where women and the disabled are likely to be marginalised. The experience in Dhar district, MP shows that gram panchayats treat joint families as one household, thus issuing them a single job card. Such practices will put joint families in a disadvantageous position. The household approach is problematic as household rights are difficult to enforce in a court of law.

The key weakness of the NREGA is that the provisions can be "switched off" at will by the Government, which means that the guarantee can be withdrawn anywhere at any time.⁶⁸ As per the bill, a Programme Officer (PO) is appointed for overseeing the work of the Panchayats. This is against the essence of the principle since the status of the panchayats is reduced.

Transparency provisions have also been severely diluted. The basic features of the employment guarantee schemes to be initiated by state governments, and the entitlements of labourers under these schemes, have been shifted from the body of the Act to a pair of appended Schedules. Schedule I is on "Minimum Features of a Rural Employment Guarantee Scheme" and Schedule II is on "Conditions for Guaranteed Rural Employment Under a Scheme and Minimum Entitlements of Labourers". These Schedules can be modified by notification of the Central Government, without amending the Act itself.⁶⁹ The Act leaves labourers at the mercy of the benevolence of the state. Employment must not be seen as mere manual labour. The Act must include works other than only

⁶⁸ Dreze, Jean, "Employment Guarantee: Promise and Demise", *Yojana*, April 2005, pp 4 -8.

⁶⁹ "All About India's Rural Job Guarantee Scheme", *Rediff Money Desk*, 22.8.2005.

digging and carrying mud and stones. Even the poorest in the rural areas had some skills by which they earned their livelihood. There is no provision for utilising these skills under the Act.⁷⁰

Wage Rates

The daily minimum wage and the minimum wage for agricultural workers fixed by different states, under the Minimum Wages Act, 1948 varies from state to state. The bigger problem is that workers have not been receiving even the state-stipulated minimum wage. Reports of workers being denied minimum wages under NREGA have been pouring in from scores of districts under the scheme. Construction work ought to be treated differently than agricultural wages. This difference has to be made. Another reason for the low wages earned by people at NREGA work sites is the fact that work is computed on the basis of outdated PWD rates.

Wage payments are delayed for weeks, sometimes months, due to a variety of banking and non-banking reasons. The time lag varies from state to state. The district administration sanctions money to the Panchayat Samiti. Then it reaches the Gram Sabha's account after 17 days and after the time taken for the financial pipeline to become effective, it reaches the beneficiaries. This delay is also induced by bureaucrats.⁷¹

Minimum wages are generally fixed on a time-rate basis, while works are undertaken on a piece-rate basis. The problem arises while trying to reconcile the two. Officials claim that the payments had been made on a 'piece-rate' basis, according to the state's schedule of rates. The prevalent wage rates at the local level have fallen since the implementation of the employment guarantee scheme. Local landlords, seeing the abysmally low rates being offered at rural employment guarantee scheme work sites, saw this as an opportunity to scale down their rates. In some places gender differentiation is shown in payment of wages as women are paid less.

⁷⁰ "Rural Employment Guarantee Act Safety Net for Poor in Rural Areas" *The Hindu*, 1.3.2005.

⁷¹ Hebbar, Nistula, "Wages Fail to Come in Time", *Business Standard*, Udaipur, 16.5.2005.

The participants were told that they would be entitled to the minimum wage rate only upon their digging pits of a specified size. As per this pre-condition, when people started work, they realised that due to rocky earth, it will take at least two days to dig a pit of given size. They generally take the help of other members of the family and work together. All of them jointly meet the given target of the Government, but in return they receive the minimum wages for one person only. The Act provides for payment of minimum wages of Rs. 60/- per person for working 7 hours a day, but a careful look reveals that labourers work from 8 am till 6 pm, and try to complete the target fixed for the day's work, meaning thereby that even after working for 10 hours daily, they do not get the minimum wages. The schedule of rates is far from transparent, and labourers do not understand the complications involved in the computing.

There are also no proper arrangements for work measurement, or for proper documentation of the quantum of work or measurements. Usually collective measurement is undertaken due to lack of trained personnel. Land measurement, which is to be estimated by the junior engineer before work begins, is in reality conducted 2-3 months after the work starts. This translates into delay in sanctioning of funds for the project and results in deferment in the payment of wages. The prevalence of this vicious cycle is used as a justification to pay the workers less than the minimum wage with delay.

Poor Condition of Women

In the field study of Dungarpur district of Rajasthan, it was found that women do hard manual labour for eight hours a day in the hot relentless sun with no shade in sight. While water is available, there are no other facilities available on most of the sites. Very often women complain of severe body and headaches and are forced to take medicine every day to get some relief. Their children are left alone at home or under the care of their older siblings as women work on the work sites and men migrate to other places. When babies are brought to worksites, they are left lying on the bare ground with no

shade or covering. Quite often, the provisions of the Act relating to crèche facilities are violated.⁷²

The village officials ask the females to come in mixed groups (along with their male counterparts) to work on NREGA sites. Widows are not encouraged to work in the worksites. It is found that since higher output was seen as coming from families, single women have no place in the NREGA.⁷³ As they could not always take a male member along to the place of work, they prefer to work privately for landlords. As stated earlier, payments get delayed for the labourers; the women are no exception to it. Due to all these, the women generally abstain from the government works and prefer to work in private fields.

Job Cards

There have been irregularities in the registration and issue of job cards to applicants. Inordinate delays in the issue of job cards are also a matter of concern. A probable cause for this is the workload of the panchayat sevak who undertakes the task of distribution. There is confusion in the last date of registration. Reports have suggested the absence of a system to issue dated receipts to applicants. This could be because of lack of awareness on the part of the panchayat sevak and the villagers. Receipts, however, are crucial as a proof of work demanded. In Jharkhand, in the absence of gram panchayats, the distribution of job cards and related responsibilities has been assigned to the panchayat sevaks. A number of job cards were incomplete, names and details of applicants were incorrect as they lacked important information such as the date of issue, the photograph of the job card holder, his or her signature and the address of the applicant.⁷⁴

Fees for application forms are being charged in many states. People have paid money for the purchase of the forms either from the market or from the panchayat

⁷² Bhatta, Kiran, "Employment Guarantee and Child Rights", *Economic and Political Weekly*, 20.5.2006.

⁷³ Sainath, P, "NREGP: No Place for Single Women", *The Hindu*, New Delhi, 22.5.2007.

⁷⁴ Sahgal, Gayatri, "Survey of Reality", *Business Standard/ Rediff*, 7.8.2006.

sevaks.⁷⁵ In Madhya Pradesh, there was no process of application for registration for employment by any rural household as the government distributed job cards to rural households. People were duped into paying for their photographs required in the form, although this is the responsibility of the panchayat sevak.

People have complained that they were not issued job cards because their names were not there in the BPL list. It was stated that the ID number is the BPL number, therefore, it is highly probable that those labourers who are not enlisted under BPL might not get job card.⁷⁶ Other irregularities reported include the denial of separate job cards to nuclear families living together as a joint household, defects in the design of the card, problems in recognition of female headed households. The list of persons issued job cards is not displayed.

Contractors

A middleman deals in human labour meeting the respective requirements of affluent farmers who are on the look-out for cheap labour and poor people who are victims of exploitation. Contractors are increasingly becoming a threat to the NREGA. These *bicholias* (contractors as they are called), essentially act as multipurpose intermediaries between the people and the local administration. They get the work done, ensure that the officials get their “cut”, and earn their own commissions. Works, going on under rural connectivity, particularly, road construction directly supports and feeds contractor culture. So even in areas where there is a need for drought proofing and water conservation, instead of creating productive assets useful for the community, roads are being constructed. These assets if constructed would check migration and marginalisation.⁷⁷

⁷⁵ Fact Finding Report on the Status of Implementation of Scheme Under NREGA in Bengabad Block of Giridih District, Jharkhand by Mazdoor Kisan Samiti & Nari Shakti Sangathan, Jharkhand.

⁷⁶ Workshop Report on NREGA held on 13.6.2006 at DRDA Conference Hall, Bhawanipatna.

⁷⁷ Report on Implementation of NREGA in Bhawanipatna Block of Kalahandi, Orissa.

Muster Rolls

The most dangerous form of inaction on NREGA relates to transparency safeguards. Muster rolls are visible neither at the worksites nor in Panchayat Offices. Instances prove that muster rolls are forged and false. They carry fictitious names, missing job card numbers which suggests that muster rolls are finally fabricated.⁷⁸ There is lack of transparency. Officials maintain two sets of muster rolls - "kutchha" muster rolls scribbled in a notebook and kept at the worksite, and "pucca" muster rolls, maintained on the prescribed forms and hidden from public scrutiny. Massive discrepancies between the two have been found in many places surveyed.⁷⁹

Worksite Facilities

Most often, worksite facilities as prescribed by the NREGA Act are missing on the worksites and it has been found that bureaucracy has ignored the social security aspect. Neither there is any arrangement for drinking water nor any provision for shelter or protection for the children. Whatever little is found, like drinking water, is arranged by the workers themselves.⁸⁰ A lot has yet to be done to ensure work site facilities, the notable absence of which is a problem that cuts across states. Trees act as the only source of shade for the rural poor working at the sites. People injured while working at the NREGA worksite, except for first aid are not given any compensation or monetary aid for further treatment.⁸¹ No complaint register is maintained at the panchayat level.⁸²

⁷⁸ Sahgal, Gayatri, "Survey of Reality", *Business Standard/ Rediff*, 7.8.2006.

⁷⁹ Dreze, Jean, "Loot for Work Programme", *The Hindu*, 2.7.2005.

⁸⁰ Jain, Sachin Kumar, "Poverty, Migration & National Rural Employment Guarantee Scheme: A Case Study on Sahariya Primitive Tribal Group in Madhya Pradesh" by *Vikas Samvad*, Bhopal, Right to Food Campaign Madhya Pradesh Support Group, Bhopal, Freedom From Hunger and Fear Initiative, Shivpuri.

⁸¹ "UP a Laggard in Rural Job Plan", *The Times of India: Times City*, Lucknow, 9.8.2006.

⁸² Survey Report of Dhar District of Madhya Pradesh.

Unemployment Allowance

People were not aware of the unemployment allowance. The Union Ministry of Rural Development hasn't been able to track compensation payments for delayed wages to workers, or payment of an unemployment allowance to those who couldn't secure work even after 15 days of demanding it. The payment of the unemployment allowance should not be conditional on the government's capacity to pay or any other criteria; anyone who has applied for work should be entitled to the allowance, if he or she has not been given work within 15 days.

State Employment Guarantee Councils

Many states are still grappling to get their act together, even in terms of notifying state schemes and putting in place state-specific operational guidelines. The formation of State Employment Guarantee Councils (SEGCs), as mandated under Section 12 of the NREGA, has been painfully slow. States that have set up such councils have sometimes violated norms. Some states do appear to have done considerable homework while formulating their schemes. Conceding that some states have taken time to fine-tune their schemes, Ministry of Rural Development officials point out that it would be wrong to dismiss them as laggards, for the scope, reach and problems of each state vary a lot.

Administrative Inefficiency

The Employment Guarantee Act places a major burden on the administrative machinery. The spirit of the Act has been adversely affected on account of the lack of vigilance by legislatures, bureaucratic bungling and unholy alliance of the Neta- Babu-Contractors nexus. This also leads to corruption in addition. Inadequate staffing and lack of training has obstructed the implementation of the works. The existing staff is burdened with additional work. In some districts, planning for works has been haphazard, monitoring is weak and social audits non-existent. Also, the work is being carried out at one go so that the 100 days target is completed at one shot. The government officials often lack knowledge in regard to the Act. They are non-cooperative in providing any

kind of data to the public, causing great confusion among the villagers. Though the poor want this work very badly, some officials express the view that 'people don't want to do strenuous work' offered under the scheme.⁸³

Lack of Awareness

There is little popular awareness of the fundamental principle of employment guarantee ie employment on demand. There is very little understanding of the basic features of the Act. People do not understand that in order to get employment under NREGA, they have to apply for it. The rural poor do not know much about, and are not familiar with, these basic entitlements. In some areas, there was no awareness programme taken up by the government officials either through street plays or public announcement, as it was earlier specified in the operational guidelines. A comparison between the total number of eligible households and the number of households that registered for job cards or sought jobs shows a terrible lack of awareness. Awareness about the existence of the scheme itself is low in many areas. These results have been confirmed by the survey reports released by Centre for the Study of Developing Societies (CSDS) and Centre for Budget and Governance Accountability (CBGA).

Social Obstacles

Complaints about discrimination on the basis of religion, caste, age, community and disability are rampant. For example, in Basaundha village of Uttar Pradesh's Chitrakoot district, of the 300 job card holders, 50 non-dalits did not turn up at the work sites, finding it below their dignity to rub shoulders with dalits at the work site. The Village *Pradhan* felt that a separate worksite had to be established for them as they were in need of work.⁸⁴ Though the people were badly in need of work, they were too proud to work at the same site as lower castes.⁸⁵

⁸³ Shah, Rajiv, "Report Slams State Record on Rural Jobs" *Times of India*, Ahmedabad, 15.9.2006.

⁸⁴ *Business Standard*, 16.8.2006.

⁸⁵ Menon, Sreelatha, "Village 'Dole' Takes Baby Steps Amid Apathy, Graft", *rediffnews*, New Delhi, 7.8.2006.

Sometimes, these people stay at home and get wages. Alternatively, they take up supervisory roles of mate (job card holder who supervises attendance at the work sites and makes payments) and water supplier (who supplies water to workers). In Gujarat, there have been numerous instances of discrimination against Muslims. Scores of Muslim youth loiter along the highway seeking work as their names do not appear in the list of job cards issued.⁸⁶ There has not been much action on dalit land development. Reports from the field point to incidents of denial of registration to single-woman-headed households and physically challenged individuals. People belonging to APL category were discouraged from applying for registration.

Poor Participation of the People

People's participation in the decision making process has been extremely poor. The local people are not engaged in the selection of the projects, planning, implementation and monitoring. In many villages, NREGA related Gram Sabhas were not convened. The gram sabha is a deeply divided body in most (even tribal) parts of the country and has not shown any spontaneous inclination to meet, the difficult challenge of ensuring transparency, accountability or equity.⁸⁷ In places where they are held, there is only a token participation of women. It envisages a vertical administrative structure, with the Block-level Programme Officer accountable to the District Coordinator and neither of these two officers being truly accountable to elected bodies.

It has been seen that a number of gram panchayats have abdicated their responsibilities and left the work-identification to engineers at the taluka level. There after, they were submitted to the Gram sabha for formal consensus. Even this was done only in few villages. In Jharkhand, Haryana and Uttar Pradesh, external consultants have been appointed to prepare perspective plans. In Singhrai village, Madhya Pradesh, the work was decided by the administration without any involvement or consultation with the Gram Sabha. In Gujarat, the talatis, village-level workers and sarpanchs were 'not involved in many cases' and were 'not interested in other cases'.

⁸⁶ *Indian Express*, 31.5.2006.

⁸⁷ Shah, Mihir, "Employment Guarantee- MPs Lead the Way", *The Hindu*, New Delhi, 10.8.2005.

Migration Continues

There has been a very substantial increase in short-term economic migration in the recent past, driven by the reduced viability of cultivation, displacement, asset deprivation and collapse of employment generation in most parts of rural India. The more significant recent change has been the increased migration of women, with men or in groups, or even on their own. In this process, the children of the migrant workers are adversely affected. Reduced birth weight due to pressure on the mothers, lack of health care, vulnerability to infections, lack of proper schooling, etc compound the problem. The process makes the quality of life for the entire migrant family very poor.⁸⁸ Absence of confirmed employment, refusal of work to applicants and a ban on starting new works in these areas are forcing labourers to migrate in search of work. Therefore, the government policy should ensure protection of the rights of the migrants or alternatively provide them work in their own villages so that work related migration is prevented.

Others

There have also been reports of workers being asked to bring or buy their own digging implements. In some states, there was no public information about the scheme printed in regional or local language.⁸⁹ Training programmes for key officials have barely started. Training programmes are reduced to a mere formality. Panchayat offices remain open only for two days a month in most of the Panchayats. No boards are on display, where there is one, it is obsolete and incomplete. Perspective plans for the villages have been prepared in most of the cases but only a few people are aware about this. Tractors were employed to dig pond and mixer machines were used for construction of roads in some places. Many of the projects are started but abandoned midway, while in others, work takes place irregularly.

⁸⁸ Ghosh, Jayati, "The Children of Migrant Workers", *Macroscan*, Economic Research Foundation, New Delhi, 3.6.2006.

⁸⁹ Status of NREGA in Reddiarchatram Panchayat Union, Dindugul District, Tamil Nadu, Right to Food Campaign, 26.9.2006.

In Chandpura, Naraini block, Banda, Uttar Pradesh, it was found that over 50 people from the village were provided jobs, without taking formal work applications. People take up work without realising it is provided under the NREGA. While payments are being made, the number of days of work will be recorded as it is the work done under NREGA. As a result, the annual quota of 100 days of employment per household will be reduced without the knowledge of those who worked. When they finally demand work according to their need, they may find that their quota is over. This clearly exhibits the lack of awareness on the part of the people and the lack of commitment on the part of the officials to inform the people about the same.

All the cheques issued by the Panchayat were bearer cheques and cashed by the Panchayat official rather than by the beneficiaries themselves. Workers reported that they were not paid the correct amount as told by Panchayat official. They were not aware of the possibility of opening saving banks accounts in rural post offices within their own village. Work under the scheme in some villages is supply driven rather than demand driven.⁹⁰ The actual levels of expenditure and employment generation on public works in the NREGA districts have apparently declined this year, compared with the same period last year. The decision to provide Rs 60 per day for a guaranteed 100 days rural employment translated to only Rs 500 a month, which is not sufficient to feed a family. One the other hand, the decision to make the state governments finance 10 per cent of the scheme could lead to financial problems because of the poor financial conditions of some states.

The purpose of creating durable social assets is not achieved in proportion to the amount spent, and the stupendous task of conserving the soil and regenerating the biomass resources largely remains untackled. In places where the works had not been completed there was a danger of their being washed away in the monsoon. In other cases, the work had been completed but its productive value was doubtful. The definition of permissible works is restrictive. It allows only a narrow range of works to be taken up.

⁹⁰ Status of NREGA in Palani Panchayat Union, Dindugul District, Tamil Nadu, Right to Food Campaign, 25.9.2006.

The focus is on nine specific types of work⁹¹, concerned mainly with the creation of durable assets.

Muster rolls, accounts and other records are accessible to the public only after paying such fee as may be specified in the Scheme, with no restriction on the fees. Similarly, the social audits to be conducted by the Gram Sabhas have been reduced to a formality since the government is not bound to act on resolutions passed in the social audits.

Some states like Chhattisgarh have disrupted work under the NREGA on account of the monsoons. A circular issued by the Chhattisgarh government clearly states that from June 15 to October 15, the state will not be liable to open works within 15 days, or provide an unemployment allowance. Other states including West Bengal, Kerala, Tamil Nadu and Assam, witnessed a disruption in the NREGA due to the imposition of the election code of conduct. This is despite clear instructions from the Planning Commission that job cardholders would be provided employment after the announcement of elections. Critics feel that this would expand opportunities for bureaucratic corruption.

