

NREGS Update

News for FES' Internal Circulation No. 1 / March, 2009



Rajya Sabha

Ministry of Rural Development:

Independent Monitoring agencies to monitor NREG Programme

The Minister of State in the Ministry of Rural Development Shri Chandra Sekhar Sahu today informed the Rajya Sabha in reply to written question that the Ministry of Rural Development through State Governments and Union Territory Administrations implements a number of Centrally Sponsored Schemes for poverty alleviation, employment generation, creation of rural infrastructure and providing basic amenities for people living in rural areas of the country. The programmes are Swarnjayanti Gram Swarojgar Yojana (SGSY), National Rural Employment Guarantee Scheme (NREGS), Indira Awaas Yojana (IAY), Pradhan Mantri Gram Sadak Yojana (PMGSY), Accelerated Rural Water Supply Programme (ARWSP), Total Sanitation Campaign (TSC), Integrated Wastelands Management Programme (IWMP), which includes Drought Prone Areas Programme (DPAP) and Desert Development Programme (DDP) and Integrated Wastelands Development Programme. Against the revised estimates of Rs. 75154.35 crore for the schemes of the Ministry of Rural Development for the current year (2008-09), the Ministry has utilized Rs. 51683.76 crore up to 31.01.2009 by releasing funds to various States for their implementation.

With a view to monitor various programmes the Ministry has developed a comprehensive system of monitoring the implementation and impact of the programmes including utilization of funds through Monthly/Quarterly Progress Reports, on line reporting, MIS, Performance Review Committee, Area Officer's Scheme, Vigilance and

Monitoring Committee at the State/District Level with greater involvement of Members of Parliament, National Level Monitors to monitor quality of work, adherence to implementation of schemes as per programme guidelines. Expenditure under various programmes is monitored based on utilisation certificates submitted by the implementing agencies. Presently independent third party monitoring is done by National Level Monitors.

Inside

- Government of India to give employment to over four crore households
- Food processing, fisheries, horticulture now part of NREGS – Uttar Pradesh.
- Only 35 days employment under rural job scheme in Chhattisgarh'
- Govt. mulls NREGS-like scheme for urban areas
- Gram Rojgar Sevak in Orissa: GRSs get conditional assurance
- NGO meet says corruption and ignorance plague NREGA in Gujarat
- How safe are NREGS wage payments through banks and post offices?
- Mobile teams for sudden inspection of NREGA works
- NREGS activist held for threatening forest officials
- NREGA Implementation Country Wide: The First two years

Government of India to give employment to over four crore households

February 18th, 2009

Government has proposed to benefit more than four crore households under its flagship programme of National Rural Employment Guarantee Scheme till the end of March in the current financial year.

Rural Development Minister Dr Raghuvansh Prasad Singh declared in the Rajya Sabha on Wednesday that 27 lakh households have been given employment for hundred days in the first phase, 36 lakh more households in the second phase and 27 lakh households till now in the third phase in the implementation of the scheme.

He further informed that the average number of days of employment provided to each household was 43 days in the first phase and 42 days in the second phase and 41 days in the third phase till the end of January this year.

According to a data, 49 per cent women, 30 per cent Scheduled Castes and 25 per cent Scheduled Tribes have been benefited by the scheme so far.

However, the average days of employment are much lesser than the guaranteed hundred days.

Speaking on the issue, Prasad assured that the government is making constant efforts to generate greater awareness among the rural households about their legal right of hundred days of employment every year under the scheme and has introduced Rozgar Jabrookta Puraskar to promote effective implementation of the programme. (ANI)

Food processing, fisheries, horticulture now part of NREGS – Uttar Pradesh.

Feb 20, 2009

Lucknow : The National Rural Employment Guarantee Scheme (NREGS) will no longer be restricted to digging ponds or building roads in the state. Rearing silk worms, working on food processing units of the Horticulture Department and even growing medicinal plants are now a part of the scheme.