On the whole, employment generation has been very limited, and where jobs were provided, wage payments were delayed for long periods and always below the statutory minimum. Effective levels of awareness and sustained public pressure are crucial to ensure that implementation problems are addressed and the objectives met.⁹² In the face of such grass-root level realities, and the sometimes irresponsible and unaccountable manner in which the Employment Scheme is being implemented, it is likely that people

⁹¹ According to Schedule I (Minimum Features of a Rural Employment Guarantee Scheme) of the NREGA, the focus of the scheme shall be on the following works in their order of priority - water conservation and water harvesting; drought proofing (including afforestation and tree plantation); irrigation canals including micro and minor irrigation works; provision of irrigation facility to land owned by households belonging to the Scheduled Castes and Scheduled Tribes or to land of beneficiaries of land reforms or that of the beneficiaries under the Indira Awas Yojana of the Government of India; renovation of traditional water bodies including desilting of tanks; land development; flood control and protection works including drainage in water logged areas; rural connectivity to provide all-weather access; and any other work which may be notified by the Central Government in consultation with the state government.

⁹² Sood, Tanushree, "NREGA: Challenges in Implementation" available at www.infochangeindia.org/features380.jsp

will lose faith in the scheme and will consider migration as a better option. The reason for this shortcoming is the lack of political will to pursue it with the original vision, vigor and ethics.

NREGA can provide a much-needed source of livelihood in rural areas since it has created a sense of hope amongst the rural poor. This sense of hope can be further strengthened if people understand that the Act gives them employment as a matter of *right*, and that claiming this right is within the realm of possibility. Translating this latent energy into organised public pressure is the best way to ensure that the implementation problems are addressed without delay.⁹³

NREGA: Cost

It can be shown that the employment guarantee scheme is likely to be neither expensive over time nor difficult for the public exchequer to finance. It is true that a cess on taxes is less than ideal as a method of resource mobilisation, since it is essentially regressive in nature and affects the prices of commodities purchased by the poor.

The NAC, on the basis of the estimates of Jean Dreze, prepared a note that shows that the cost of the employment guarantees may be as low as 1% of the GDP. The calculations assume that each person-day of employment generated will cost Rs. 100 (wages) at 2004-5 prices. This includes roughly Rs. 60 as wages and Rs.40 for the non-labour component including administrative costs. Then, 100 days per poor household on average is fixed as the benchmark for the initial extent of employment generation. Combining these two, it is estimated that the annual cost of a full-fledged Employment Guarantee Programme can be derived by multiplying the number of households below poverty line by Rs.10, 000. The rural population below the poverty line as per Census 2001 estimates is 20 crores, which amounts to 4 crore households (5 per family). The cost of the Act's entitlement thus works out Rs.40, 000 crores per year at 2004-5 prices or 1.3% of the GDP. The total cost as a ratio of Gross Domestic Product (GDP) ranges from 0.50 per cent in the first year 2005-06 to 0.99 per cent in the last year of the inception

⁹³ Bhatiya, Bela, Dreze, Jean, "Employment Guarantee in Jharkhand: Ground Realities", *Economic and Political Weekly*, 22.7.2006.

phase 2008-09. This proportion itself is expected to fall as the number of households below poverty line decreases and the GDP increases. Real costs could be much lower.

Abhijit Sen examined the source of demand for employment, arguing that there would be demand for employment from two categories of labourers - those who are unemployed at present and those who would be unemployed due to wage rate being higher than prevailing market wage. 12 per cent of rural adults (3 crore) would demand employment in the programme at a wage rate of Rs 60 per day. Assuming the wage component to be 60 per cent of the cost and guarantee of 100 days of work, the total cost of the programme would be Rs 30,000 crore.

Taking into account the estimated costs to meet the expenditure on the employment guarantee and the potential and performance of the Indian economy, it is evident that it is quite feasible to operate such a guarantee programme. Economists have argued from different levels that it is possible to mobilise resources for its implementation. Among the different sources are, raising the tax- GDP ratio, imposition of capital gains tax, reducing unproductive public expenditure, deficit financing etc. As the communist parties have rightly argued, the EGA is a matter of political will rather than finances. It is non- negotiable and should be implemented with full strength.

Bold initiatives would be required to finance the Employment Guarantee Act. A comprehensive 'new deal' is required at the moment. It would not be an impossible amount to raise. As economist Jayati Ghosh argues, if the tax-GDP ratio was restored to 1991 levels, there would be enough money not only for a universal urban and rural employment guarantee but also for mid-day meal schemes. If it were increased slightly, it would also pay for free universal primary education, among other projects.

As the Finance Ministry's recent studies and reports show, there are vast possibilities for broadening the tax net in India, reducing tax evasion, and raising the tax to GDP ratio. India's tax to GDP ratio is very low in international perspective, at about 15 per cent, compared with 37 per cent in OECD countries. The share of the social sector in public expenditure is also quite low in India. The adoption of an Employment Guarantee

Act is a good opportunity to correct these imbalances.⁹⁴ This means that the rich can be taxed. They are the main beneficiaries of India's rapid economic growth and so they can share with the less privileged. On account of the special purpose levy in the form of 'professional tax' to finance the EGS, there is assured funding without constraints available to operate the scheme.

There are numerous other ways of raising tax revenues. The capital gains tax was removed and has not been re-imposed despite the dilution of the turnover tax. Pruning unnecessary expenditure is also another option. It is also felt that there is no harm in printing money to finance development schemes, since this is not inflationary in the current context, with wage goods and excess foreign exchange reserves available in the system. Spending on job creation would have a multiplier effect throughout the rural economy and could easily be financed through a half-percent tax on capital transactions.⁹⁵

In addressing fears of a possible widening of the fiscal deficit, Mahendra Dev, says that "a small increase in the deficit will not have negative consequences because the programme will have a multiplier effect". "After all, it will generate assets and result in economic growth. Increased incomes will also result in improved literacy levels and better health in rural areas. "Given India's current macroeconomic situation, with foodgrain surpluses, large foreign exchange reserves and excess capacity in industry, there is no reason to expect that increased public spending would be inflationary; rather, it would generate more economic growth. If the spending is directed towards rural works programmes or rural public services, it would generate the most desirable kind of growth, which would have large multiplier effects, increase rural economic activity, and therefore, create more rural jobs indirectly. This in turn means that the initial spending on rural employment programmes, if it is done properly, will have multiplier effects that increase the availability of other, non-public, income generating activities. This also means that money spent on rural employment schemes will eventually pay for itself. So

⁹⁴ Interview with Jean Dreze to *indiatgether*.

⁹⁵ "Draft Employment Guarantee Law to be Tabled Soon", *The Hindu*, New Delhi, 22.9.2004.

the very posing of the question "where is the money" is misleading, especially in this case.⁹⁶

In the Budget for 2004-05, Finance Minister P. Chidambaram proposed a tax of 0.60 per cent on stock market transactions, which would have netted the government Rs.24,000 crores. However, under pressure from brokers, it was reduced to 0.15 per cent. The Rs.18,000 crores in lost taxes would have permanently funded at least 45 per cent of the cost for the full-fledged employment guarantee in 600 districts. The rural development ministry currently is allocated Rs 24,000 crore (Rs 240 billion) annually for all its schemes. To meet the total cost of the scheme, states will still have to shell out Rs 4,000 crore (Rs 40 billion). The rest of the Rs 12,000 crore {(Rs 120 billion) assuming the total cost works out to Rs 40,000 crore} might be raised from other schemes whose allocations may now be merged into this project.

The Finance Minister says that the government will meet the requirement for the job guarantee scheme by normal increase in budgetary support; savings from existing employment schemes; and additional allocation in gross budgetary support to states. He said the states' share in the funding is only 10 per cent. In his Budget for 2005-06, he had stated that the National Food for Work Programme would be converted into the National Rural Employment Guarantee Scheme with an allocation of Rs 11,000 crore.

NREGA and Right to Information Act

India of 2005 is far more aware and better informed. Apart from growing physical connectivity, the emergent digital and information technologies are rapidly bridging the information gap. This is accompanied by a rapid growth of vernacular mass media. The gap between "information haves" and "information have-nots" is rapidly disappearing. This certainly finds a positive hope for the effective enforcement of the EGS more than in the earlier schemes started in the 1980s.

When work starts in response to a demand from the people, the chances are that people will be more involved and vigilant. It will succeed only if they are aware of it to

⁹⁶ Ghosh, Jayati, "Paying for Employment Guarantee", *Frontline*, Vol 21, no 21, 2004.

begin with, then active in deciding what works their gram panchayat should take up and finally in exercising the necessary vigilance to check corruption. This means that NREGA will be incomplete without the effective use of Right to Information Act 2005. The Right to Information Act will create conditions for greater transparency and accountability from the government officials and panchayat functionaries in the form of social audit and public disclosures of information on various developmental programmes and services. It will be an important tool to monitor effective implementation.

The sound legal basis of the Act will provide a unique opportunity for voluntary organisations to invoke the Right to Information Act. It covers every aspect of the implementation of the Act. People will have access to public records and information regarding the Act. The RTI Act will also give a push to the economic development of the nation as liberation from government of information that would otherwise have remained unutilised increases economic opportunity for the less powerful.⁹⁷

The Panchayati Raj Acts of all states also indicate the proactive disclosure (obligation on the government to publish key information on an ongoing basis) of information through Gram Sabha meetings or by putting up information on notice boards. Some of the information which will have to be proactively disclosed includes the budget allocated to each PRI, indicating particulars of all plans, proposed expenditures and reports of disbursements; and detailed plans for the implementation of subsidy programmes, including the amounts allocated and the details and beneficiaries of such programmes.

The other way of obtaining information under the RTI Act is upon request, wherein citizens have to apply for information from the Public Information Officer (PIO) who is then duty bound to handle requests and provide the information sought within 30 days. In many states the Gram Panchayats have also been notified as “public authorities” under the RTI Act. For example, states such as Uttaranchal and Chhattisgarh have

⁹⁷ Paul, Sohini, “Strengthening Grassroots Democracy Through the National Rural Employment Guarantee Act and the Right to Information Act”, in http://www.humanrightsinitiative.org/new/2006/strengthening_grassroots_democracy_thro_nrega_&_act.pdf

designated the elected Sarpanchs as PIOs, whereas States such as Rajasthan have appointed the Panchayat Secretary. This means that citizens can now directly obtain information from the Gram Panchayats.

Meaningful public participation requires informed citizens who then have the capacity to take joint action. The greater the access of citizens to information, the greater the responsiveness of government to community needs. Without information, people cannot adequately exercise their rights as citizens or make informed choices. People need to know about the goals of the various programmes, the resources that have been invested, and the achievements that have been made. In other words, for democracy to function as “government of the people” it is necessary for ordinary citizens to have access to official information so that they know, and, therefore, can ask if developmental work or other aspects are proceeding in the right direction.

Use of Information Technology in the Implementation of NREGA

Information technology is being increasingly used in all the fields today. Its application in government procedures has opened up the whole new vistas of e-governance. The application of IT and IT enabled services in these procedures is beneficial both to the people and to the officials. This prevents from mishandling of resources and contributes to transparency, accountability and efficiency. The implementation of NREGA has also been facilitated by the use of information and technology.

Andhra Pradesh has taken the lead in using a web-based technology platform for implementation and monitoring of the Andhra Pradesh Rural Employment Guarantee Scheme, through the use of information and communication technology by integrating the process into a single framework. The system, developed by Tata Consultancy Services (TCS) in collaboration with the state’s department of rural development, is functioning in 658 blocks, across 13 districts. The TCS solution has two deployment components - Programme Implementation System (PIS), implemented at the block/village level and Programme Monitoring System (PMS), deployed at the

state/district level. It is a comprehensive user friendly system at the block level and a web system at district level. This has been conceptualised to bring full transparency and accountability in the implementation of the NREGA.

Attempts have also been made to integrate biometric authentication of workers to track payments. Biometric tracking is being proposed as a foolproof payment mechanism.⁹⁸ TCS offers consultancy for implementation, installation and handholding for the NREGA software. But at no point during the exercise can anything be done if the computer is not involved. Work starts with computer generated bills and workers cannot be hired beyond what the computer says. For each instance of work done, there is a list on the internet of those who worked and the payments received. This enables anyone to take the list and cross check facts at the village.⁹⁹

The opinion of the Principal Secretary, Rural Development, Government of Andhra Pradesh elaborates this point. "In Andhra Pradesh, thanks to the automated systems developed by the TCS, we are confident of ensuring that our rural population duly receives what they are entitled to, as per the National Rural Employment Guarantee Act".

Therefore, the National Rural Employment Guarantee Act is a much awaited piece of legislation. Right from the stage of its introduction in the form of a bill to its present stage of implementation, it has been through discussions. Economists, academicians and politicians have brought out its merits and demerits. These have been based on literature survey and field studies. The financial implications of the Act have been calculated and it has been brought out that it is not beyond the capacity of the Indian economy to support such a programme. Hence, it is very well within the reach of the available resources to implement the Act. The enactment of Right to Information Act 2005, has also contributed to the successful implementation of NREGA as it complements certain features of the latter like - awareness of the people, demand for

⁹⁸ Backgrounders & Discussion Papers, "NREGS: A National Progress Report", researched by Nren Karunakaran with inputs from PACS Programme communication Agencies.

⁹⁹ Jain, Sunil, Reddy, B Dasarath, "Only Minor Leaks in Village Job Scheme", *Rediff News*, New Delhi/Hyderabad, 8.9.2006.

transparency, accountability etc. Use of information and technology has facilitated the comfortable execution of the Act. An attempt is made to verify these facts in the context of a specific district in the state of Tamil Nadu by means of a field study. The details of this study are discussed in the next chapter.

CHAPTER
Four

AN ANALYSIS OF THE IMPLEMENTATION OF NREGA IN NAGAPATTINAM DISTRICT OF TAMIL NADU

NREGA in Tamil Nadu

The National Rural Employment Guarantee Act has initially been implemented in 200 backward districts of the country. In the state of Tamil Nadu, it has come into force in six districts namely, Cuddalore, Dindigul, Nagapattinam, Sivaganga, Tiruvannamalai and Villupuram. Of the nine works specified in Schedule I of the Act, which are the focus of the scheme, Tamil Nadu has identified irrigation and land development to be given priority. The Panchayati Raj Institutions have been named as one of the implementing agencies in clause (g) of article 2 of the Act. Grass-roots democracy and efficient village administration have a long history in the state of Tamil Nadu. As compared to the Cholas period (903 AD- 1070 AD), they had become defunct during the British rule. They were, however, revived in the post independence period. They have an important role to play in the execution of NREGA.

The National Rural Employment Guarantee Act 2005 was enacted to provide for the enhancement of livelihood security of the households in rural areas by providing at least 100 days of guaranteed employment in every financial year to every household whose adult members volunteer to do unskilled manual work. NREGA is being implemented in the state from February 2, 2006. Schedule I paras 7 and 8 of the National Rural Employment Guarantee Act, 2005 stipulate that:

When wages are directly linked with the quantity of work, the wages shall be paid according to the Schedule of Rates fixed by the State Government for different types of works every year in consultation with the State Council. (Para 7)

The Schedule of rates of wages for unskilled labourers shall be so fixed that a person working for seven hours would normally earn a wage equal to the wage rate". (Para 8)

In light of certain difficulties in complying with these provisions of the Act, the Director of Rural Development and Panchayat Raj in Tamil Nadu, requested that the Schedule of Rates issued by the Public Works Department, Highways and other Departments be suitably modified for the effective implementation of the National Rural Employment Guarantee Scheme. The Director stated that there is a pressing need for an increase of 60% over and above the Public Works Department schedule of rates to ensure that the average daily earning is at least equal to the daily minimum wage of Rs.80 per day (Rs.50 + 60% of 50 = Rs.80/-).¹⁰⁰

The arguments put forward in favour of this decision were that NREGA is a programme where the works are directly undertaken by the department. So, the NREGA rates may not cause huge increase in cost of works as in the case of works under Public Works Department because in this case, only the estimate is prepared by the department and the actual cost is quoted by the bidder as they are agency works. Only poor unemployed rural people are engaged in the National Rural Employment Guarantee Scheme, of whom 85% of the work forces are rural women. The reports from the six district collectors where NREGA is being implemented stated that as against the outturn of 3 cu.m per day, the women workers could actually turnout only about 1.48 cu.m per day. In general, the average daily earnings based on Public Works Department schedule of rates were reported to be between Rs.40 and Rs.50 per day. So, the unskilled unemployed rural workers could not earn the minimum wage of Rs.80/- per day as stipulated in the Act even after putting in 7 hours of work.

¹⁰⁰ Rural Development and Panchayat Raj Department, Government of Tamil Nadu, G.O. Ms. No. 77 dated 14.7.2006.

Nagapattinam District

The Nagapattinam district lies on the east coast of Tamil Nadu about 320 Km south of the state capital Chennai covering an area of 2715.83 Sq. Km. It comprises of two parts. To the north of one part is the Cuddalore district with its northern boundary about 75 Km from the headquarters of Cuddalore. The other part of Nagapattinam district lies to the south of Karaikkal and Tiruvarur districts. To its west lies the Thanjavur district and to the south Tiruvarur district. In the east, it is bordered by the Bay of Bengal. The district was carved out as a separate district due to bifurcation of Thanjavur district on 18.10.1991. According to this division, six Taluks- Sirkazhi, Tharangampadi, Mayiladuthurai, Valangaiman, Nagapattinam and Vedaranniyam were detached from their parent district. Nagapattinam is one of the regions severely affected by the tsunami which followed the 2004 Indian Ocean Earthquake.

Administrative Units

The district comprises 7 Taluks, 11 Blocks and 497 Villages. As regards the hierarchy of administrative arrangement, there are 3 Municipalities, 10 Town Panchayats and 433 Village Panchayats. The Taluks are Nagapattinam, Kilvellore, Vedaranniyam, Thirukkuvalai, Mayiladuthurai, Sirkali and Tharangampadi. The Blocks are - Sirkazhi, Kollidam, Sembanarkoil, Kuttalam, Mayiladuthurai, Thirumarugal, Nagapattinam, Kilvelur, Talanayar, Keelaiyur and Vedaranniyam. There are no designated tribal villages in the district.

Demography

According to the 2001 census, the total population of the district is 1488839, which includes 739064 males and 749765 females. This places the district in a comfortable sex ratio of 1014, which is higher than the national average of 933. The growth rate in population is around 1.65% per annum. There has been a steady decline in birth rate, death rate and infant mortality rate over the past four decades in the district.

The literacy level of the Nagapattinam district is 76.34% and density of population is 615.99. 586734 total workers which is comprised of 410135 male workers and 176599 female workers translates to a work participation rate of 39.41.

Population by Broad Industrial Categories of Workers

S.No	Industrial Category	Persons	% to total workers
1	Main Workers	23757783	85.22
2	Marginal Workers	4120499	14.78
	Total workers (1+2)	27878282	100.00
	a Cultivators	5116039	18.4
	b Agricultural Labourers	8637630	31.0
	c Household Industry, Manufacturing, Processing, Servicing	1499761	5.4
	d Other workers	12624852	45.3
3.	Non-Workers	34527397	
	Total Population	62405679	

Source: Census Report 2001

A look at the work force composition of the state reveals that marginal agricultural labourers constitute a significant percentage of the total.

Soil and Topography

Along with its tributaries, the Cauvery is the principal river in the district. The general geological formation of the district is plain and coastal. The district is for the

most part a flat plain, slopping very gently to the sea on the east. The cropped area accounts for about 65.53% of the total area. Forest cover is very minimum accounting for only about 1.31% of the land. The land unavailable for cultivation - covering Barren and Uncultivable land, and land put to non-agricultural uses - accounts for 22.83%. The other uncultivated lands including (a) permanent pastures and other grazing lands (b) miscellaneous tree crops and groves not in the net area shown and (c) cultivable wasteland, cover 5.35%. Sandy Coastal Alluvium and Black Soil types cover 88.71% and 6.58% respectively in this district. The other soils in the district comprise 4.71%. The soil of the district is mostly alluvial but varies greatly in quality. The rich soil is found in the north and the south of the railway line between Mayuram and Thiruthuraipundi. The worst land in the delta is found in the Tirutturaipundi and Nagapattinam taluks where the soil is saline and drainage is very defective.

Occupation: Cultivation

This coastal district abounds in paddy fields, coconut groves, gardens of mango and plantain tree and other verdant vegetations. Paddy is the main crop of this district and it is grown three times in a year. The first crop is known as 'Kuruvai' (the short-term crop) with duration of ninety days from June-July to October-November. The second crop called the 'Thaladi' has duration of five to six months from October - November to January- February. Third is the 'Samba' (the long-term) crop and has duration of almost six months from September- October to January- February. This is generally sown in the areas where 'Kuruvai' cannot be cultivated.

The chief sources of irrigation in the district are the rivers. A few rainfed tanks and wells can also be seen particularly in the uplands, but they are not important. Water is to be released from the Mettur dam on the 12 of June every year, though there have been delays in few years. From there it takes a week's time to reach the Grand Anicut in Trichy. It is from here that water is released to reach the villages all over the district. This process again takes a week's time. Hence from the time water is released from Mettur

dam for irrigation it takes a fortnight to a month to reach the villages which starts off the agricultural year with Kuruvai.

Once the season starts both men and women work in the fields. There are clearly delineated spheres of work for the two. Wage rates are always differentiated, the one for the men being higher. The men are on an average are paid Rs. 100 per day for activities like ploughing (nowadays with the help of a tractor), desilting canals, bunding, maintaining water levels required in the fields and overall supervision of the crops. The female workers implant the saplings and do activities like weeding. They are paid wages ranging from Rs.70 to Rs. 80. These are the official rates, with the actual paid wages being much lower.

Occupation: Fishing

While the hinterland is conducive for agriculture, the villagers in the coastal areas engage in fishing. The Nagapattinam district has a coastal line of 187 Km. The Inland Fresh Water area spreads for about 10 Sq. Km. As the district is part of the coastal region, marine fishing assumes importance and is practised in about 70 coastal villages of the district. The coastline has a number of harbours of which mention may be made of Nagore, Point Calimere, and Nagapattinam. The significant small ports are Kilvellore, Thirumulaivasalam, Nagapattinam, Velankanni, Topputturai, Muttupet and Adiramapatnam. Mechanised boats, catamarans and country canoes are used for fishing. A fish-landing jetty has been constructed at Kodiakarai, which caters to the needs of marine fishermen and is the only workshop in the coastal area. Coastal fish production is higher than the inland fish production.

Water Resources

The district is situated in the deltaic region of the river Cauvery and criss-crossed by a lengthy network of irrigation canals. Kollidam River forms the northern boundary of the district, whereas rivers Arasalar, Tirumalairajanar, Vettar, Vennar, Pandiyar,

Odampokkiaar etc rivers drain other parts of it. All these rivers are tributaries and branches of the river Cauvery. The gross area irrigated by canals and other sources is 1, 13,374 hectares and 21,405 hectares respectively. The gross area irrigated by the tanks and the wells are 40 hectares and 50 hectares respectively. Therefore, canal irrigation, constituting 84.07 of the total irrigated area, remains the predominant source of irrigation. The farmlands are irrigated through an extensive network of canals from the distributaries of the river Cauvery.

About 7.09% of the land is affected by water logging and marshy land and 56.21% are prone to floods. About 3.49% of the lands available for cultivation suffer from salinity and alkalinity and 17.69% of the lands are coastal sand. Thus, the lands affected by soil problems constitute about 84.48% of the total geographical area excluding forest area and area not available for cultivation.

NREGA in Nagapattinam

Nagapattinam is one of the backward districts of Tamil Nadu. The district profile reveals that there are basic problems of high poverty rate and low per capita income. Agriculture productivity is low and most of the area is under mono-cropping. A substantial percentage of the workforce comprises landless agricultural labourers who are fully dependent on agricultural activities. Industrialisation has still not taken off in the district. The vital infrastructure required for development of the area is poor and the infrastructure created so far is not maintained properly. There is a high level of ignorance among the people on important aspects like health, nutrition and education. All the sectors of the economy are poorly developed.

The basic occupation of people in Nagapattinam is, as we have seen, agriculture and fishing. The poor are found mainly among those who are involved in agriculture. These are landless labourers who work on daily wages, get only seasonal employment, and are engaged in large numbers during sowing and harvesting. Even this is declining due to the increasing use of machinery and tractors. As such, people often compare their

remuneration as agricultural labourer to that paid by the NREGA to assess the impact of the latter.

Almost all the work under NREGA in the district relates to the desilting of channels and tanks. Since water has been released in this part of the district, the exact depth of the channel could not be visually checked. Grasses have also started growing on either side. The villagers informed that this is the usual routine of work. Channels are desilted in the summer. With the inflow of water in the monsoons, grasses grow again. Then they are cleared in the summer. Earlier this was done by the villagers themselves, particularly by those whose fields lay close to the channel. Now it is being done under NREGA.

Interviews with Officials at the State and District Levels

The first leg of the fieldwork was carried out during the last week of October 2006, almost nine months after the implementation of NREGA commenced. It comprised of four parts. To begin with, the office of the Director of Rural Development was contacted. The Director referred the researcher to the Project officer, who is located in the District Collector's office, Nagapattinam. The Directorate also provided a copy of the Inspection Report on implementation of TNREGS which consisted of the work site report of 8 sites along with photographs and statistics.

The researcher then contacted the District Collector's office, Nagapattinam to obtain a detailed list of village Panchayats where work has been under taken under NREGA. The block wise details of the village Panchayats where work has been undertaken were provided, as also a booklet entitled "TNREGS- Focus on Nagapattinam Experience" released by the District Rural Development Agency, Nagapattinam. The booklet had brief notes on the success stories of NREGA in South Poigainallur, Agalangan, Azhiyur, Pannatheru, Vanagiri and Nangoor. It describes these villages as those that had no meaningful resources and are dependent on agricultural activities. These are villages prone to droughts and floods. The activities undertaken under the aegis

of NREGA, the booklet claims, has not only provided the villagers with purchasing power but has also created useful assets and infrastructure to the village community.

In the second phase, the researcher visited the district collector's office. Here, the Assistant Project Officer provided a lot of information on what steps are being taken to spread awareness to the people on the scheme, the manner in which works are selected by discussion in the Grama Sabha, the periodic visits by officials to the panchayats and the level of success of the scheme. He said that street plays were held in every village depicting the provisions of the Act and its implications for the common people. This official version had to be cross-checked later by surveys and interviews of the participants in the field. Officials from the state secretariat and district were conducting regular checks and trips to the block offices and the village panchayats to ascertain the levels of implementation.

Since this was the month of October, the agricultural season had started in the district, with monsoon rains and the release of water from River Cauvery. At this point, all the villagers are engaged in one or other type of agricultural work, either in small sized lands of their own or as agricultural labourers in the fields of private landlords. It is only after the harvest season in January-February that demand for jobs under NREGA was expected to resume.

Thirdly, the researcher visited the Block Development Officer, in the Panchayat Union Office, Keezhayur. The officials here explained in detail all the registers maintained in the BDO's office and at the panchayat level. (Photographs attached in annexure). They showed the various forms which are to be filled by the beneficiaries for registration, for demanding work, for issue of job cards etc. The technical engineer explained to the researcher the way in which the dimensions of work sites are determined, the manner in which work done is measured and wages are calculated. He also said that the minimum wages had been increased in the district as per the demand of the beneficiaries.

Choice of Blocks

As explained earlier, Nagapattinam consists of two parts. One block in each part was selected to conduct the field survey. Kuttalam is in the northern part and Kivelur is in the southern part. One point of significant similarity is that both are areas dominated by Communist parties. After paddy cultivation, black gram and green gram are cultivated in both areas. In the summer, maintenance works are undertaken in the villages. Coconut groves are found in both places. In general Kuttalam is a more prosperous than Kivelur. There are more trees in Kuttalam and the maintenance of trees also consumes significant number of labourers. In particular the mango groves and jack fruit trees attract special mention. Apart from the location, there are other differences between the two blocks which makes a comparative study of the two interesting. These differences arise due to the soil types and irrigation facilities found in these two blocks.

Kivelur is closer to the seashore than Kuttalam. Hence the ground water is more saline in Kivelur. On the other hand, the ground water is of good quality in Kuttalam. Kivelur has largely clayey soil, while Kuttalam has soft alluvial soils. Tube well irrigation is also used in Kuttalam as ground water is available at a depth of 10 ft or less. Canal irrigation is the only possibility in Kivelur block. Kuttalam is closer to river Caveri. This is the reason why water reaches faster to Kuttalam. Kivelur is called 'Kadamadai' which means that it is the last place where water reaches from the Caveri. It is with maximum difficulty water can be brought to the villages in this block for irrigation. Due to greater availability of water, crops can be cultivated in two seasons in a year in Kuttalam in almost all lands across the block. On the contrary, this can be done only in a few selective lands in Kivelur. This is called 'rendu bogam' (two cultivations) and 'oru bogam' (one cultivation) respectively.

Kuttalam is located close to towns like Mayuram and Kumbakonam. These towns require labourers in different capacities for various works. People from villages from Kuttalam block go to these towns as daily wagers to work there. This leaves a smaller number of people to work as agricultural labourers. Though Kivelur block is close to

Nagapattinam town, there are not many avenues for wage labourers there. The availability of labourers is consequently larger in this block.

Profile of the Villages

The field study was done in three villages of Kuttalam block and two villages of Kivelur block. The choice of villages was largely based on convenience as they were close to each other. The villages studied were - Kuthalam, Sethirapalapuram and Mekkirimangalam in Kuttalam block and Anthagudi and Sigar in Kivelur block.

Kuttalam (Village 1)

This village houses the Panchayat Union office and is closer to the market street and the main bus stand which makes it a generally busy place. There are two hospitals in the place. It is situated on the main road i.e. the state highway connecting Mayuram to Kumbakonam. Buses and cars keep plying on the road throughout the day and night. There are houses built in concrete in between huts. There are both government and private schools and many students also attend college at Mayuram after their schooling. There is a police station headed by a woman sub-inspector of police. The village is largely located around the state highways and is very close to the Kuttalam railway station. It looks more like a small town than a village, with crowds and a lot of visible activity. Kuttalam has applied for upgradation to Town Panchayat grade which it expects to obtain in few months.

Sethirapalapuram(Village 2)

This village is situated just adjacent to the Kuttalam village on the state highway. It is away from the bustle of the bus stand and market. There is a small bus stop and surrounding it are a few shops, selling sundry things and a cycle repair shop. The panchayat office is a few steps from the bus stop and has a well constructed building, though not very new, which is adequately furnished. The villagers live in moderate sized

huts lined along concrete roads. In the mid-morning, young men could be seen sitting around trees and chatting. Not many people were in their homes as they had all gone out for jobs elsewhere. It was generally the elderly and the children who were at home. A slightly sleepy village with not many people and lower levels of activity, both the village and the villagers did not seem to be very active.

Mekkirimangalam (Village 3)

This is a village in the interior, which requires a 45 minute drive from the State highway. It is a very beautiful, calm and serene village with greenery all around. Along the way to this village, there are paddy fields on either side, the crops reaching the harvest stage. Just next to the bus stop, there is a small tea-shop. There are no other shops in the area, and the bus is the only mode of travel to the village. This village happens to be the birth place of Mr. Kosi Mani, currently a minister in the Tamil Nadu government. People in the village believe that the bus is more regular when the party to which he belongs is in power. When the opposition comes to power, they stop this bus or make it less frequent. There is a primary school near by and small children in white and navy blue uniforms could be seen running with their school bags. The roads are very clean and in the places where there are settlements, there are concrete roads.

Anthagudi (Village 4)

This village is located at about an hour's travel from the near by town Tiruvarur. There is one government run and one private run one mini bus, which make trips between this village and Tiruvarur. It is on an hourly basis. There is a school in the village, which has classes till class X. There is a small market in the main street around the bus stop with shops selling necessary products. There is a separate colony for the Brahmins called the agraharam. There are few temples in the village. Since it takes around half an hour to reach the town using private modes of transport, people are often seen traveling to the town for all purposes. The fields are located beyond the settlement area. Roads were probably laid some years ago as they have developed many potholes. Generally a quiet

village, there is some activity in and around the market place after dusk when men gather. Otherwise, the night is unusually quiet in the village. The villagers themselves admitted that there was lack of workers in the village. Villagers had registered and had demanded for work, but they are employed in Tirupur hosiery factories and some are employed in Chennai.

Sigar (Village 5)

This village is adjacent to Anthagudi and about an hour's travel from the Tiruvarur town. The Pandai River marks its boundary with that of Anthagudi. The houses here are mostly tile roofed, with only a few of them being thatched. This is also a rather remote village in the interior. There are fields on either side of a semi-pucca road lit with street lights. There is a bus stop in the village. There are not many shops and people go to Anthagudi or Tiruvarur to get their essential commodities. There is a temple and the temple pond is a meeting place for the villagers. There is also primary school.

Methodology

Elections to local bodies were held in October 2006 in Tamil Nadu. Since the major part of the works executed until that time were conducted during the previous regime, the past panchayat members and presidents were interviewed. In two villages, the present panchayat president was also met. To better understand the views of the beneficiaries, 10 beneficiaries were interviewed in every village. Broadly, the questions were focused on two main issues. First, if there were any violations of the provisions of the Act and second, if the implementation of the Act has had any impact on the lives of the participants. The annexure A-3 of the Operational Guidelines, National Rural Employment Guarantee Act released by the Ministry of Rural Development, Government of India (attached in annexure) was used as a starting point. This deals with the "Summary of Main Tasks under the National Rural Employment Guarantee Act (NREGA)". Certain criteria picked up from it were verified in the field.

It was observed that there was not much difference between the answers given by villagers of the same village. In other words, the beneficiaries in a particular village seemed to have much the same opinion. However, though there were no intra-village differences, there were a lot of inter village differences. Work sites were physically visited. Since the district has chosen water conservation works as a priority, the works undertaken were in the nature of desilting of canals and formation of tanks. The time when these villages were visited, monsoon rains had started and so there was water in the water bodies created under NREGA.

Points of Comparison

The field study was conducted to verify the opinion of the officials, panchayat leaders and the beneficiaries on the certain pre determined criteria, like measures undertaken to spread awareness, issue of job cards, work site selection, muster rolls, wage payment, etc. There were differences from village to village and hence a block level conclusion is difficult to be made. The data is analysed village-wise.

Panchayat Leader/ Member/ Secretary Interviewed

In every village, it was planned to interview the past panchayat president under whose presidentship the works were undertaken. This was because the local body elections were held in the second week of October and the new members were yet to take charge in some villages. In places where they had already taken charge, they had little idea about the works.

In village 1, the past president Ms. Bama was interviewed. A 29 year old computer science graduate, she showed keen interest in expressing her views on the Act. In village 2, both the present president Mrs. Malathi and the past president Mr. Kaliyaperumal had no information or views on the Act, and were in fact rather reluctant to receive anyone who wanted to conduct a survey in the village. Hence information could only be collected from the panchayat clerk. 27 years old, Mr. Selva Kumar, the

panchayat clerk was more receptive. In village 3, on reaching the panchayat office, it was learnt that the building was being renovated. Construction work was going on and all the office things had been stored in a nearby marriage hall. At the marriage hall, the present panchayat president was seen having discussions with the Block officials. The village had applied for the Nirmal Gram Puraskar award¹⁰¹ and hence the president was busy with some work. The panchayat clerk was introduced and was asked to give the required information.

In village 4, the panchayat ward member Prema was interviewed to get the information of the panchayat's side. She is the leader of the women's wing of the local branch of the Communist Party of India. She had also worked in the site and hence she preferred to be interviewed as a beneficiary, though she gave some information as a panchayat member also. Largely, it was the panchayat clerk Mr. Shankar who provided other details. In village 5, the panchayat clerk Mr. Chella Durai was interviewed as the panchayat president was out of town during the period the survey was conducted.

Government Measures to Spread Awareness

According to the Operational Guidelines, the activity 'Communication & Publicity in Local Language' under the function 'communication and publicity' is the responsibility of the State, district panchayat, district programme coordinator, intermediate panchayat, programme officer and gram panchayat.

In all the villages, it was the gram panchayat which had taken steps to publicise the Act. In village 1, the president hired an auto and travelled street by street to make the announcement that such an Act is being implemented in the Panchayat and that people

¹⁰¹ Nirmal Gram Puraskar (Clean Village Award) is an award given to Panchayati Raj Institutions (PRI), which are self-government institutions officially in charge of planning and implementation of rural development programs in Gram Panchayats, Blocks and Districts. Awards are given to respective areas which achieve 100% sanitation coverage in terms of the following criteria: (1) 100% sanitation coverage of individual households, (2) 100% school sanitation coverage, (3) free from open defecation, dry latrines and manual scavenging and (4) maintenance of a clean environment. In addition, individuals and organisations that have served as driving forces for scaling up full sanitation coverage in rural areas are also rewarded.

should register themselves for being able to demand work. She also called a meeting of the women self help groups and discussed the programme with them. There were advertisements on the local TV channel, and a public meeting was also held to publicise it. In village 2, pamphlets (called 'notices' in local parlance) were distributed door to door, and a gram sabha meeting was held to spread awareness among the people regarding the Act. People were also informed about the features of the Act by way of wall advertisements, and even digital boards in four or five places. The panchayat clerk personally talked to people, meeting them in common places. Most of them came to know about the Act from the panchayat clerk. Some of them had learnt it from the newspapers also, where it was advertised by the State Government. In village 3, likewise, pamphlets were distributed and advertisements were put on the walls in public places to spread awareness among the people about the Act. The panchayat president and members along with the panchayat clerk visited every location in the village and urged the people to register themselves for the work. People came to know about it from newspaper advertisements also.

In village 4, posters were put up at many places in the village. There were announcements made and gram sabha meetings were held exclusively for this purpose. Panchayat members talked to people personally. Member Prema herself escorted many people to the panchayat office when registration was being done for the demand of jobs. In village 5, an auto-rickshaw was engaged and the panchayat members went in it all around the village announcing people that such a scheme has been implemented. Posters were put up, and the notice was also put up on the panchayat notice board. Letters were sent to all the organisations operating in the village, and meetings were held with the people to discuss the same.