The state's department of rural development has included 11 new tasks. These include fisheries, cultivation of medicinal plants, irrigation projects, infrastructure resources, minor irrigation projects through associated NGOs, plantations of jatropha, cultivation of horticulture plants and working for state-owned food processing units associated with the horticulture plantations and others. The revised system will be implemented from April 1.

Explaining the idea behind the move, Additional Commissioner, Rural Development (NREGS) Anurag Yadav, said: "How many roads will you build in a village? How many ponds will you dig?" These tasks, he said, are not sustainable and hence they decided to involve other departments in the scheme.

"Workers doing seasonal work like cleaning fruits to be processed or cutting them will also be included in the NREGS," he said. "People employed for these tasks on daily wages will also have job cards and will be paid accordingly."

The department has already spoken to the state horticulture department and the horticulture board for all possible support.

R Prasad, Additional Director, Horticulture, said: "Several units are associated with us in villages and here, we aim to employ job card holders for seasonal work. This will give jobs to women too, who cannot do heavy tasks like digging or road-building."

'Only 35 days employment under rural job scheme in Chhattisgarh'

February 22nd, 2009

Chhattisgarh provided employment of just 35 days per household on an average in fiscal 2007-08 under the National Rural Employment Guarantee Scheme (NREGS) that ensures 100 days of employment in a financial year to any registered rural household.

"Employment is to be provided within 15 days of demand under the NREGS. The Chhattisgarh government spent Rs.2,070.65 crore (Rs.20.7 billion) during 2006-08 providing average employment of 41 days during 2006-07 and 35 days during 2007-08," said a report of the Comptroller and Auditor General (CAG) for 2007-08 for Chhattisgarh.

The CAG further remarked about the state of implementation of NREGS, a flagship scheme of the central government, in Chhattisgarh, saying: "It was observed that the details of employment provided and payments made were either not entered or incomplete in the employment registers and test checked job cards."

The CAG report also highlighted "shortcomings in monitoring and complaint redressals" in NREGS in the state. It said a huge delay was made in payment of wages and several people were also deprived of unemployment allowance.

"Delays ranging from one to 326 days in payment of wages of Rs.3.12 crore (Rs.31.2 million) to 94,853 members, non-payment of unemployment allowance to 960 members and cases of works without muster rolls of Rs.1.56 crore (Rs.15.6 million) were noticed," the report stated.

Govt. mulls NREGS-like scheme for urban areas

New Delhi (PTI): Aiming to check unemployment caused by the economic downturn, the government is planning to come out with an employment guarantee scheme for urban areas on the pattern of NREGS.

Officials of the labour ministry said some high-level discussions have already been convened over the proposed scheme and major outlines have already been drawn.

The proposal was also discussed and debated during the recently concluded 42nd Indian Labour

Conference, also called India's labour parliament, and a recommendation has been made to the government.

Noting that the proposal has the backing of her ministry, Labour and Employment Secretary Sudha Pillai told PTI that some high-level discussions have already taken place for adopting the scheme.

"We are contemplating that it can be taken up by the Ministry of Urban Development and Poverty Alleviation in consonance with its Jawaharlal Nehru National Urban Renewal Mission (JNNURM) projects already underway in various cities. The move will also counter reverse migration to rural areas," Pillai said.

CITU president M.K. Pandhe said the proposal was renewed by trade unions in view of job losses and gloomy situation for workers in the construction sector.

Gram Rojgar Sevak in Orissa: GRSS get conditional assurance

23 Feb 2009

BHUBANESWAR: The Government today assured to consider the demands of the gram rozgar sevak provided the Centre increased the contingency fund under the National Rural Employment Guarantee Scheme (NREGS).

Addressing a rally of gram rozgar sevak (GRS) here, Panchayati Raj Minister Raghunath Mohanty accused the Congress-led UPA Government at the Centre of discriminating Orissa in providing Central assistance.