Issue of Job Cards

The process of issue of job cards was almost similar in all the villages in the two blocks. Villagers register for work in the prescribed forms at the panchayat office. There is a 'web camera' in the panchayat office which is used to make photographs.

Applications are then processed and job cards are made using computers. Job cards are distributed and when people demand jobs, they are allotted the same. In village 2 of block 1, job slips were initially distributed. Later, these were replaced with job cards. In the other villages, within 15 days of registration, as per the Act, job cards were distributed. There were no allegations of people paying for the photographs.

A peculiar phenomenon was observed in village 4. In this village, during the previous regime at the state level, 30 kg of rice was once given to the people as the crops had failed. One day the government announced that cooked rice would be distributed to the people. Those belonging to the ruling party went to get the rice, while others felt it below their dignity to stand in queue to take the cooked food. The names of people who came to queue up were noted by the panchayat officials, and then it was announced that only those people whose names were noted would be eligible for getting the 30 kg of rice. The explanation from the official side was that only those who were really poor had come to take cooked rice and hence only they should be given the 30 kg of rice per month. This deprived a large number of people of the rice. So, now, when an announcement was made that people can register themselves for work, people thought that they would be deprived of some other benefits in the future if they did not register. Hence, on the day when registration started the entire village queued up in the panchayat office and there was a heavy rush. People fought against each other to go first in the queue. Word also spread to other people who did not come and they too joined.

Work Site Selection

Based on the requirements of the village, a resolution was passed in the gram sabha meeting in all the five villages to decide on the work site. As such, it is considered to be a panchayat decision. In village 3, the president himself proposed the work which was agreed upon by the gram sabha. The sites were Sarai Voikkal, Arayapuram Voikkal, Anangur Voikkal, village tank and channel and channel respectively in villages 1, 2, 3, 4 and 5. In village 5, there was no other site to work as there was water everywhere. This

was the only place where some useful work could be done. This is a piece of waste land, which has now been converted into a tank.

Muster Rolls

The district level officials said that the process of obtaining signatures on the muster rolls was started late as they took some time to standardise the procedure. So, there was initially no proper system of obtaining signatures in the muster roll. Panchayat officials marked attendance in specially maintained registers, on the work site itself. This was done once a day. Except for village 2, in other villages in both the blocks, most people have worked for a period of one month. In village 2, works were carried out for a total of 15 days only.

Wages: Amount, Time and Mode of Payment

Except for village 3, where wages were paid in cash, in the other four villages, savings bank accounts were opened in the name of the individual beneficiaries either in the near by branch of a Nationalised Bank (Indian Bank in village 1) or in the post offices. Once a fortnight, the wages due to each worker were calculated and deposited in their accounts, which the participants then had to withdraw. In village 5, payments were made through accounts twice and once they were handed cash. This was done on a weekly basis.

Wage rates were publicised before the commencement of the work. The minimum wage fixed for the state was Rs. 80. Originally Rs. 60 was fixed as the minimum wages for the works under NREGA. People felt that this amount was insufficient and appealed to the district collector and the technical officers advised the district administration enhanced the minimum wages from Rs. 60 based on the demands of the people. As compared to agricultural work where women are paid only Rs. 40, the works under NREGA seemed attractive, particularly to the women.

Nevertheless, most of the people in the first block were not satisfied with the wages. In village 1, people said that though they were entitled to Rs. 80 per day, their wages depended upon the work they could accomplish. This translated into different wages for different people. Most people earned in the range of Rs. 40 to Rs. 60. In village 2, people felt that “some people in the village came to the work sites in the morning, signed the registers and went off. They would not work, but still be paid”. Though there is no possibility of such a thing happening under the Act, some respondents were quite insistent on this. People on an average earned Rs. 45 per day. They also believed that Rs. 5 out of their wages was retained every day to pay for the tea and vada they were given during work time. In village 3, at the end of 15 days of work, the engineer would measure the work completed by each person and cash was given to the beneficiary.

In the second block, people seemed to be more satisfied with the wages. On an average, people earned Rs. 70 per day in village 4. Some men earned as high as Rs. 150 for a day and some women as low as Rs. 40 also. But, they did not complain. They felt that they were being paid in proportion to the work done. In village 5, most of them earned Rs. 80 per day, which is the minimum wages. The minimum dimensions specified by the officials would fetch the minimum wages on completion. Some of the beneficiaries even earned Rs. 100-150 a day as they completed work over and above the minimum specifications. For people who were in immediate need of money, the Panchayat president himself gave them Rs. 50 each to open post office accounts, and reclaimed the money later when payments were made.

Work Site Facilities

This was one area where gross violations of the Act are observed. None of the villages in both the blocks paid any attention to the provision of work site facilities. People themselves carried water to the work site. In village 1, they put up a pandal with materials they bought from home. In other villages, they rested under the shade of trees. Only in village 5, some people told that a first aid box was kept near the work site. Most

of the other people who worked in the same village denied the fact that first aid box was made available at the work site.

Use of Machinery and Contractors

According to article 13 of the Act, the panchayats at district, intermediate and village levels shall be the principal authorities for planning and implementation of the schemes under the Act. This implies that contractors as intermediaries cannot be involved in the execution of the works. Also, machinery cannot be used in the work sites, as it is labour that has to be paid in proportion to the work done. In the five villages of two blocks surveyed, there was absolutely no use of machinery in the work sites. This was confirmed by the all the beneficiaries interviewed. No contractors were involved in carrying out the tasks.

Inspection by Government Officials

In block 1, there were no inspections by government officials. Only once in each village did a few people, who said they were 'from Chennai', come to the work site. The participants do not know who they were or in what capacity they came. This was the very first day of the beginning of work.

As against this, in block 2, there were more visits and checks from officers in the district collector's office and Block Development Office. The panchayat presidents in both the villages also ensured that work was progressing by visiting the worksite almost regularly.

Economic Impact

The Act is designed to have a positive impact on the life of people because they get work and wages at a time when there is no work and when they need it the most. This is particularly important when there is no water in the village and hence no agricultural

activity. Earlier people would do nothing during this time and would find it very difficult to have proper meals twice a day. This situation changed last year, as the people were kept employed all through the year.

Almost all those interviewed said that they used the money earned under this scheme for their day to day expenses, mainly for purchasing rice and oil. One couple in village 3, who had worked under the scheme, bought a goat with the income of both. Money can be earned from the sale of the goat's milk. This becomes a sustained source of income for the family, though small in amount. There is a possibility that this will prevent hunger deaths, if any, since the family has an assured income. One of the beneficiaries in village 5 bought notebooks and other study materials for his children from the money earned. Usually people of village 4 migrate to the neighbouring state of Kerala in search of work during the slack season. This did not happen this year as they found work in their own village.

The use of income earned in buying rice and oil may not seem to be significant in the first glance. But, a closer look reveals that, but for this money; people would have either starved or been forced to approach the moneylenders. The debt would then have to be paid with interest once they started working on the fields. In either case, the rural poor would have suffered.

Impact on Rural Women

By and large, women are more satisfied with the Act and have benefited the most. The equal pay for equal work clause was found to bother the men, who thought that women do not work as much as they do and hence should not be paid equally. But, in reality women worked as much as men if not more than them, not least because they were paid on par with men for the first time. Before the NREGA, women were paid Rs. 40 as agricultural labourers, but under NREGA they could earn as much as Rs. 80 per day. Of course, the experience varied from one village to the next. For instance, in village 3, it was the men who showed greater interest and demanded and worked. Only 5 women

here sought work under this programme. In other villages, there was a larger participation of women. It was widely perceived that the women benefited the most from the work.

In village 4, the working people organised themselves into 3 Groups. Each such group consisted of 10 members each. One group consisted of 5 women and 5 men, another of 10 women and the last of 10 men. It was found that the first group was the most efficient and completed more work than the others. In this group, work was divided among themselves. The women cleaned the place and removed the shrubs and the men followed them, digging the soil. The soil in this place is a mix of clay and sand. Hence, it was not very difficult to loosen the soil. People co-operated among themselves to do the work. In village 5, women formed groups and worked at a separate location and the men worked in a different location. There was a kind of competition among the two as to who would do the maximum work.

Other Impact

The Act had a positive impact on the people because they did not have to go to other places to work, as the sites were located near their residence. They were not shy to work in their own places. In addition, the concept that people will be paid for as much as they work, made no room for supervision by anyone. This also had a positive impact on the people.

Employment as a Right

In block 1, not many people knew that employment is a right (Tamil equivalent Urimai). Some of them had a somewhat hazy idea that it is a right, though they are not certain about it. The very few who knew that it was a right, had no opinion on how this right could be exercised or enforced.

In block 2, almost all the people interviewed knew that it is their right to demand jobs from the government. They came to know about this from the TV and radio

programmes. The panchayat president personally talked to them and informed them about it too. They also came to know it from wall posters and gram sabha meetings. In village 5, people relate the fact that they have a job card to their ability to demand work from the government.

Social Audit and Vigilance Groups

Social audit in the true sense of the word was not carried out in either of the blocks. Accounts were submitted by the panchayats themselves before the local body elections. This was discussed in the gram sabha meeting which also approved these. This is considered to be a form of social audit by both the participants and the panchayat. Only in village 5, it was informed that a social audit was completed. However, the panchayat secretary's understanding of the term is doubtful. In village 1, the panchayat president said, "social audit was not held. There were no problems and hence it was not required to be held."

Contribution in Asset Creation

In both blocks, people are convinced of the fact that they are working not just to earn wages for themselves, but they are also contributing to the asset building process for the village. Participants said that there was no water logging in and around the village, as in previous years, now that the channels have been desilted. The water in the channels is very useful for agriculture and they also believe that crop cultivation has increased this year due to this. The landless labourers who worked on the sites feel that it is only because of their efforts that there is water in the village. One beneficiary said, "if I had not worked, there would be no water in the village for the use in fields." They are happy to see other people using the water of the channel for irrigating their lands, happy that their efforts have benefited others. In village 2, the work was not completed in their own village. But, people have seen other villages where there was now water in the channels desilted under the Act. They believed that it could be very useful for the village if such works are undertaken every year. In village 4, no one in the village expected that a waste

land could be transformed into a tank. It has brought much happiness to people, as they can now store water for use in the summer. They felt that more channels and tanks should be built in this manner. They can recall how it was a bushy place earlier and could not be put to any use. Now it can be used for storing water and then for irrigation. Some people felt that fishes could be grown in the tank and this could add revenue to the panchayat.

Comparison with Earlier Programmes

In both the blocks, most of the people said that they have not heard of any other schemes like this before. This was the first such programme they had heard of and the first in which they have worked. So, they could not compare it with the earlier schemes.

Difficulties Faced by Beneficiaries

In village 1, many people complained of health complications, like breathing difficulties, general tiredness etc as a result of working in the sites. This is because they are not used to such hard labour of digging the earth. Two beneficiaries interviewed said, "Though I was very much interested in doing the work, I could not continue with it because I developed many health problems and had to spend more on the doctor and medicines than I earned from the work." The work has stopped in the channels in Kuttalam as there are discussions to upgrade the Kuttalam Panchayat as a town. If this happens, there will no longer be any works in the place, a prospect that makes people here unhappy. In village 2, people felt that the wage rates have to be increased. At the present rates, only if both the husband and the wife work can they save something and invest in productive expenditure. Otherwise, the money earned by one person is spent for daily consumption expenditure only. Some participants felt that the works were stopped abruptly due to the elections. In village 3, participants constantly remain under the impression that they were paid less than what was due to them. In other words, their wages were not proportional to their work.

In block 2, village 5, most people had worked for 20 or 30 days. People who worked for 10 days felt that they would have earned more money and used it to buy something useful, if they had worked for a longer duration.

Problems Faced by the Panchayat Members

The panchayats did not complain of difficulty in obtaining finances. In fact, in village 2, the panchayat had to return a good part of the sanctioned money, Rs. 4 lakhs, to the district office, as the works were not undertaken. In village 1, officials faced difficulties in explaining to people that though the minimum wages were Rs. 80, their actual payment would depend upon the work done. People did not understand this for a long time. In village 2, it was felt that there is scope for work and the panchayat is ready to take it up. But, the people are not willing to work. They do not want to undertake any risks. The attitude of people towards work was complained. The panchayat clerk said, "there is money, but no demand for work. Hence, we can do nothing but to return them (the district office) the money". The panchayat faced problems when people lost their job cards or misplaced them. Yet they demanded for work again.

In block 2, the panchayat officials felt that they were made to do extra work, as the government did not appoint anyone exclusively to deal with the implementation of the Act. Being a new Act, there is lot of work involved and they are not paid extra to do the work. The bigger problem was that there was no training of any kind for any official of the panchayat. The district officials required that work be started on February 2, the same day when the scheme was launched. Hence, everything happened in a hurry, with no formal training. They did not understand any procedure and so in the beginning everything was in confusion. Now, over time, they have learnt the procedure. But it was strongly felt that there should be a separate clerk to handle the Act, as it is a new law and also because there are a host of records to be maintained. In the beginning, a computer operator was appointed, who worked for only three months. The problems in the maintenance of records and other procedures are basically due to the lack of previous training.

Other Impressions about the Beneficiaries

It is worth mentioning that in village 1, one beneficiary kept repeating that her children were educated and that the government should provide them with jobs. She made a mention of this in response to every question that was put to her. Another beneficiary, living with his family in a small hut, with no electricity, on the banks of the village pond (probably an encroached settlement), was a B.Ed graduate. His educational qualifications did not help him earn a decent living and so he had to work on the site. Now that the Tamil Nadu government is filling up the backlog of teachers' vacancies, he is hopeful of getting a government posting as a teacher, albeit at 40 years of age. In the house of one beneficiary couples, both of whom have worked in the NREGA programme, their daughter was seen preparing for her half yearly exams when their house was visited. This is an indication that the concept of girl child education has been firmly grounded and parents are coming forward to educate their daughters. Also, the government takes effective steps to provide free education.

In every village, towards the evening, people can be seen gathering in a common place and chatting. In the day, people are generally busy with work, whether in their own or other villages. But, in village 2, such scenes could be witnessed in the afternoon itself. People were sitting under the trees and chatting. These were mostly young men, though there were some elderly men also. These seemed to confirm the views of the clerk that, people here generally do not work. This is, according to the clerk, due to their basic nature as they want to rest and do not like to do hard labour. People interviewed were either agricultural labourers or housewives. Agricultural labourers often engage themselves in wage employment programmes as it is their main occupation. In this village the housewives, who generally do not go for work outside homes, worked in NREGA work sites as it would supplement the family incomes.

In village 5, the beneficiaries included not only the landless agricultural labourers but also the farmers who owned land and also the ward members. The farmers who owned land had to make their own arrangements every year to desilt the channel, so that

their fields would get irrigated. Depending upon their finances, they would engage a few labourers and do the work. As their resources would generally be limited, they would not be able to do the work properly. But now the work was to be done under NREGA, and since the government itself was paying for the work, they showed great enthusiasm in doing it. This was because they will be paid for doing work, which they had to do for themselves anyway.

Perceptions of the Act and its Implementation

When asked for suggestions to improve the working of the Act, the president of village 1 felt that it should be made compulsory for all the works of the government to be done by the people who have registered under NREGA. Wage rates should be increased because the minimum wage is paid only if people complete the basic specifications, which it is usually difficult for them to do. The people were optimistic about the Act and expected that they would get more works to do and get paid for the same in the future also. They felt that work has to be provided to them regularly.

The Panchayat clerk of village 2 stated that in order to make it more attractive, the wage rate should be increased to Rs. 100. People are not used to operating accounts at the post office, and so they should be paid every day at the end of the day's work.

The panchayats in block 2 said that they had absolutely no problems in the functioning of the Act and hence no suggestions for its improvement. People here are ready to work if the government provides them with more such works in the summer when there is no other agricultural work left in the village. They were happy that they were paid for the work done. Almost every other person interviewed strongly supported the Act and its continuance. They believed that in the course of time they would be relieved of poverty and the dangers of hunger deaths. In village 4, the people were very satisfied with the implementation of the Act. In the reports of field works conducted elsewhere by other researchers, it has been stated that people generally do not want to do hard labour and that this is the primary reason for the failures of the employment

generation programmes. As against this, in village 4, it was found that people were willing to do hard manual labour. They were ready for work. Contentment could be seen in the way they answered the questions. They were looking forward to the next project. In village 5, the panchayat is happy about the co-operation extended by the people and is looking forward to creating more assets in the village by way of providing work to the people. They are certain that they will carry this forward in the future too.

Role of Panchayat Leaders

It can be summarised from this field study of five villages in two blocks, with a survey of 50 individual beneficiaries and 5 panchayat representatives that the nature of implementation of the Act and its impact on the people is, to a great extent, a function of the commitment of the panchayat leaders.

In village 1, a dedicated panchayat president Ms. Bama saw to it that the provisions of the Act are complied with. In that village, work has been completed properly and wages distributed to the benefit of all. In village 2, the present president Mrs. Malathi had no information on whatsoever and wanted her son to give the information required by the researcher. In fact, all attempts to elicit some opinion from her about the Act failed miserably. The past president was furious when he learnt that the researcher was directed by the panchayat clerk to meet him. He believed that the panchayat clerk would be the best person to give information as he was not sure of anything himself. The panchayat clerk believed that the Act has not yet started showing any impact on the lives of the people. The attitude of people towards work may be one of the important determining factors for the success of implementation of the Act. But more than this the reason can be the approach of the panchayat presidents. It is unusual that the money allocated to the village has been returned to the district due to the lack of demand from the people. In village 3, everything seemed to be satisfactory to the beneficiaries and here too the involvement of the panchayat president in undertaking a door to door campaign could not be missed.

While people in village 4 were, by and large, happy with the way the work was done by the previous panchayat, they are looking forward to a similar kind of experience with the newly elected panchayat also. In village 5, on the days when work was ongoing, the Panchayat president came to the homes of the beneficiaries and called them for work. The villagers were very happy with the work done by the panchayat president. They believe that he has taken initiative in making this a reality in implementing the Act in their village. This is enough proof and clear indication to suggest that panchayat members have a positive role to play in the successful implementation of the Act.

Thus, the rural poor are generally enthusiastic about the implementation of the Act. Though the beneficiaries, panchayat members and district officials are optimistic about the impact that the Act creates, the spirit has to be maintained to continue the implications. In this, the commitment of the panchayat leaders is more important along with the interest of the beneficiaries. The Act holds a promise for the common public who otherwise would have led a life of misery. This is precisely what the Act aims at. Ultimately, the execution of the Act should result in a higher standard of living of the rural masses. This requires the concerted effort of all concerned.

CHAPTER
Five

SUMMARY AND CONCLUSION

On September 5, 1949, Babasaheb Ambedkar warned the Constituent Assembly that on January 26, 1950, India was going to enter into a "life of contradictions." The Constitution guaranteed political as well as social and economic equality. The question that arose was that of how long we could continue to deny equality in social and economic life. If we continue to deny it for long, Ambedkar argued, we would do so by putting our political democracy in peril. We must, therefore, remove this contradiction at the earliest, lest those who suffer from inequality blow up the political structure, which the Constituent Assembly has so labouriously built up. It is in the spirit that, from independence to the present, efforts have been made by the Government to ensure equality in social and economic life along with political rights. These have taken the form of various schemes and programmes, and now law in the form of NREGA.

A crucial dilemma faced by all developing nations is whether to follow a development strategy emphasising economic growth or social justice, or a combination of growth with equity. Some emphasis on economic growth is required in order to raise living standards and compensate for rapid population expansion. Economic growth may be essential to reduce poverty, but it does not necessarily benefit the poor. We cannot predict poverty reduction from economic output, nor from a superficial labeling of policies and regimes.¹⁰² The ultimate objective of development is faster growth of national income along with alleviation of poverty and reduction of income inequalities. Lending programmes that supported policy reforms and structural changes across third world countries were instituted for this purpose.

Poverty and unemployment are the major challenges that the human race faces today. The continuation of mass poverty in India, with all its dreadful manifestations, is not just a tragedy for the victims, but also a deep scar on the national fabric. It affects everything from the self-respect of the nation to the quality of democracy. In India, it is

¹⁰² Attwood, Donald et.al, "*Power and Poverty: Development and Development Projects in the Third World*", Westview Press, London, 1988, pp 7- 10.

more crucial because, the problem is compounded by the existence of large inequalities. To address these issues, it is important to provide an employment guarantee to needy people. To this effect, poverty alleviation and employment generation schemes have been implemented throughout the five-year plan periods. Important among these are the Swarnajayanti Gram Swarozgar Yojana (SGSY), Jawahar Rozgar Yojana (JRY), Employment Assurance Scheme (EAS), Food for Work Programme (FWP), Sampoorna Gramin Rozgar Yojana (SGRY), Indira Awaas Yojana (IAY) and the National Social Assistance Programme (NSAP).

NREGA has some features of each of these programmes, as the primary aim of all the programmes as well as the present Act is poverty alleviation and employment generation. However, NREGA closely resembles its predecessor in Maharashtra's Employment Guarantee Scheme. Lessons have been drawn from the implementation of this scheme so that the merits can be maintained and the demerits averted. The merits lay in its funding, targeting, administrative efficiency, political power, social equity, positive role of civil society, safeguards against corruption, economic redistribution, asset creation, participation of women, reduction of migration, maintaining labour during off season, transparency and accountability. The main demerits relate to the nonpayment of unemployment allowance, corruption, delay in wage payment, payment lower than the stipulated minimum wage, administrative complexity, lack of commitment of officials, no skill development, faulty selection of projects and inequality in the distribution of costs. Moreover, problems in implementation were reported in terms of assistance to the underprivileged and the participation of women.

Drawing lessons from earlier experiences, the National Rural Employment Guarantee Act was passed by the Indian Parliament. It was given the form of a legislation to distinguish it from the earlier national schemes which were operated according to executive direction. The draft Bill had certain inherent flaws and so the Lok Sabha standing committee on rural development gave some recommendations to improve upon the Bill, which were incorporated in the final Act. Some of the provisions of the Act, like,

work site facilities, non - involvement of contractors and machinery and social audit to ensure transparency and accountability are important merits of the Act.

On the basis of reports of the field study conducted so far in the places where NREGA has been implemented, some advantages and inadequacies have become evident. The advantages are in respect of control over migration, empowerment of women, asset creation, equity, safeguards against corruption and empowerment of Panchayati Raj Institutions. The challenges faced by the Act during its initial stages relate to some provisions of the Act itself like restriction to 100 days of work, the term households, placing of entitlement in the schedules instead of the main Act. In the implementation, there are problems in wage rates, irregularities in the distribution of the job cards and maintenance of muster rolls, lack of knowledge about unemployment allowance, violations of work site facilities, administrative inefficiency, lack of awareness, social obstacles and poor participation of people.

The importance of the Act lies in the timing of its passage. Access to information is an important element of empowerment, and this is also the time when the Right to Information Act was passed. This Act is expected to create transparency and accountability in the activities of the government. The NREGA also has provisions to ensure the same. E-governance and other processes involving the use of information and technology are also being increasingly used in the operations of various government bodies and it is the same with NREGA. IT and IT enabled services are being used at various stages of implementation of the Act. These are expected to improve the efficiency and effectiveness of the Act.

In the present study, a field survey was conducted in the Nagapattinam district of Tamil Nadu, one of the six districts where it has been implemented in Tamil Nadu. Here five villages located in two blocks of the district were selected to understand the problems in the execution of the Act. The impact of the Act in terms of economic benefits and social interactions was studied. In the survey, it was found that the Act has the capacity to create a positive impact on the lives of the rural people. This is evidenced

by the fact that people are ready to do hard labour if payments are given at the right time and in the right amount. The money earned under these works are made use of by the people mainly to meet their day to day expenses. There is an indication that the proper implementation of the Act will lead to an increase in the standard of living of people, and also enhance their quality of life.

Though the provisions of the Act have enough proof for the improvement of the living standards of people, the flaws in implementation, lack of commitment on the part of the officials and the poor awareness levels of the people are obstacles in the successful execution of the Act. A close look at these reveals that necessary steps have to be taken to rectify the problems so that the Act can deliver better. In the field study, it was found that the panchayat members and the secretary in four villages had taken sufficient steps to inform the people about the Act and the various processes involved in registration and demand for work. In one village, where the panchayat members had not taken enough interest in this aspect, the implementation of the Act was poor. Computers and web cameras were used in both the blocks in the distribution of job cards. Work sites were selected either by the gram sabha or approved by it. In four villages, wages were paid through bank accounts and in one village cash payments were made. People were not satisfied with wages given to them. A minimum dimension of work was specified to enable them to earn the minimum wages. Mostly people found it difficult to accomplish these specifications. Hence the working people wanted the wages to be revised.

In both the blocks, there were no proper arrangements for providing work site facilities. Machinery was not used and contractors were not involved in the works in both the blocks. As compared to the first block, there were more inspections and visits by government officials in the second block. To a large extent, people utilised the money earned under NREGA to meet their everyday expenses. There was active participation of women and they definitely benefited. People were comfortable working in the NREGA sites as there were no supervisors. In the second block, almost all the people interviewed knew that it was their right to demand jobs from the government. In the first block, people were not sure of the idea. Accounts were submitted in the gram sabha meetings,

but social audit in the true sense of the word was not carried out in both the blocks. People have understood that they had a role in asset creation for their village in the process of earning wages.

On the part of the villagers, they were not satisfied with the wages and faced health complications as a result of working in the work sites. The panchayat members and secretary, on the other hand, felt that they were over-burdened with work due to the lack of additional work force and proper training. People were willing to work in more such projects to earn a living and the panchayat members are ready to undertake the works. This seems to be an ideal situation. There are, however, certain points that need to be addressed for the Act to provide maximum benefit. It has been proved beyond doubt, based on the field survey in five villages of two blocks in Nagapattinam district that NREGA is effective in improving the living standards of the people as compared to the earlier programmes. Also, the commitment on the part of the PRIs is a crucial factor in deciding its success.

Scope for Improvement

Evaluation studies of the Maharashtra EGS show that although it was not an unqualified success, it certainly ameliorated extreme levels of deprivation among the poorest sections. The public works programmes provided an indispensable lifeline to the rural poor. With the rise in income of a large section of the population, an increase in their purchasing power ensued and thereby gave a big push to overall economic development. Today, providing employment to the people under the Employment Guarantee Act is gradually becoming more important for political leaders than appropriating the funds for purposes of private gain or patronage. This changed outlook is a sign of hope for the survival and success of the Employment Guarantee Act.¹⁰³

To make NREGA able to achieve its desired inherent objective, some serious efforts have to be made for ensuring permanent sources of their livelihood. Recognition

¹⁰³ Dreze, Jean , "National Employment Guarantee Inaction", *The Hindu*, New Delhi, 12.9.2006.

of the problem, and some creative thinking about how to deal with it, would go a long way in extending the benefits of the Act to a larger section of society. It is also an essential step towards using the Employment Guarantee Act as an opportunity to empower the rural masses.¹⁰⁴ For ensuring the implementation of Employment Guarantee Scheme in a people oriented manner, it requires extensive training and consultation using a rights-based approach. The programme can work, but only if basic safeguards are in place, starting with strong provisions for transparency and accountability. The NREGA addresses itself chiefly to working people and their fundamental right to live with dignity. The success of the NREGA, however, will depend on people's realisation of the Act as a right. NREGA has created a sense of hope amongst the rural poor. This sense of hope can be further strengthened if people understand that the Act gives them employment as a matter of right, and that claiming this right is within the realm of possibility.

The guarantee should be not to the household but to each worker. In one stroke, this reduces possible gender discrimination, lowers administrative costs, and the scope for corruption. Great care has to be taken to ensure that the money spent under the programme is well-directed. Steps have to be taken to ensure that institutional mechanisms are in place to check the rampant corruption that has plagued employment programmes in India. People have to be mobilised to exercise vigilance. With public monitoring and transparency, discrepancies and corruption can be minimised. Effective and transparent implementation of the Employment Guarantee Act is possible, when political commitment and public vigilance reinforce each other. As watershed boundaries often transcend panchayat boundaries, co-ordination among adjacent blocks is vital.

Care should be taken to ensure that female-headed households are given primacy and women are not excluded from the scheme. Since the employment guarantee is restricted to a specified number of days per household; it should be ensured that at least one-third of the workers employed in a particular block are women, so that the interests of women are safeguarded. As far the children of the workers are concerned, one person can be employed to look after a group of children, especially infants, at one of the homes

¹⁰⁴ Bhatta, Kiran, op cit.

rather than at the work site. At the very least, effective childcare facilities should be arranged so that women are free to take up employment under NREGA without making their own children suffer.

The more activities are dependent on non-financial local resources and less on the cash provided by the budget, the lower is the possibility of adhocism. The nature of work chosen should have the merit of providing gainful activity in the immediate term, as well as the capability to develop the muscles of the local economy to generate work on a sustained basis. For extracting the maximum from an area plan, it is imperative that it is funded as a composite plan and not by way of fractured individual schemes controlled by different departments.

Payment shall not be delayed for more than a week after the commencement of work. There should be people's participation in deciding the type of work. Intensive training inputs should be given to the officials. Transparency in implementation should be ensured. There should be district level consultation with the larger society, and voluntary organisations working in the respective districts. Amount spent by the workers on purchasing and sharpening of tools like spade, container etc shall be reimbursed and in future, the local authority should supply all the tools required. Appropriate action should be taken against the erring officials.¹⁰⁵

The supremacy of the gram sabha in conducting social audit must be acknowledged. There is a need for grassroots people's organisations to assist gram sabhas so that they may truly reflect the will of the most disadvantaged and needy sections within the village. A monitoring committee specially constituted for this purpose in each block should assist the gram sabha in this work. The committee would assist the gram sabha in monitoring the employment programme at three stages - programme formulation, programme implementation and post-implementation. Ensuring that everyone gets at least the statutory minimum wages, and that productivity norms are adhered to.

¹⁰⁵ Status Report on Implementation of NREGA in Gujarat, Prepared by *JANPATH* (A Network of Voluntary Organisations in Gujarat) and *SABAR EKATA MANCH* (a Forum of CBOs From Sabarkantha District, Gujarat)

It has also been suggested that the existing vast array of schemes beamed at the village in the name of poverty alleviation, should be abolished and the funds so liberated entrusted to panchayats en bloc. Secondly, the panchayats should be endowed with full functional autonomy and authority in terms of administrative, technical and financial powers to operate as an institution of self-government as envisaged by the Constitution.¹⁰⁶ Implementing agencies should be accountable to local elected bodies. Gram Sabhas should play a central role in the planning and monitoring of the Employment Guarantee Schemes. At least 50 per cent of the funds disbursed for implementation of projects should be allocated to the Gram Panchayats. Assigning work projects to the panchayats should be mandatory and not left to the discretion of the State. State governments and local officials should be free to take up the works in coordination with active line departments of the district. Greater involvement of the gram sabhas, non-governmental organisations and private agencies in the planning and implementation stage should be encouraged. An independent advisory and monitoring commission at the national level should be constituted.¹⁰⁷

Muster rolls should be accessible for public scrutiny without charge and gram sabhas should be empowered to issue completion and utilisation certificates. There should be a provision for a possible transition from household work entitlements to individual entitlements, i.e. 100 days per adult per year instead of 100 days per household per year, at least 40% of the total employment generated in each Block should be reserved for women. There have been demands that the government integrate the employment guarantee programme into the Bharat Nirman Project, which is aimed at building rural infrastructure.

The second Administrative Reforms Commission in its July 2006 report suggested that the entire issue of wage prescription under the NREGA and the Minimum Wages Act required detailed examination. Further, it said that only a widespread exercise of capacity building and training can institutionalise the implementation of schemes

¹⁰⁶ Jain, LC, "Putting Panchayats in Charge", *Economic and Political Weekly*, 13.8.2005.

¹⁰⁷ Report of the Round Table Discussion Held in Mumbai in Nov on the Proposed Employment Guarantee Programme.

under the NREGA. The need for decentralisation and total transparency in formulation and implementation of the NREGA works is most pressing and urgent.

A few other things that can be done to improve upon the implementation of the Act are - equal salary should be assured both to men and women, instruments and tools should be supplied on the working day, salary should be paid once in a week and should not be delayed, drinking water and first aid facilities should be provided, treatment should be given to injured persons, those who have returned from other states should also be accepted for registration, a notice board should be kept at the work spot, jobs should be given within 15 days of registration, there should be breaks during working hours, and a child-care facility should be available.¹⁰⁸

Employment generation is clearly one of the best ways to address the problem of poverty in a country like India, where the working population is in a greater proportion of the total. Ensuring this right in the form of legislation is the need of the hour, which has been dealt with by the Indian Parliament. Though the Act in itself is capable for alleviating poverty by generating employment, proper implementation is essential. This requires commitment on the part of the officials and greater involvement of the panchayats. Also, people should be aware of it, and should make the maximum use of the Act for their own livelihood as well as for the benefit of the village area.

¹⁰⁸ Fact Finding Report on the National Rural Employment Guarantee Scheme in Tamil Nadu by TN FORCES, Dept. of Social Work, Loyola College, Chennai.

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भारत का राजपत्र
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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।
Separate paging is given to this Part in order that it may be filed as a separate compilation.

MINISTRY OF LAW AND JUSTICE

(Legislative Department)

New Delhi, the 7th September, 2005/Bhadra 16, 1927 (Saka)

The following Act of Parliament received the assent of the President on 5th September, 2005 and is hereby published for general information:—

THE NATIONAL RURAL EMPLOYMENT GUARANTEE ACT, 2005

No. 42 OF 2005

[5th September, 2005.]

An Act to provide for the enhancement of livelihood security of the households in rural areas of the country by providing at least one hundred days of guaranteed wage employment in every financial year to every household whose adult members volunteer to do unskilled manual work and for matters connected therewith or incidental thereto.

BE it enacted by Parliament in the Fifty-sixth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

1. (1) This Act may be called the National Rural Employment Guarantee Act, 2005.
- (2) It extends to the whole of India except the State of Jammu and Kashmir.
- (3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint; and different dates may be appointed for different States or for different areas in a State and any reference in any such provision to the

Short title,
extent and
commencement.

commencement of this Act shall be construed as a reference to the coming into force of that provision in such State or, as the case may be, in such area:

Provided that this Act shall be applicable to the whole of the territory to which it extends within a period of five years from the date of enactment of this Act.

Definitions.

2. In this Act, unless the context otherwise requires,—

- (a) "adult" means a person who has completed his eighteenth years of age;
- (b) "applicant" means the head of a household or any of its other adult members who has applied for employment under the Scheme;
- (c) "Block" means a community development area within a district comprising a group of Gram Panchayats;
- (d) "Central Council" means the Central Employment Guarantee Council constituted under sub-section (1) of section 10;
- (e) "District Programme Coordinator" means an officer of the State Government designated as such under sub-section (1) of section 14 for implementation of the Scheme in a district;
- (f) "household" means 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;
- (g) "implementing agency" includes any department of the Central Government or a State Government, a Zila Parishad, Panchayat at intermediate level, Gram Panchayat or any local authority or Government undertaking or non-governmental organisation authorised by the Central Government or the State Government to undertake the implementation of any work taken up under a Scheme;
- (h) "minimum wage", in relation to any area, means the minimum wage fixed by the State Government under section 3 of the Minimum Wages Act, 1948 for agricultural labourers as applicable in that area;
- (i) "National Fund" means the National Employment Guarantee Fund established under sub-section (1) of section 20;
- (j) "notification" means a notification published in the Official Gazette;
- (k) "preferred work" means any work which is taken up for implementation on a priority basis under a Scheme;
- (l) "prescribed" means prescribed by rules made under this Act;
- (m) "Programme Officer" means an officer appointed under sub-section (1) of section 15 for implementing the Scheme;
- (n) "project" means any work taken up under a Scheme for the purpose of providing employment to the applicants;
- (o) "rural area" means any area in a State except those areas covered by any urban local body or a Cantonment Board established or constituted under any law for the time being in force;
- (p) "Scheme" means a Scheme notified by the State Government under sub-section (1) of section 4;
- (q) "State Council" means the State Employment Guarantee Council constituted under sub-section (1) of section 12;
- (r) "unskilled manual work" means any physical work which any adult person is capable of doing without any skill or special training;
- (s) "wage rate" means the wage rate referred to in section 6.

CHAPTER II

GUARANTEE OF EMPLOYMENT IN RURAL AREAS

3. (1) Save as otherwise provided, the State Government shall, in such rural area in the State as may be notified by the Central Government, provide to every household whose adult members volunteer to do unskilled manual work not less than one hundred days of such work in a financial year in accordance with the Scheme made under this Act.

Guarantee of rural employment to households.

(2) Every person who has done the work given to him under the Scheme shall be entitled to receive wages at the wage rate for each day of work.

(3) Save as otherwise provided in this Act, the disbursement of daily wages shall be made on a weekly basis or in any case not later than a fortnight after the date on which such work was done.

(4) The Central Government or the State Government may, within the limits of its economic capacity and development, make provisions for securing work to every adult member of a household under a Scheme for any period beyond the period guaranteed under sub-section (1), as may be expedient.

CHAPTER III

EMPLOYMENT GUARANTEE SCHEMES AND UNEMPLOYMENT ALLOWANCE

4. (1) For the purposes of giving effect to the provisions of section 3, every State Government shall, within six months from the date of commencement of this Act, by notification, make a Scheme, for providing not less than one hundred days of guaranteed employment in a financial year to every household in the rural areas covered under the Scheme and whose adult members, by application, volunteer to do unskilled manual work subject to the conditions laid down by or under this Act and in the Scheme:

Employment Guarantee Schemes for rural areas.

Provided that until any such Scheme is notified by the State Government, the Annual Action Plan or Perspective Plan for the *Sampoorna Grameen Rozgar Yojana* (SGRY) or the National Food for Work Programme (NFFWP) whichever is in force in the concerned area immediately before such notification shall be deemed to be the action plan for the Scheme for the purposes of this Act.