The NREGS programme has almost come to a standstill in 17 districts due to non-release of second instalment of financial assistance by the Centre even as the financial year is coming to close. This is despite spending all the funds allocated in the beginning of the financial year. As per the NREGS rules, the second dose of financial assistance should be provided after an expenditure of 60 per cent of the first instalment, the Minister said. While the Government is mandated to provide 100 days of work to the registered job seekers, in the absence of Central assistance, the State is forced to divert funds from other schemes to keep the national programme afloat.

The Centre is providing 6 per cent of the State's allocation under NREGS.

NGO meet says corruption and ignorance plague NREGA in Gujarat

Ujjwala Nayudu

Feb 23, 2009

Ahmedabad The Gram Mazdoor Sabha (GMS) held a state-wide discussion on Sunday on the ground realities of implementation of the National Rural Employment Guarantee Act (NREGA) in Gujarat.

Irregularities pertaining to the issue of job cards or failure to honour them, and non-payment of unemployment aid among others were discussed at the meet that saw participation of NGOs from across the state.

Even construction labourers from Panchmahals, Dahod, Tapi, Dangs, Sabarkantha, Banaskantha and Saurashtra were present to talk about the problems at the grassroots level.

Himanshu Banker, general secretary of the GMS, said, "Issue of job cards is a fraudulent practice here. Most labourers are denied even job card application forms. The talati of the grampanchayats collect around Rs 100 for

issuing the job cards, which are free and form a part of government aid.

According to Banker, the second major problem is the issue of job cards on ration cards. Although there is no such compulsion, the government issues job cards on ration cards where more than one family is registered. "The card can be issued to people on their voter identity cards, tax receipt or even a letter from the talati. Yet, they have made ration cards compulsory. As per law, job cards should be issued per family—father, mother and children. But in Indian families, one big family comes under one card that gives no help," he added.

Several NGOs working in Gujarat informed that in most districts, the panchayats have swallowed up government grants for the scheme. Moreover, they have been collecting additional money on job cards and issuing none. The labourers are entitled to Rs 100 per day and should be given work for 100 days, but nothing has been followed at all. Till date, they have not received any unemployment aid from the government.

Banker added, "The meet was an effort to get support from other NGOs. The findings will be individually discussed again by the NGOs before coming to any conclusion. Thereafter, we will approach the government. From now on, we will hold reviews every month and solve problems at the grassroots level."

CORRUPTION IN SOME DISTRICTS

* **PANCHMAHALS:** Job card holders were entitled to work from 30-4-07 to 31-3-08. Instead, they were made to work from April 7 to 19, after which the work stopped. The workers were made to sign blank documents where the talati wrote reasons for the absenteeism. When the Gujarat High Court ordered an investigation, the NREGA commissioner dismissed the matter after the talati proved that the labourers were not interested to work. The labourers have not received the payment yet.

* **SABARKANTHA:** The Sardarnagar village labourers had organised a demonstration against the talati who was collecting Rs 40-Rs 50 for the photographs to be affixed on the job cards. When the labourers came to know that the cards are free, they lodged a complaint. Later, villages like Bhiloda joined the movement and the talati was asked to move out of the village. The money was returned.

* **SOUTH GUJARAT:** The panchayats, completely ignorant of the scheme, issued three job cards instead of two and that too to only BPL families. The panchayats of Tapi and Navsari still do not know the mechanism of NREGA.

An NGO conducted survey of 42 villages in Tapi and found that only 6,386 families received the cards out of the 12,099 families that needed them. Also, 1,098 families were employed for less than 15 days. Workers in Narmada still do not have the cards.

(Source: Gramin Majdoor Sabha & labourers from the participating districts)

How safe are NREGS wage payments through banks and post offices?