(2) The State Government shall publish a summary of the Scheme made by it in at least two local newspapers, one of which shall be in a vernacular language circulating in the area or areas to which such Scheme shall apply.

(3) The Scheme made under sub-section (1) shall provide for the minimum features specified in Schedule I.

5. (1) The State Government may, without prejudice to the conditions specified in Schedule II, specify in the Scheme the conditions for providing guaranteed employment under this Act.

Conditions for providing guaranteed employment.

(2) The persons employed under any Scheme made under this Act shall be entitled to such facilities not less than the minimum facilities specified in Schedule II.

1 of 1948.

6. (1) Notwithstanding anything contained in the Minimum Wages Act, 1948, the Central Government may, by notification, specify the wage rate for the purposes of this Act:

Wage rate.

Provided that different rates of wages may be specified for different areas:

Provided further that the wage rate specified from time to time under any such notification shall not be at a rate less than sixty rupees per day.

1 of 1948.

(2) Until such time as a wage rate is fixed by the Central Government in respect of any area in a State, the minimum wage fixed by the State Government under section 3 of the Minimum Wages Act, 1948 for agricultural labourers, shall be considered as the wage rate applicable to that area.

Payment of unemployment allowance.

7. (1) If an applicant for employment under the Scheme is not provided such employment within fifteen days of receipt of his application seeking employment or from the date on which the employment has been sought in the case of an advance application, whichever is later, he shall be entitled to a daily unemployment allowance in accordance with this section.

(2) Subject to such terms and conditions of eligibility as may be prescribed by the State Government and subject to the provisions of this Act and the Schemes and the economic capacity of the State Government, the unemployment allowance payable under sub-section (1) shall be paid to the applicants of a household subject to the entitlement of the household at such rate as may be specified by the State Government, by notification, in consultation with the State Council:

Provided that no such rate shall be less than one-fourth of the wage rate for the first thirty days during the financial year and not less than one-half of the wage rate for the remaining period of the financial year.

(3) The liability of the State Government to pay unemployment allowance to a household during any financial year shall cease as soon as—

(a) the applicant is directed by the Gram Panchayat or the Programme Officer to report for work either by himself or depute at least one adult member of his household; or

(b) the period for which employment is sought comes to an end and no member of the household of the applicant had turned up for employment; or

(c) the adult members of the household of the applicant have received in total at least one hundred days of work within the financial year; or

(d) the household of the applicant has earned as much from the wages and unemployment allowance taken together which is equal to the wages for one hundred days of work during the financial year.

(4) The unemployment allowance payable to the household of an applicant jointly shall be sanctioned and disbursed by the Programme Officer or such local authority (including the Panchayats at the district, intermediate or village level) as the State Government may, by notification, authorise in this behalf.

(5) Every payment of unemployment allowance under sub-section (1) shall be made or offered not later than fifteen days from the date on which it became due for payment.

(6) The State Government may prescribe the procedure for payment of unemployment allowance under this Act.

Non-disbursement of unemployment allowance in certain circumstances.

8. (1) If the Programme Officer is not in a position to disburse the unemployment allowance in time or at all for any reason beyond his control, he shall report the matter to the District Programme Coordinator and announce such reasons in a notice to be displayed on his notice board and the notice board of the Gram Panchayat and such other conspicuous places as he may deem necessary.

(2) Every case of non-payment or delayed payment of unemployment allowance shall be reported in the annual report submitted by the District Programme Coordinator to the State Government along with the reasons for such non-payment or delayed payment.

(3) The State Government shall take all measures to make the payment of unemployment allowance reported under sub-section (1) to the concerned household as expeditiously as possible.

Disentitlement to receive unemployment allowance in certain circumstances.

9. An applicant who—

(a) does not accept the employment provided to his household under a Scheme;

or

(b) does not report for work within fifteen days of being notified by the Programme Officer or the implementing agency to report for the work; or

(c) continuously remains absent from work, without obtaining a permission from the concerned implementing agency for a period of more than one week or remains absent for a total period of more than one week in any month,

shall not be eligible to claim the unemployment allowance payable under this Act for a period of three months but shall be eligible to seek employment under the Scheme at any time.

CHAPTER IV

IMPLEMENTING AND MONITORING AUTHORITIES

10. (1) With effect from such date as the Central Government may, by notification specify, there shall be constituted a Council to be called the Central Employment Guarantee Council to discharge the functions, and perform the duties, assigned to it by or under this Act.

Central
Employment
Guarantee
Council.

(2) The headquarters of the Central Council shall be at Delhi.

(3) The Central Council shall consist of the following members to be appointed by the Central Government, namely:—

(a) a Chairperson;

(b) not more than such number of representatives of the Central Ministries including the Planning Commission not below the rank of Joint Secretary to the Government of India as may be determined by the Central Government;

(c) not more than such number of representatives of the State Governments as may be determined by the Central Government;

(d) not more than fifteen non-official members representing Panchayati Raj Institutions, organisations of workers and disadvantaged groups:

Provided that such non-official members shall include two chairpersons of District Panchayats nominated by the Central Government by rotation for a period of one year at a time:

Provided further that not less than one-third of the non-official members nominated under this clause shall be women:

Provided also that not less than one-third of the non-official members shall be belonging to the Scheduled Castes, the Scheduled Tribes, the Other Backward Classes and Minorities;

(e) such number of representatives of the States as the Central Government may, by rules, determine in this behalf;

(f) a Member-Secretary not below the rank of Joint Secretary to the Government of India.

(4) The terms and conditions subject to which the Chairperson and other members of the Central Council may be appointed and the time, place and procedure of the meetings (including the quorum at such meetings) of the Central Council shall be such as may be prescribed by the Central Government.

11. (1) The Central Council shall perform and discharge the following functions and duties, namely:—

(a) establish a central evaluation and monitoring system;

(b) advise the Central Government on all matters concerning the implementation of this Act;

Functions and
duties of
Central
Council.

(c) review the monitoring and redressal mechanism from time to time and recommend improvements required;

(d) promote the widest possible dissemination of information about the Schemes made under this Act;

(e) monitoring the implementation of this Act;

(f) preparation of annual reports to be laid before Parliament by the Central Government on the implementation of this Act;

(g) any other duty or function as may be assigned to it by the Central Government.

(2) The Central Council shall have the power to undertake evaluation of the various Schemes made under this Act and for that purpose collect or cause to be collected statistics pertaining to the rural economy and the implementation of the Schemes.

State
Employment
Guarantee
Council.

12. (1) For the purposes of regular monitoring and reviewing the implementation of this Act at the State level, every State Government shall constitute a State Council to be known as the(name of the State) State Employment Guarantee Council with a Chairperson and such number of official members as may be determined by the State Government and not more than fifteen non-official members nominated by the State Government from Panchayati Raj institutions, organisations of workers and disadvantaged groups:

Provided that not less than one-third of the non-official members nominated under this clause shall be women:

Provided further that not less than one third of the non-official members shall be belonging to the Scheduled Castes, the Scheduled Tribes, the Other Backward Classes and Minorities.

(2) The terms and conditions subject to which the Chairperson and members of the State Council may be appointed and the time, place and procedure of the meetings (including the quorum at such meetings) of the State Council shall be such as may be prescribed by the State Government.

(3) The duties and functions of the State Council shall include—

(a) advising the State Government on all matters concerning the Scheme and its implementation in the State;

(b) determining the preferred works;

(c) reviewing the monitoring and redressal mechanisms from time to time and recommending improvements;

(d) promoting the widest possible dissemination of information about this Act and the Schemes under it;

(e) monitoring the implementation of this Act and the Schemes in the State and coordinating such implementation with the Central Council;

(f) preparing the annual report to be laid before the State Legislature by the State Government;

(g) any other duty or function as may be assigned to it by the Central Council or the State Government.

(3) The State Council shall have the power to undertake an evaluation of the Schemes operating in the State and for that purpose to collect or cause to be collected statistics pertaining to the rural economy and the implementation of the Schemes and Programmes in the State.

13. (1) The Panchayats at district, intermediate and village levels shall be the principal authorities for planning and implementation of the Schemes made under this Act.

(2) The functions of the Panchayats at the district level shall be—

(a) to finalise and approve blockwise shelf of projects to be taken up under a programme under the Scheme;

(b) to supervise and monitor the projects taken up at the Block level and district level; and

(c) to carry out such other functions as may be assigned to it by the State Council, from time to time.

(3) The functions of the Panchayat at intermediate level shall be—

(a) to approve the Block level Plan for forwarding it to the district Panchayat at the district level for final approval;

(b) to supervise and monitor the projects taken up at the Gram Panchayat and Block level; and

(c) to carry out such other functions as may be assigned to it by the State Council, from time to time.

(4) The District Programme Coordinator shall assist the Panchayat at the district level in discharging its functions under this Act and any Scheme made thereunder.

14. (1) The Chief Executive Officer of the District Panchayat or the Collector of the district or any other district level officer of appropriate rank as the State Government may decide shall be designated as the District Programme Coordinator for the implementation of the Scheme in the district.

(2) The District Programme Coordinator shall be responsible for the implementation of the Scheme in the district in accordance with the provisions of this Act and the rules made thereunder.

(3) The functions of the District Programme Coordinator shall be—

(a) to assist the district Panchayat in discharging its functions under this Act and any scheme made thereunder;

(b) to consolidate the plans prepared by the Blocks and project proposals received from other implementing agencies for inclusion in the shelf of projects to be approved by the Panchayat at district level;

(c) to accord necessary sanction and administrative clearance, wherever necessary;

(d) to coordinate with the Programme Officers functioning within his jurisdiction and the implementing agencies to ensure that the applicants are provided employment as per their entitlements under this Act;

(e) to review, monitor and supervise the performance of the Programme Officers;

(f) to conduct periodic inspection of the works in progress; and

(g) to redress the grievances of the applicants.

(4) The State Government shall delegate such administrative and financial powers to the District Programme Coordinator as may be required to enable him to carry out his functions under this Act.

(5) The Programme Officer appointed under sub-section (1) of section 15 and all other officers of the State Government and local authorities and bodies functioning within the district shall be responsible to assist the District Programme Coordinator in carrying out his functions under this Act and the Schemes made thereunder.

(6) The District Programme Coordinator shall prepare in the month of December every year a labour budget for the next financial year containing the details of anticipated demand

Principal
authorities for
planning and
implementation
of Schemes.

District
Programme
Coordinator.

for unskilled manual work in the district and the plan for engagement of labourers in the works covered under the Scheme and submit it to the district panchayat.

Programme
Officer.

15. (1) At every Panchayat at intermediate level, the State Government shall appoint a person who is not below the rank of Block Development Officer with such qualifications and experience as may be determined by the State Government as Programme Officer at the Panchayat at intermediate level.

(2) The Programme Officer shall assist the Panchayat at intermediate level in discharging its functions under this Act and any Scheme made thereunder.

(3) The Programme Officer shall be responsible for matching the demand for employment with the employment opportunities arising from projects in the area under his jurisdiction.

(4) The Programme Officer shall prepare a plan for the Block under his jurisdiction by consolidating the project proposals prepared by the Gram Panchayats and the proposals received from intermediate panchayats.

(5) The functions of the Programme Officer shall include—

(a) monitoring of projects taken up by the Gram Panchayats and other implementing agencies within the Block;

(b) sanctioning and ensuring payment of unemployment allowance to the eligible households;

(c) ensuring prompt and fair payment of wages to all labourers employed under a programme of the Scheme within the Block;

(d) ensuring that regular social audits of all works within the jurisdiction of the Gram Panchayat are carried out by the Gram Sabha and that prompt action is taken on the objections raised in the social audit;

(e) dealing promptly with all complaints that may arise in connection with the implementation of the Scheme within the Block; and

(f) any other work as may be assigned to him by the District Programme Coordinator or the State Government.

(6) The Programme Officers shall function under the direction, control and superintendence of the District Programme Coordinator.

(7) The State Government may, by order, direct that all or any of the functions of a Programme Officer shall be discharged by the Gram Panchayat or a local authority.

Responsibilities
of the Gram
Panchayats.

16. (1) The Gram Panchayat shall be responsible for identification of the projects in the Gram Panchayat area to be taken up under a Scheme as per the recommendations of the Gram Sabha and the Ward Sabhas and for executing and supervising such works.

(2) A Gram Panchayat may take up any project under a Scheme within the area of the Gram Panchayat as may be sanctioned by the Programme Officer.

(3) Every Gram Panchayat shall, after considering the recommendations of the Gram Sabha and the Ward Sabhas, prepare a development plan and maintain a shelf of possible works to be taken up under the Scheme as and when demand for work arises.

(4) The Gram Panchayat shall forward its proposals for the development projects including the order of priority between different works to the Programme Officer for scrutiny and preliminary approval prior to the commencement of the year in which it is proposed to be executed.

(5) The Programme Officer shall allot at least fifty per cent. of the works in terms of its cost under a Scheme to be implemented through the Gram Panchayats.

(6) The Programme Officer shall supply each Gram Panchayat with—

(a) the muster rolls for the works sanctioned to be executed by it; and

(b) a list of employment opportunities available elsewhere to the residents of the Gram Panchayat.

(7) The Gram Panchayat shall allocate employment opportunities among the applicants and ask them to report for work.

(8) The works taken up by a Gram Panchayat under a Scheme shall meet the required technical standards and measurements.

17. (1) The Gram Sabha shall monitor the execution of works within the Gram Panchayat.

Social audit of work by Gram Sabha.

(2) The Gram Sabha shall conduct regular social audits of all the projects under the Scheme taken up within the Gram Panchayat.

(3) The Gram Panchayat shall make available all relevant documents including the muster rolls, bills, vouchers, measurement books, copies of sanction orders and other connected books of account and papers to the Gram Sabha for the purpose of conducting the social audit.

18. The State Government shall make available to the District Programme Coordinator and the Programme Officers necessary staff and technical support as may be necessary for the effective implementation of the Scheme.

Responsibilities of State Government in implementing Scheme.

19. The State Government shall, by rules, determine appropriate grievance redressal mechanisms at the Block level and the district level for dealing with any complaint by any person in respect of implementation of the Scheme and lay down the procedure for disposal of such complaints.

Grievance redressal mechanism.

CHAPTER V

ESTABLISHMENT OF NATIONAL AND STATE EMPLOYMENT GUARANTEE FUNDS AND AUDIT

20. (1) The Central Government shall, by notification, establish a fund to be called the National Employment Guarantee Fund for the purposes of this Act.

National Employment Guarantee Fund.

(2) The Central Government may, after due appropriation made by Parliament by law in this behalf, credit by way of grants or loans such sums of money as the Central Government may consider necessary to the National Fund.

(3) The amount standing to the credit of the National Fund shall be utilised in such manner and subject to such conditions and limitations as may be prescribed by the Central Government.

21. (1) The State Government may, by notification, establish a fund to be called the State Employment Guarantee Fund for the purposes of implementation of the Scheme.

State Employment Guarantee Fund.

(2) The amount standing to the credit of the State Fund shall be expended in such manner and subject to such conditions and limitations as may be prescribed by the State Government for the purposes of implementation of this Act and the Schemes made thereunder and for meeting the administrative expenses in connection with the implementation of this Act.

(3) The State Fund shall be held and administered on behalf of the State Government in such manner and by such authority as may be prescribed by the State Government.

22. (1) Subject to the rules as may be made by the Central Government in this behalf, the Central Government shall meet the cost of the following, namely:—

Funding pattern.

(a) the amount required for payment of wages for unskilled manual work under the Scheme;

(b) up to three-fourths of the material cost of the Scheme including payment of wages to skilled and semi-skilled workers subject to the provisions of Schedule II;

(c) such percentage of the total cost of the Scheme as may be determined by the Central Government towards the administrative expenses, which may include the salary and allowances of the Programme Officers and his supporting staff, the administrative expenses of the Central Council, facilities to be provided under Schedule II and such other item as may be decided by the Central Government.

(2) The State Government shall meet the cost of the following, namely:—

(a) the cost of unemployment allowance payable under the Scheme;

(b) one-fourth of the material cost of the Scheme including payment of wages to skilled and semi-skilled workers subject to the provisions of Schedule II;

(c) the administrative expenses of the State Council.

Transparency
and
accountability.

23. (1) The District Programme Coordinator and all implementing agencies in the District shall be responsible for the proper utilisation and management of the funds placed at their disposal for the purpose of implementing a Scheme.

(2) The State Government may prescribe the manner of maintaining proper books and accounts of employment of labourers and the expenditure incurred in connection with the implementation of the provisions of this Act and the Schemes made thereunder.

(3) The State Government may, by rules, determine the arrangements to be made for the proper execution of Schemes and programmes under the Schemes and to ensure transparency and accountability at all levels in the implementation of the Schemes.

(4) All payments of wages in cash and unemployment allowances shall be made directly to the person concerned and in the presence of independent persons of the community on pre-announced dates.

(5) If any dispute or complaint arises concerning the implementation of a Scheme by the Gram Panchayat, the matter shall be referred to the Programme Officer.

(6) The Programme Officer shall enter every complaint in a complaint register maintained by him and shall dispose of the disputes and complaints within seven days of its receipt and in case it relates to a matter to be resolved by any other authority it shall be forwarded to such authority under intimation to the complainant.

Audit of
accounts.

24. (1) The Central Government may, in consultation with the Comptroller and Auditor General of India, prescribe appropriate arrangements for audits of the accounts of the Schemes at all levels.

(2) The accounts of the Scheme shall be maintained in such form and in such manner as may be prescribed by the State Government.

CHAPTER VI

MISCELLANEOUS

Penalty
for non-
compliance.

25. Whoever contravenes the provisions of this Act shall on conviction be liable to a fine which may extend to one thousand rupees.

Power to
delegate.

26. (1) The Central Government may, by notification, direct that the powers exercisable by it (excluding the power to make rules) may, in such circumstances and subject to such conditions and limitations, be exercisable also by the State Government or such officer subordinate to the Central Government or the State Government as it may specify in such notification.

(2) The State Government may, by notification, direct that the powers exercisable by it (excluding the power to make rules and Schemes) may, in such circumstances and subject to such conditions and limitations, be exercisable also by such officer subordinate to it as it may specify in such notification.

27. (1) The Central Government may give such directions as it may consider necessary to the State Government for the effective implementation of the provisions of this Act.

Power of Central Government to give directions.

(2) Without prejudice to the provisions of sub-section (1), the Central Government may, on receipt of any complaint regarding the issue or improper utilisation of funds granted under this Act in respect of any Scheme if *prima facie* satisfied that there is a case, cause an investigation into the complaint made by any agency designated by it and if necessary, order stoppage of release of funds to the Scheme and institute appropriate remedial measures for its proper implementation within a reasonable period of time.

28. The provisions of this Act or the Schemes made thereunder shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force or in any instrument having effect by virtue of such law:

Act to have overriding effect.

Provided that where a State enactment exists or is enacted to provide employment guarantee for unskilled manual work to rural households consistent with the provisions of this Act under which the entitlement of the households is not less than and the conditions of employment are not inferior to what is guaranteed under this Act, the State Government shall have the option of implementing its own enactment:

Provided further that in such cases the financial assistance shall be paid to the concerned State Government in such manner as shall be determined by the Central Government, which shall not exceed what the State would have been entitled to receive under this Act had a Scheme made under this Act had to be implemented.