By Pradeep Baisakh

When the government decreed that all payments to beneficiaries under the National Rural Employment Guarantee Act would be made through banks and post offices it thought it had plugged the leaks in the system. But bank accounts too can be manipulated, as a social audit carried out in Karon block in Jharkhand state showed

The success of the National Rural Employment Guarantee Act (NREGA) depends on its beneficiaries getting the wages due to them, and doing so on time. Provisions for maintenance of muster rolls and job cards, payment of wages in front of all the labourers, providing access to all government records, and social audits are aimed at achieving exactly this.

However, as this gigantic employment guarantee scheme unfolded across the country, it was observed that muster rolls and job cards were being grossly manipulated by the implementers of the scheme to siphon off a large proportion of money from the wage component. (Money from the material component is also diverted.) To end this loot of public money, it was decided to pay the wages through banks and post offices rather than direct payment of cash to the workers.

What was overlooked was the fact that bank records could also be manipulated; if muster rolls and job cards -- both government records -- can be manipulated, so too can bank and post office passbooks. A recent social audit in Karon block, Deoghar district in Jharkhand showed just how vulnerable the system is.

The social audit was conducted in five gram panchayats of Karon block in mid-October 2008 by the Mazdoor Kisan Samiti (MKS), a local organisation, together with researchers from the G B Pant Social Science Institute, Allahabad. In a startling revelation, and to everyone's horror, it was found that signatures on withdrawal slips were forged to access money in the beneficiaries' accounts in banks and post offices alike, without the beneficiaries' knowledge.

In Ranidihi gram panchayat of Karon block, a well for irrigation purposes was sanctioned on the land of Koka Baori under NREGS. The audit revealed that the muster rolls were forged, and money was

withdrawn from the bank accounts of the people who worked on the project, without the latter's knowledge, by Naval Singh, the contractor, and Gopal Choudhury, chairperson of the Central Cooperative Bank in connivance with Umesh Singh, the panchayat sevak and N K Das, the manager of the bank.

Naval Singh, the main culprit, got the well sanctioned by the panchayat. It was to be dug on the land of Koka Baori, a poor dalit. Singh recruited labourers from outside the village, and the family members of Koka Baori also got some minimum amount of work. The muster roll, however, recorded only the names of Koka's family members and his neighbours. Bank accounts in the names of these people were opened in the Central Cooperative Bank. The money was withdrawn from these accounts by forging the signatures of the account holders.

Based on these findings, the deputy commissioner, Mastram Meena, immediately ordered that a police complaint be filed against the aforesaid four accused in the scam. During a public hearing, the block development officer, Rajesh Singh, admitted that he was lax in carrying out his responsibilities and ensuring adequate monitoring, thus allowing the scam to occur. He agreed to deposit Rs1,000 as penalty for neglect of duty under Section 25 of NREGA. This is probably the first case where Section 25 of the law was invoked to impose penalty on an authority who failed to implement the provisions of the law.

Many means of manipulation

Anish Vanaik, a surveyor, says there are broadly three ways in which payment through banks and post offices can be manipulated. One, signatures are forged and money withdrawn as was done by Naval Singh. Two, the signatures of the account holders are true, but they are taken under false pretences. This may be done at the time of opening the account (or later) when the innocent labourer is asked to put his signature on a form and later the form is misused to withdraw money. Third, the people are taken to the bank or post offices with the contractor/middlemen and they themselves withdraw the money, but then are made to hand over some of it to the contractor. They do this because the contractor gives them the information that the money has been credited to their account, which otherwise they would not know.

This shows how dependent the labourers are on the contractors. In one such case in Tekra gram panchayat, Lacchmi Mahato worked on an NREGS project to dig a well on Indu Mandal's land. Though the full official wage of Rs 86.40 per day was credited to Lacchmi's account, he paid part of it to Indu who decreed that the daily wage was Rs 70 per day.

The culture of 'percentage cuts'

Another scam discovered in the course of social audits is the 'percentage cut' where various government officials and elected representatives share a percentage of the labourer's wage.