29. (1) If the Central Government is satisfied that it is necessary or expedient so to do, it may, by notification, amend Schedule I or Schedule II and thereupon Schedule I or Schedule II, as the case may be, shall be deemed to have been amended accordingly.

Power to amend Schedules.

(2) A copy of every notification made under sub-section (1) shall be laid before each House of Parliament as soon as may be after it is made.

30. No suit, prosecution or other legal proceedings shall lie against the District Programme Coordinator, Programme Officer or any other person who is, or who is deemed to be, a public servant within the meaning of section 21 of the Indian Penal Code in respect of anything which is in good faith done or intended to be done under this Act or the rules or Schemes made thereunder.

Protection of action taken in good faith.

45 of 1860.

31. (1) The Central Government may, by notification, and subject to the condition of previous publication, make rules to carry out the provisions of this Act.

Power of Central Government to make rules.

(2) In particular, and without the prejudice of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(a) the number of representatives of the State Governments under clause (e) of sub-section (3) of section 10;

(b) the terms and conditions subject to which the Chairman and other members of the Central Council may be appointed, and the time, place and procedure of the meetings (including the quorum at such meetings) of the Central Council, under sub-section (4) of section 10;

(c) the manner in which and the conditions and limitations subject to which the National Fund shall be utilised under sub-section (3) of section 20;

(d) the rules relating to funding pattern to meet the cost of certain items under sub-section (1) of section 22;

(e) any other matter which is to be, or may be, prescribed or in respect of which provision is to be made by the Central Government by rules.

32. (1) The State Government may, by notification, and subject to the condition of previous publication, and consistent with this Act and the rules made by the Central Government, make rules to carry out the provisions of this Act.

Power of State Government to make rules.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(a) the terms and conditions upon which eligibility for unemployment allowance may be determined under sub-section (2) of section 7;

(b) the procedure for payment of unemployment allowance under sub-section (6) of section 7;

(c) the terms and conditions subject to which the Chairperson and members of the State Council may be appointed, and the time, place and procedure of the meetings (including the quorum at such meetings) of their appointment to the State Council, under sub-section (2) of section 12;

(d) the grievance redressal mechanism at the Block level and the District level and the procedure to be followed in such matter under section 19;

(e) the manner in which and the conditions and limitations subject to which the State Fund shall be utilised under sub-section (2) of section 21;

(f) the authority who may administer and the manner in which he may hold the State Fund under sub-section (3) of section 21;

(g) the manner of maintaining books of account of employment of labourers and the expenditure under sub-section (2) of section 23;

(h) the arrangements required for proper execution of Schemes under sub-section (3) of section 23;

(i) the form and manner in which the accounts of the Scheme shall be maintained under sub-section (2) of section 24;

(j) any other matter which is to be, or may be, prescribed or in respect of which provision is to be made by the State Government by rules.

Laying of
rules and
Schemes.

33. (1) Every rule made by the Central Government under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both the Houses agree that the rule should not be made, the rule shall have thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

(2) Every rule or Scheme made by the State Government under this Act shall, as soon as may be after it is made, be laid before each House of the State Legislature where there are two Houses, and where there is one House of the State Legislature, before that House.

Power to
remove
difficulties.

34. (1) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order published in the Official Gazette, make such provisions, not inconsistent with the provisions of this Act, as appear to it to be necessary or expedient for removing the difficulty:

Provided that no order shall be made under this section after the expiry of three years from the commencement of this Act.

(2) Every order made under this section shall be laid, as soon as may be after it is made, before each House of Parliament.

SCHEDULE I

[See section 4(3)]

MINIMUM FEATURES OF A RURAL EMPLOYMENT GUARANTEE SCHEME

1. The focus of the Scheme shall be on the following works in their order of priority:—
 - (i) water conservation and water harvesting;
 - (ii) drought proofing (including afforestation and tree plantation);
 - (iii) irrigation canals including micro and minor irrigation works;
 - (iv) provision of irrigation facility to land owned by households belonging to the Scheduled Castes and Scheduled Tribes or to land of beneficiaries of land reforms or that of the beneficiaries under the Indira Awas Yojana of the Government of India;
 - (v) renovation of traditional water bodies including desilting of tanks;
 - (vi) land development;
 - (vii) flood control and protection works including drainage in water logged areas;
 - (viii) rural connectivity to provide all-weather access; and
 - (ix) any other work which may be notified by the Central Government in consultation with the State Government.
2. Creation of durable assets and strengthening the livelihood resource base of the rural poor shall be an important objective of the Scheme.
3. The works taken up under the scheme shall be in rural areas.
4. The State Council shall prepare a list of preferred works for different areas based on their ability to create durable assets.
5. The Scheme shall be subject to appropriate arrangements as may be laid down by the State Government under the rules issued by it for proper maintenance of the public assets created under the Scheme.
6. Under no circumstances shall the labourers be paid less than the wage rate.
7. When wages are directly linked with the quantity of work, the wages shall be paid according to the schedule of rates fixed by the State Government for different types of work every year, in consultation with the State Council.
8. The schedule of rates of wages for unskilled labourers shall be so fixed that a person working for seven hours would normally earn a wage equal to the wage rate.
9. The cost of material component of projects including the wages of the skilled and semi-skilled workers taken up under the Scheme shall not exceed forty per cent. of the total project costs.
10. It shall be open to the Programme Officer and Gram Panchayat to direct any person who applied for employment under the Scheme to do work of any type permissible under it.
11. The Scheme shall not permit engaging any contractor for implementation of the projects under it.
12. As far as practicable, a task funded under the Scheme shall be performed by using manual labour and not machines.
13. Every Scheme shall contain adequate provisions for ensuring transparency and accountability at all level of implementation.
14. Provisions for regular inspection and supervision of works taken up under the Scheme shall be made to ensure proper quality of work as well as to ensure that the total wages paid for the completion of the work is commensurate with the quality and quantity of work done.

15. The District Programme Coordinator, the Programme Officer and the Gram Panchayat implementing the Scheme shall prepare annually a report containing the facts and figures and achievements relating to the implementation of the Scheme within his or its jurisdiction and a copy of the same shall be made available to the public on demand and on payment of such fee as may be specified in the Scheme.

16. All accounts and records relating to the Scheme shall be made available for public scrutiny and any person desirous of obtaining a copy or relevant extracts therefrom may be provided such copies or extracts on demand and after paying such fee as may be specified in the Scheme.

17. A copy of the muster rolls of each Scheme or project under a Scheme shall be made available in the offices of the Gram Panchayat and the Programme Officer for inspection by any person interested after paying such fee as may be specified in the Scheme.

SCHEDULE II

(See section 5)

CONDITIONS FOR GUARANTEED RURAL EMPLOYMENT UNDER A SCHEME AND MINIMUM ENTITLEMENTS OF LABOURERS

1. The adult members of every household who—

- (i) reside in any rural areas; and
- (ii) are willing to do unskilled manual work,

may submit their names, age and the address of the household to the Gram Panchayat at the village level (hereafter in this Schedule referred to as the Gram Panchayat) in the jurisdiction of which they reside for registration of their household for issuance of a job card.

2. It shall be the duty of the Gram Panchayat to register the household, after making such enquiry as it deems fit and issue a job card containing such details of adult members of the household affixing their photographs, as may be specified by the State Government in the Scheme.

3. The registration made under paragraph 2 shall be for such period as may be laid in the Scheme, but in any case not less than five years, and may be renewed from time to time.

4. Every adult member of a registered household whose name appears in the job card shall be entitled to apply for unskilled manual work under the Scheme.

5. All registered persons belonging to a household shall be entitled to employment in accordance with the Scheme made under the provisions of this Act, for as many days as each applicant may request, subject to a maximum of one hundred days per household in a given financial year.

6. The Programme Officer shall ensure that every applicant referred to in paragraph 5 shall be provided unskilled manual work in accordance with the provisions of the Scheme within fifteen days of receipt of an application or from the date he seeks work in case of advance application, whichever is later:

Provided that priority shall be given to women in such a way that at least one-third of the beneficiaries shall be women who have registered and requested for work under this Act.

7. Applications for work must be for at least fourteen days of continuous work.

8. There shall be no limit on the number of days of employment for which a person may apply, or on the number of days of employment actually provided to him subject to the aggregate entitlement of the household.

9. Applications for work may be submitted in writing either to the Gram Panchayat or to the Programme Officer, as may be specified in the Scheme.

10. The Gram Panchayat and Programme Officer, as the case may be, shall be bound to accept valid applications and to issue a dated receipt to the applicant. Group applications may also be submitted.

11. Applicants who are provided with work shall be so intimated in writing, by means of a letter sent to him at the address given in the job card and by a public notice displayed at the office of the Panchayats at the district, intermediate or village level.

12. As far as possible, employment shall be provided within a radius of five kilometres of the village where the applicant resides at the time of applying.

13. A new work under the Scheme shall be commenced only if—

(a) at least fifty labourers become available for such work; and

(b) the labourers cannot be absorbed in the ongoing works:

Provided that this condition shall not be applicable for new works, as determined by the State Government, in hilly areas and in respect of afforestation.

14. In cases the employment is provided outside such radius, it must be provided within the Block, and the labourers shall be paid ten per cent. of the wage rate as extra wages to meet additional transportation and living expenses.

15. A period of employment shall ordinarily be at least fourteen days continuously with not more than six days in a week.

16. In all cases where unemployment allowance is paid, or due to be paid, the Programme Officer shall inform the District Programme Coordinator in writing the reasons why it was not possible for him to provide employment or cause to provide employment to the applicants.

17. The District Programme Coordinator shall, in his Annual Report to the State Council, explain as to why employment could not be provided in cases where payment of unemployment allowance is involved.

18. Provision shall be made in the Scheme for advance applications, that is, applications which may be submitted in advance of the date from which employment is sought.

19. Provision shall be made in the Scheme for submission of multiple applications by the same person provided that the corresponding periods for which employment is sought do not overlap.

20. The Gram Panchayat shall prepare and maintain or cause to be prepared and maintained such registers, vouchers and other documents in such form and in such manner as may be specified in the Scheme containing particulars of job cards and passbooks issued, name, age and address of the head of the household and the adult members of the household registered with the Gram Panchayat.

21. The Gram Panchayat shall send such list or lists of the names and addresses of households and their adult members registered with it and supply such other information to the concerned Programme Officer at such periods and in such form as may be specified in the Scheme.

22. A list of persons who are provided with the work shall be displayed on the notice board of the Gram Panchayat and at the office of the Programme Officer and at such other places as the Programme Officer may deem necessary and the list shall be open for inspection by the State Government and any person interested.

23. If the Gram Panchayat is satisfied at any time that a person has registered with it by furnishing false information, it may direct the Programme Officer to direct his name to be struck off from the register and direct the applicant to return the job card:

Provided that no such action under this paragraph shall be directed unless the applicant has been given an opportunity of being heard in the presence of two independent persons.

24. If any personal injury is caused to any person employed under the Scheme by accident arising out of and in the course of his employment, he shall be entitled to, free of charge, such medical treatment as is admissible under the Scheme.

25. Where hospitalisation of the injured worker is necessary, the State Government shall arrange for such hospitalisation including accommodation, treatment, medicines and payment of daily allowance not less than half of the wage rate required to be paid had the injured been engaged in the work.

26. If a person employed under a Scheme dies or becomes permanently disabled by accident arising out of and in the course of employment, he shall be paid by the implementing agency an *ex gratia* payment at the rate of twenty-five thousand rupees or such amount as may be notified by the Central Government, and the amount shall be paid to the legal heirs of the deceased or the disabled, as the case may be.

27. The facilities of safe drinking water, shade for children and periods of rest, first-aid box with adequate material for emergency treatment for minor injuries and other health hazards connected with the work being performed shall be provided at the work site.

28. In case the number of children below the age of six years accompanying the women working at any site are five or more, provisions shall be made to depute one of such women worker to look after such children.

29. The person deputed under paragraph 28 shall be paid wage rate.

30. In case the payment of wages is not made within the period specified under the Scheme, the labourers shall be entitled to receive payment of compensation as per the provisions of the Payment of Wages Act, 1936 (4 of 1936).

31. The wages under a Scheme may be paid either wholly in cash or in cash and kind provided that at least one-fourth of the wages shall be paid in cash only.

32. The State Government may prescribe that a portion of the wages in cash may be paid to the labourers on a daily basis during the period of employment.

33. If any personal injury is caused by accident to a child accompanying any person who is employed under a Scheme, such person shall be entitled to, free of charge, such medical treatment for the child as may be specified in the Scheme and in case of death or disablement, through an *ex gratia* payment as may be determined by the State Government.

34. In case of every employment under the Scheme, there shall be no discrimination solely on the ground of gender and the provisions of the Equal Remuneration Act, 1976 (25 of 1976), shall be complied with.

4

B. A. AGRAWAL,
Addl. Secretary to the Govt. of India.

ANNEXURE-2 TASK FOR EACH LEVEL OF PANCHAYAT

ANNEXURE-A-3

SUMMARY OF MAIN TASKS UNDER THE NATIONAL RURAL EMPLOYMENT GUARANTEE ACT (NREGA)

Function	Activity	Levels of Implementation							
		Centre	State	District		Block		Gram Panchayat	
				DP	DPC	IP	PO	GP	GS
Policy & Standards formulation	Core rules formulation	###							
	Notification of Areas to be covered under the NREGA	###							
	State REGS formulation		###						
	Formulation of State rules & Guidelines on Implementation of NREGA		###						
	Creation of NEGC/SEGC	###	###						
	Designation of District Programme Coordinator					/			
	Appointment of Programme Officer at Block level		###						
	Time motion studies		###						
	Norms for measurement of work		###						
	District Schedule of Rates formulation		###						
Fixation of wage rates		###							
Planning	Mobilization of demand		###				###	###	###
	Estimation of demand							###	###
	Activity selection							###	###
	Preparation of Annual Plan			###	###	###	###	###	
	Perspective Plan Approval		###		###		###		
	Annual Plan approval			###	###	###	###		

Function	Activity	Levels of Implementation							
		Centre	State	District		Block		Gram Panchayat	
				DP	DPC	IP	PO	GP	GS
	Preparation of labour budget				###				
Communication and Publicity	Communication Strategy	###	###						
	Communication & Publicity in local language		###	###	###	###	###	###	
Financial management	Setup National Employment Guarantee Fund (NEGF)	###							
	Setup State Employment Guarantee Fund (SEGF)		###		###				
	Open Bank Accounts in REGS Districts & Blocks		###		###		###		
	Fund flow from DRF to PO to Implementing Agency		###		###		###		
Training	State level personnel	###							
	Training of State level & District level officials, PRIs and other Stakeholders		###						
	Training on RTI/Social Audit		###						
	Develop training module/ material		###						
	Training of trainers		###						
	Organising training programs for PRIs/ government functionaries		###						
Operation	Mobilisation of application							###	
	Registration of application							###	
	Registration & verification of application							###	###
	Issuance of Job Card							###	
	Annual updation of employment seekers register							###	###

Function	Activity	Levels of Implementation							
		Centre	State	District		Block		Gram Panchayat	
				DP	DPC	IP	PO	GP	GS
Implementation	Preparation of estimates				###		###		
	Technical & financial sanction				###		###		
	Selection of executing agency				###		###		
	Allotment of work to agencies				###		###		
	Application of work							###	
	Provision of wage employment						###	###	
Wage Payment	Provision of muster roll						###		
	Fixation of wages		###						
	Publicity of wage rate		###	###	###	###	###	###	###
	Display of wage rates						###	###	
Measurement of works	Payment of wages						###	###	
	Formulation of norms of measurement		###						
	Time motion studies		###						
	Prepare District Schedule of Rate (DSR)		###						
Social audit	Publicity of DSR in vernacular language		###		###		###	###	
	Conduct of Social Audit								###
	Integration of Social Audit in 4 stages of implementation i.e. pre planning, planning, implementation and monitoring & evaluation		###						
	Local Vigilance Committee for every work						###	###	###
	Local Beneficiary Committee	###	###	###	###	###	###	###	
	Monitoring of registration, employment provided, unemployment allowance paid, social audit & payment of correct wages								

Function	Activity	Levels of Implementation							
		Centre	State	District		Block		Gram Panchayat	
				DP	DPC	IP	PO	GP	GS
Grievance redressal	Grievance against PO				###				
	Grievance against GP		###	###	###	###	###		
	Action against irregularities		###						
	Helpline for grievance redressal		###	###	###	###	###		
Transparency & Accountability	Yearly Physical & Financial Audit		###						
	Accountant General's Audit		###						
	District Internal Audit			###	###				
Monitoring & Evaluation	Setup National Monitoring System	###							
	Report of Local Vigilance Committee							###	###
	MIS for management of Data	###	###						
	Yearly average wage earned data to be presented before SEGC						###		
	Verification & Quality Audit by external monitors		###	###					
	Periodic evaluation & Research studies on implementation		###	###					

Source: Operational Guidelines, National Rural Employment Guarantee Act, Ministry of Rural Development, Government of India.