Taufique Zarra of Mahuatand gram panchayat in Karon is a victim of this practice. "He got his well sanctioned under NREGS but not without a price. He gave Rs 2,500 to the panchayat sevak initially, and a further 13% in cash to the panchayat sevak and 10% to the overseer on each cheque released," says Sunil, a surveyor. Zarra had to sell his bullock and take a loan at a high interest rate from the market to bribe the officials.

Abbas Mian also got a well dug on his land. He admits that he manipulated the names in the muster roll and filled it with the names of his relatives, and not the actual labourers, so that he could withdraw money from the bank. Kasim, cousin of Abbas Mian explains why this practice is resorted to.

"We have to pay the labourers on time otherwise they will not come to work. But the credit to the bank under NREGS gets in too late. We therefore pay the wages from our own pocket. We keep our relatives' name in the muster roll so that it will be easier for us to withdraw the money from the bank."

The politician-contractor-bureaucrat nexus makes the whole percentage system fairly unchallengeable. People like the contractor Naval Singh, who is also leader of the ruling party, the Jharkhand Mukti Morcha, are difficult to punish because of the political protection they enjoy. This 'PC' culture, as it has come to be known, is the root cause of all the forgery -- earlier with muster rolls and now in bank payments. This has not only eaten into the wages of the poor labourers but is also corrupting people like Taufique Zarra and Abbas Mian on whose land the wells are sanctioned, and who have to forge muster rolls and manipulate the banking system out of compulsion.

The bank payment system has also brought uncertainty for the labourers as they don't know when the wages are credited into their accounts. Sandhya, a surveyor, says, "The bank payment system has not gone down well with people because it functions in a lackadaisical manner. People have to go to the bank two and three times to enquire if their wages have been credited."

This uncertainty has led to the increasing role of middlemen who have access to such information, and makes the innocent labourers quite vulnerable as they think the middleman is doing them a favour by telling them when they can withdraw their money.

The system has also led to delays in the payment of wages. One reason for this is that often it involves inter-institutional transactions (for example, from a bank where the gram panchayat has an account to the banks/post offices where the labourers have accounts). "Since the banking system has not been put in place properly, it has worsened the delay in payment of wages to the workers," says Pankaj Kumar of MKS.

The system is good when it works

Making NREGS payments through banks and post offices is a good idea for several reasons. For one, it separates the implementing agency from the payment agency. So, as against direct payment of cash to the labourers by the panchayat/block authorities (or even contractors), who could keep a share of the money for themselves, in the banking system the money goes directly into the account of the labourers. This would also discourage corrupt authorities from fudging the muster rolls. Moreover, the payment through banks and post offices would promote the habit of saving among rural unskilled workers.

In Andhra Pradesh, the bank and post office payment system has worked quite well. At the time the block office sanctions payment to the bank based on the muster roll, a computerised pay slip is generated which is distributed in public to the beneficiaries in the villages. At the time of distribution, the muster roll details are also read out. The system works well because there is political will to ensure that it does, which is missing in a state like Jharkhand.

In Karon, the system is dysfunctional. Ever since the bank system has been implemented the signature column has disappeared from the muster rolls. "This is a fundamental problem as the labourers have no clue about their workdays and wages. The signature column in the muster roll should immediately be restored," says Prof Jean Drèze, who led the survey team in the Karon audit.

Deputy Commissioner Mastram Meena cites a staff shortage as the major reason for the shortcomings in the implementation of NREGA. "From now on there will be one officer (gram rozgar sevak or panchayat secretary) present during the payment to the labourers from the banks or post offices," Meena said.

While the introduction of payment through banks and post offices could check the prevailing corruption, it is not a foolproof mechanism. Jean Dreze and auditor Reetika Khera say that the transition from the conventional payment system to bank payment requires great caution including strict monitoring of banks and post offices, and must be combined with strict enforcement of all the transparency norms.

Ultimately, though, the essential ingredient for checking corruption and increasing transparency is the people's awareness and assertiveness, which cannot be supplanted by any system however well thought out it may be.

(Pradeep Baisakh is a freelance journalist based in Orissa)

InfoChange News and Features, February 2009

Orissa Helpline

There is a toll free number functioning at the state level for receiving the complaints and sending them to the appropriate authorities for their redressal. Along with NREGS, complaints on PMGSY and RWSS can also be submitted through this number. There is also a fax as well as an email ID through which the complaints can be submitted.

The details are given below:
SANJOG HELP LINE: 18003456770 (Toll Free)
Complaints can also send by:
FAX: 0674 2563812
POST: Sanjog helpline, RD Department, Orissa Secretariat

Mobile teams for sudden inspection of NREGA works

Fri, 20 Feb 2009

Jaipur, Feb 19 : To ensure effective implementation of National Rural Employment Guarantee Yojana at all the districts, the Rajasthan government has ordered to constitute Mobile teams to on the spot inspect the works going on under the scheme.

State Panchayati Raj and Rural Development Minister Bharat Singh said the mobile teams would inspect the proper implementation of the scheme on the spot and would ensure attendance in musterrol, take stock of the work underway and also examine physically the material used in the construction work. It will also examine job cards of the labourers, task statement, inspection book and the implementation of the directions, he said. The mobile teams will be headed by Superintendent Engineer of the respective districts, Singh said.

NREGS activist held for threatening forest officials

Updated on Thu, Feb 19, 2009

A VICTIM? Niyamat has been campaigning for people's rights under the NREGS.

New Delhi: The Congress-led United Progressive Alliance (UPA) is facing a tough time in Jharkhand with the National Rural Employment Guarantee Scheme (NREGS) coming under severe criticism. The UPA's favourite project may just prove to be its undoing and people fighting for work and wages under the scheme are being arrested on flimsy charges.

Niyamat Ansari, the man who forced the Latehar district administration to pay unemployment allowance under the NREGS now finds himself behind bars. The Forest Department has alleged that Niyamat and some other people prevented forest employees from digging a trench in their village. Forest officials insist that the people also threatened to kill them.

A few days back, CNN-IBN had shown how Niyamat had been campaigning for people's rights under the NREGS. He had already escaped an attack on his life and was aware of the dangers his work entailed. "We come in the way of middlemen who make money out of this. They don't like it." Niyamat Ansari had said.

Niyamat's supporters believe that he is being targeted because of his crucial role in getting the local government pay an unemployment allowance to 78 villagers.

It was particularly humiliating for the administration when the local Block Development Officer had to pay a personal fine of Rs 1000 for failing to provide work.

Ironically, Niyamat's words find an echo in Union Rural Development Minister, Raghuvansh Prasad. "If people work for their rights and that comes in the way of vested interests, then false cases can be registered. We have asked the state government for a report and we will take action," says Raghuvansh Prasad.

Coming on the heels of a Lok Adalat that failed, the arrest of Niyamat and one more person surely means bad news for the state government and its job guarantee scheme. Latehar District Commissioner Sarvendu Tathagat is uncomfortable with the case.

"The case has nothing to do with NREGS. He has been arrested on complaints of the forest department and they should be answerable," says Tathagat.

The NREGS is becoming the latest battleground for the bitter control over resources. Now those fighting to make villagers aware of their right to work, find no guarantees for their own right to freedom.

NREGA Implementation Country Wide: The First two years

By Jean Dreze and Christian Oldgies. Frontline, February 2009.

In an article in the July 27, 2007 issue of Frontline we presented and discussed data relating to the National Rural Employment Guarantee Act (NREGA) for 2006-07, extracted from the official website of the Ministry of Rural Development (www.nrega.nic.in). This follow-up note is essentially an "update" along the same lines, including a brief comparison of 2006-07 and 2007-08 figures.