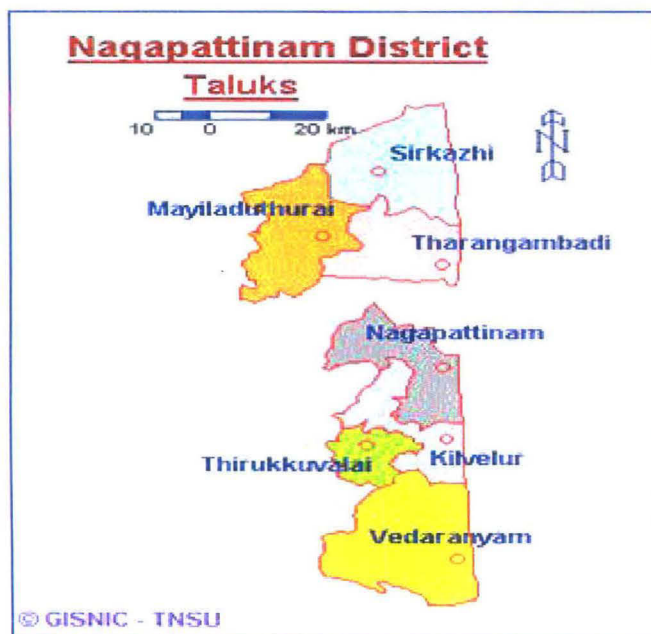
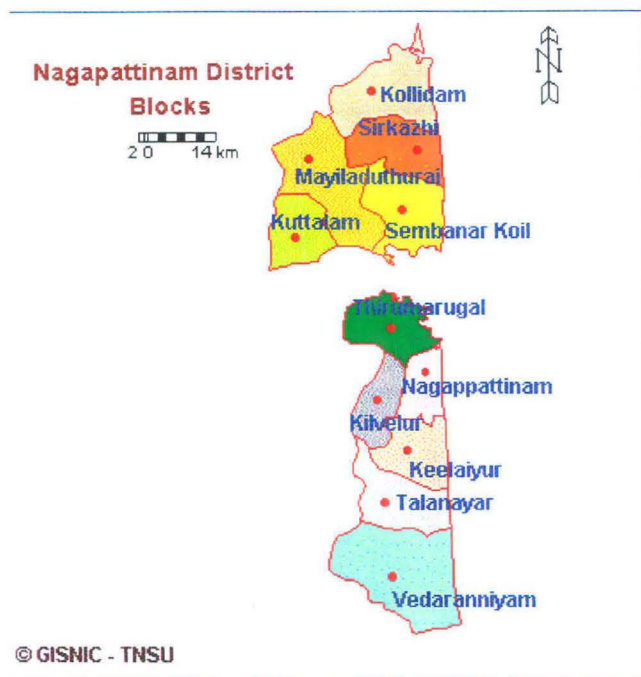
ANNEXURE-3

200 DISTRICTS UNDER NREGA

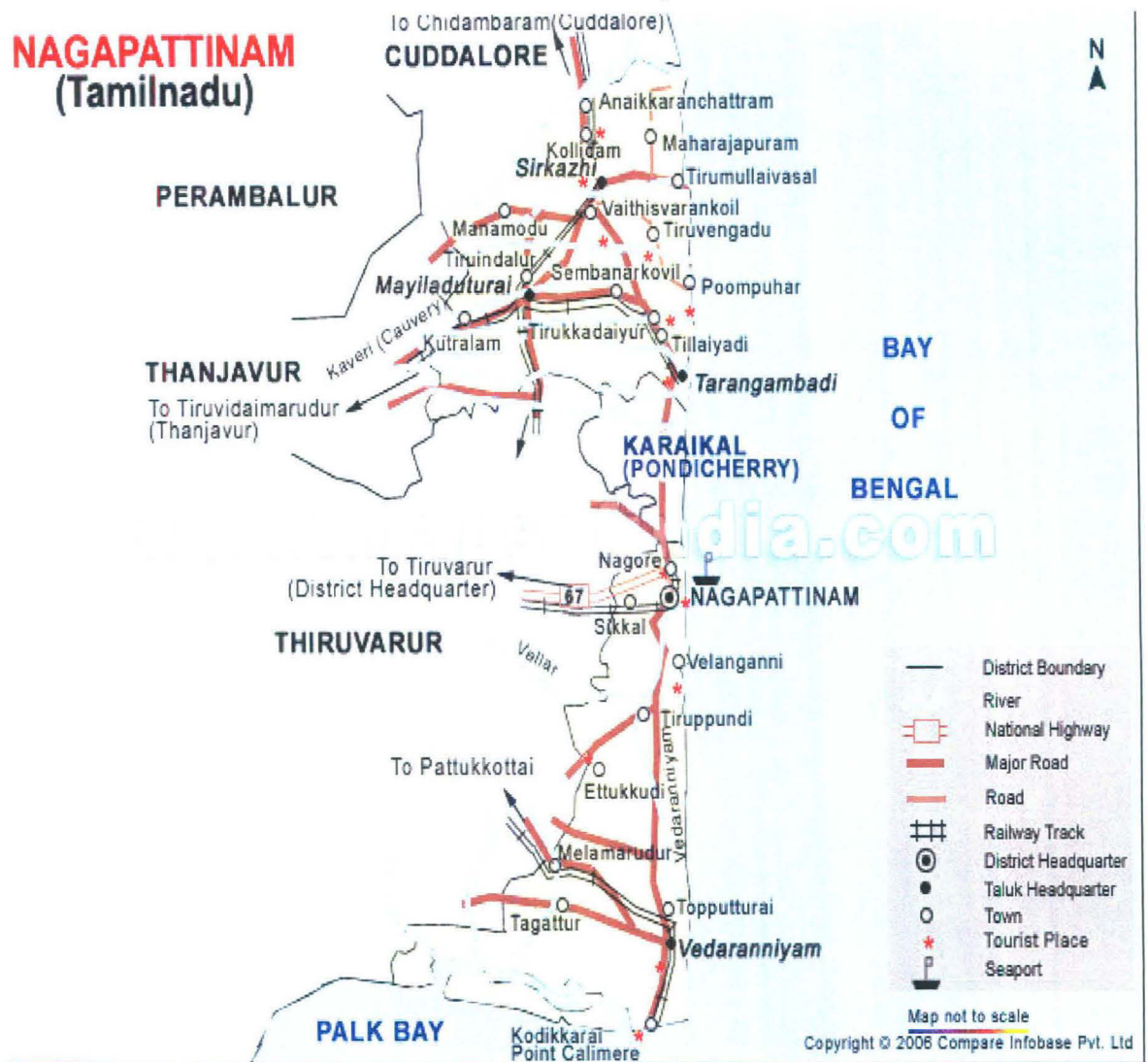
1. Andhra Pradesh: Adilabad, Anaparthi, Chittoor, Cuddapah, Karimnagar, Khammam, Manubhadrachalapuri, Medak, Nalgonda, Nizamabad, Rangareddy, Vizianagaram, Warangal.
2. Arunachal Pradesh: Upper Subansiri
3. Assam: Bongaigaon, Dhemaji, Goalpara, Karbi Anglong, Kokrajhar, Lakhimpur, North Cachar Hills
4. Bihar: Araria, Aurangabad, Bhojpur, Darbhanga, Gaya, Jamui, Jehanabad, Kaimur (Bhabua), Katihar, Kishanganj, Lakhisarai, Madhubani, Munger, Muzaffarpur, Nalanda, Nawada, Patna, Purnia, Rohtas, Samastipur, Sheohar, Supaul, Vaishali
5. Chattisgarh: Bastar, Bilaspur, Dantewada, Dhamtari, Jashpur, Kanker, Kawardha, Koriya, Raigarh, Rajnandgaon, Surguja
6. Gujarat: Banas Kantha, Dang, Dohad, Narmada, Panch Mahals, Sabar Kantha
7. Haryana: Mahendragarh, Sirsa
8. Himachal Pradesh: Chamba, Sirmour
9. Jammu and Kashmir: Doda, Kupwara, Poonch
10. Jharkhand: Bokaro, Chatra, Dhanbad, Dumka, Garhwa, Giridih, Godda, Gumla, Hazaribagh, Jamtara, Koderma, Latehar, Lohardaga, Pakur, Palamu, Ranchi, Sahebganj, Saraikela Kharsawan, Simdega, West Singhbhum
11. Karnataka: Bidar, Chitradurga, Davangere, Gulbarga, Raichur
12. Kerala: Palakkad, Wayanad
13. Madhya Pradesh: Balaghat, Barwani, Betul, Chhatarpur, Dhar, Dindori, East Nimar, Jabua, Khargone, Mandla, Satna, Seoni, Shahdol, Shoopur, Shivpuri, Sidhi, Tikamgarh, Umaria
14. Maharashtra: Ahmednagar, Amravati, Aurangabad, Bhandara, Chandrapur, Dhule, Gadchiroli, Gondia, Hingoli, Nanded, Nandurbar, Yavatmal
15. Manipur: Tamenglong
16. Meghalaya: South Garo Hills, West Garo Hills

17. Mizoram: Lawngtlai, Saiha
18. Nagaland: Mon
19. Orissa: Balangir, Boudh, Deogarh, Dhenkanal, Gajapati, Ganjam, Jharsuguda, Kalahandi, Kandhamal, Kendujhar, Koraput, Malkangiri, Mayurbhanj, Nabarangapur, Nuapada, Rayagada, Sambalpur, Sonapur, Sundargarh
20. Punjab: Hoshiarpur
21. Rajasthan: Banswara, Dungarpur, Jhalawar, Karauli, Sirohi, Udaipur
22. Sikkim: North District
23. Tamil Nadu: Cuddalore, Dindigul, Nagapattinam, Sivaganga, Tiruvannamalai, Villupuram
24. Tripura: Dhalai
25. Uttarpradesh: Azamgarh, Banda, Barabanki, Chandauli, Chitrakoot, Fatehpur, Gorakhpur, Hamirpur, Hardoi, Jalaun, Jaunpur, Kaushambi, Kheri, Kushi Nagar, Lalitpur, Mahoba, Mirzapur, Pratapgarh, Rae Bareli, Sitapur, Sonbhadra, Unnao
26. Uttranchal: Chamoli, Champawat, Tehri Garhwal
27. West Bengal: 24 Paraganas South, Bankura, Birbhum, Dinajpur Dakshin, Dinajpur Uttar, Jalpaiguri, Maldh, Medinipur West, Murshidabad, Purulia

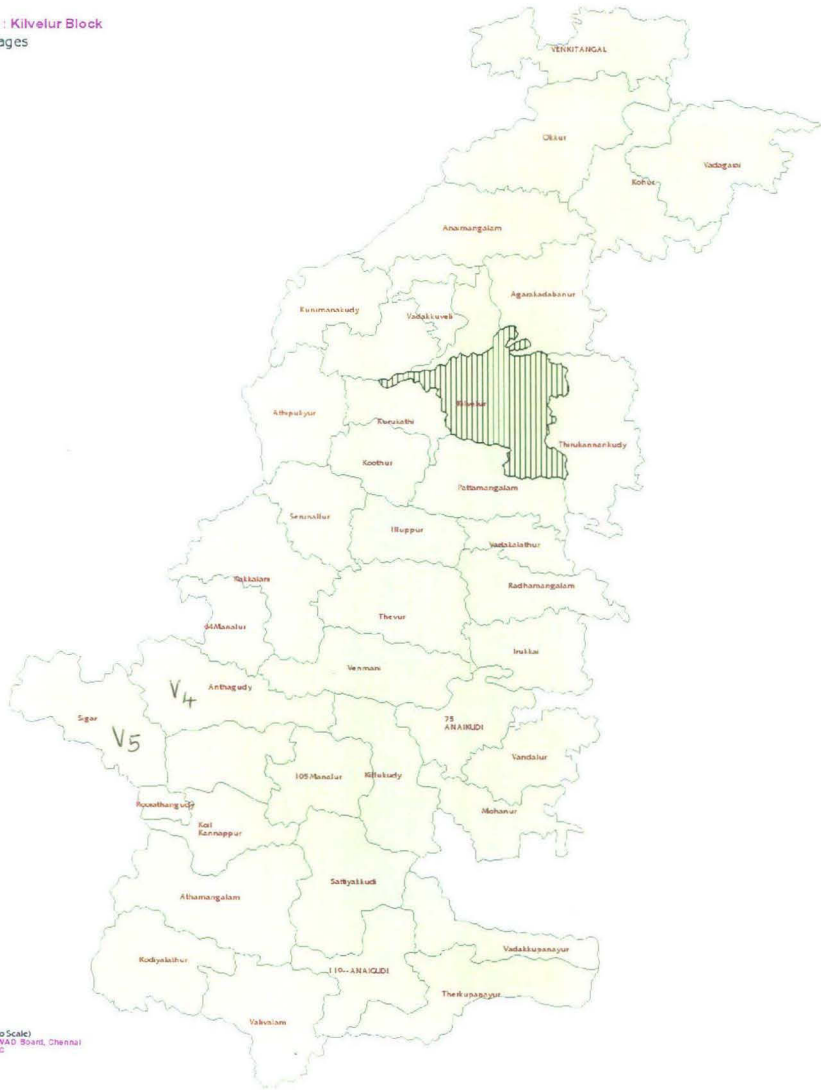
ANNEXURE-4
MAPS



NAGAPATTINAM (Tamilnadu)



Nagapattinam : Kilvelur Block
Panchayat Villages



(Map Not to Scale)
Digitl. Map Source : FWAD Board, Chennai
Web Design : NC, TNDC

Nagapattinam : Kuttalam Block
Panchayat Villages



(Map Not to Scale)
Digitl. Map Source: T.W.A.D. Board, Chennai
Web Design: N.C., TNSC

ANNEXURE-5

LIST OF PERSONS MET AND INTERVIEWED

LIST OF PERSONS MET

Officials at the State District and Block Levels

1. Dr. Radha Krishnan, IAS, Director, Directorate of Rural Development, Government of Tamil Nadu
2. Mrs. Snehalatha, Section Officer, NREGA
3. Mr. G. Radha, Programme Officer, NREGA, Nagapattinam district
4. Mr. Singaperumal, Assistant Programme Officer, NREGA, Nagapattinam district
5. Mr. Ponnuswamy, BDO- NREGA
6. Mr. Chandrasekar, Engineer
7. Mr. Jeevanandan, Accountant

LIST OF PERSONS INTERVIEWED

Panchayat Presidents and Secretaries

1. Ms. Bama, Past president, Kuttalam Panchayat
2. Mrs. Malathi, President, Sethrapalapuram Panchayat
3. Mr. Kaliyaperumal, Past President, Sethrapalapuram Panchayat
4. Mr. Selva Kumar, Panchayat Secretary, Sethrapalapuram Panchayat
5. Mr. Shankar, Panchayat Secretary, Sigar Panchayat
6. Mr. Chella Durai, Panchayat Secretary, Anthgudi Panchayat

Beneficiaries

1. Arasakumari
2. S. Raja
3. Raja Backiyam
4. Fathima Beevi
5. M. Pandian
6. R. Shanti
7. Arjunan
8. Vasantha
9. Shanta muthu
10. Mohan thangam
11. Tamilarasan
12. Vasugi
13. Sivalingam
14. Jagannathan
15. Munniyan

16. Senthilnathan
17. Shanmugavalli
18. Annamal
19. Mythili
20. Panjali
21. Saritha
22. M. Rajendran
23. Somu
24. Dorairaj
25. A. Nagarajan
26. Jeeva
27. Kanmani
28. Pushpavalli
29. Kamalabai
30. Sundari
31. Danapal
32. Prema
33. Sasikumar
34. S. Arumainathan
35. S. Gopalakrishnan
36. Rasathi
37. Kamatchi
38. Renuga
39. Jaishree
40. Seethammal
41. Kanagavalli
42. Duraisamy
43. Krishnammal
44. Jaishankar
45. Manivannan
46. Perumal
47. Mallika
48. Vadivelu
49. Thangamma
50. Rosa

ANNEXURE-6
QUESTIONNAIRES USED

**NATIONAL RURAL EMPLOYMENT GUARANTEE ACT: A STUDY OF ITS
IMPLEMENTATION AND IMPACT**

QUESTIONNAIRE FOR BENEFICIARIES

Questionnaire No.:

Name:

Age:

Address:

Occupation:

Education:

Site worked:

Duration of work:

No. of persons in the family:

Name of the Panchayat:

Questions:

1. How and when did you decide to register and demand jobs under the scheme?

2. What steps were taken by the government to spread awareness to you?

3. Wages were paid on time? YES/ NO
4. How much wages were paid per day? What was the mode of payment?
5. Signatures were obtained in the muster roll in the work site itself YES/ NO
If no, in what method the attendance was marked at the worksite?
6. Work site facilities were provided YES/ NO
If yes, what facilities?
7. Machines were used in the work sites YES/NO
8. There were inspections by government officials YES/NO
If yes, which officials came for inspection?
9. Income earned from this scheme has had any impact on your lives YES/ NO
10. In what ways the money earned from this scheme was useful to you?
11. Do you know that this is a right? In what ways do you think this scheme is different from the earlier ones?

12. Do you feel that you have contributed to the village by working under this Act?

13. What were the problems faced by you?

14. What measures do you suggest to improve upon the situation?

15. What is your impression about the Act?

**NATIONAL RURAL EMPLOYMENT GUARANTEE ACT: A STUDY OF ITS
IMPLEMENTATION AND IMPACT**

QUESTIONNAIRE FOR PANCHAYAT MEMBERS

Name:

Age:

Position:

Education:

Name of the Panchayat:

Questions

1. How are work sites selected?

2. What is the process for the issue of job cards?

3. If contractors and machines are used in the work sites?

4. What steps are being taken to spread awareness about the scheme?

5. What has been the impact of this Act on rural women?
6. Has social audit been conducted so far? Are there local vigilance committees?
7. Are wage rates publicized and displayed?
8. How are wages paid?
9. How are people mobilized to register for application?
10. What is the impact of this Act on the living standards of people?
11. What are the problems faced in the implementation of the Act?
12. What steps have to be taken to improve upon this?

**NATIONAL RURAL EMPLOYMENT GUARANTEE ACT: A STUDY OF ITS
IMPLEMENTATION AND IMPACT**

QUESTIONNAIRE FOR OFFICIALS (in block and district)

Name:

Position:

Name of the Block:

Questions

1. How is work allocation done?
2. How far is the grievance redressal mechanism effective? Are there any instances in which it has been used? To what effect?
3. Has this Act had an impact on women empowerment?
4. In what ways this Act has contributed to the improvement in living standards?
5. How important are PRIs in the implementation of the Act?
6. What is the role played by politicians and bureaucracy in the Act?
7. What are the benefits of the Act?
8. What are the problems faced in the implementation of the Act?
9. What do you think are its future prospects?
10. What steps have to be taken to improve upon it?

ANNEXURE-7
PHOTOGRAPHS

Panchayat Leader and Secretaries



Ms. Bama
Panchayat President
Kuttalam Panchayat



Mr. Vijaya Raghavan
Panchayat Secretary
Mekkirimangalam



Mr. Shankar
Panchayat Secretary
Sigar Panchayat

Beneficiaries



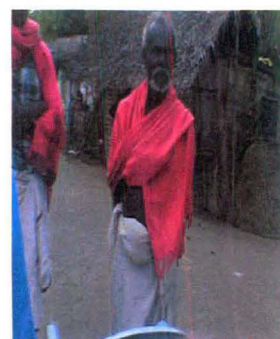
Mr. Raja
Mrs. Arasa Kumari
Beneficiary Couple
Kuttalam Panchayat



Mrs. Fatima Beevi
Beneficiary
Kuttalam Panchayat



Mrs. Vasuki
Mrs. Annammal
Beneficiary
Sethrapalapuram



Mr. Somu
Beneficiary
Mekkirimangalam



Mr. Danapal
Beneficiary
Sigar Panchayat



Mr. Vadivelu
Beneficiary
Anthagudi Panchayat

Channels Desilted



Channel desilted in Anthagudi



Channel desilted in Sigar



Channel desilted in Kuttalam



Channel desilted in Mekkirimangalam



Information Boards

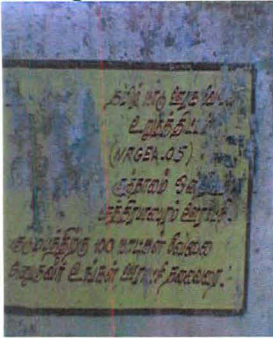


Information Board in Kuttalam



Information Board in Mekkirimangalam

Wall posters

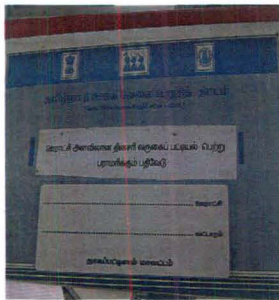


Wall posters in Sethrapalapuram



Wall posters in Mekkirimangalam

Registers maintained



Attendance Register



Accounts of money received & distributed



Job cards issue register



Register of work surveyed



Registration for job cards



Researcher with district, block officials and villages leaders