As before, all figures are subject to the general qualifications applying to official data on the NREGA. In some cases at least, there are serious credibility issues. For instance, the website presents impressive figures on the "number of households who have demanded employment". And, as it happens, these figures are usually much the same (often exactly the same) as the "number of households provided employment". Yet, we know from numerous field reports that the work application process is simply not in place in most districts. The figures on "employment demanded" are not worth the bytes they are made of.

Similarly, the website gives district-wise data on the share of women in the NREGA workforce, but the source of this information is not clear. Presumably, it is meant to come from the muster rolls (there is no obvious alternative). But in some districts at least, this information is often missing from the muster rolls. Having said this, the official figures on women's participation in the NREGA look plausible. Perhaps the gaps have been filled on the basis of "informed guesses" by data entry operators, programme officers or other staff.

NREGA fact sheet

Table 1

	2006-07	2007-08	
	"Phase I" districts only	"Phase I" districts only	Phase I + Phase II districts
Number of districts under NREGA	200	200	330
Person-days of employment generated			
Total (crore)	90	108	144
Per rural household ^a	17	20	16
Per job card	24	25	22
Per household employed in NREGA	43	48	42
Share of marginalised groups in NREGA employment (per cent)			
Women	40	44	42
Scheduled Tribes (S.T.)	36	33	29
Scheduled Castes (S.C.)	26	27	27
Expenditure on NREGA			
Total expenditure (Rs. crore)	8,813	12,057	15,857
Average expenditure per district (Rs. crore)	44	60	48
Average expenditure per person-day (Rs.)	98	111	110
Average wage cost per person-day ^b (Rs.)	65	75	75
Share of wages in total expenditure ^b (per cent)	66	67	68

a In the relevant districts; number of rural households was taken from the 2001 Census.

b Unskilled labour only.

Source: Calculated from official data posted on the NREGA website (nrega.nic.in). The NREGA was launched in 200 ("Phase I") districts on February 2, 2006, and extended to another 130 ("Phase II") districts on April 1, 2007.

The fact that at least some of the official figures are unreliable (to put it mildly) affects the credibility of the entire data set, since the accuracy of different variables is hard to guess. In this note, we have tried to stay clear of "toxic" data, but some uncomfortable questions remain. For instance, while expenditure data are likely to be reasonably accurate, the corresponding employment figures may well be inflated, to the extent that there are "leakages" in NREGA expenditure. The statistics presented in this note have to be read in this light or, rather, lack of light.

All-India snapshot

As a starter, a summary "fact sheet" on the all-India situation is presented in Table 1. Obvious as it may be, the first point to note is the extraordinary scale of the NREGA. In 2007-08, the programme generated 144 crore person-days of employment, according to official data. In other words, about four million persons were employed on an average day. Over the year, 34 million households participated in the NREGA. Assuming an average household size of five, this is equivalent, say, to the population of Bangladesh. The scale of the programme is even larger today, with the NREGA budget shooting up to Rs.25,000 crore or so in 2008-09 (from around Rs.16,000 crore in 2007-08). Nothing comparable has been done before.

In Table 1, an attempt is also made to compare the official figures for 2006-07 and 2007-08. Note that the comparison can be made in two ways: with or without restricting the focus to the 200 "phase 1" districts where the Act came into force on February 2, 2006. Both comparisons are possible from Table 1. The "unrestricted" comparison (first and last columns in Table 1) must be read bearing in mind that the number of districts covered by the NREGA increased from 200 to 330 on April 1, 2007.

Selected State-specific indicators

Table 2

	NREGA employment [person-days per rural household] ^a		Share of women in NREGA employment [in per cent]		Share of S.C.s/S.T.s in NREGA employment [in per cent]		Share of unskilled labour in NREGA expenditure [in per cent]		Average wage [Rs./day]	
	2006-7	2007-8	2006-7	2007-8	2006-7	2007-8	2006-7	2007-8	2006-7	2007-8
Rajasthan	77	68	67	69	80	66	73	67	51	59
Madhya Pradesh	56	52	43	42	65	67	63	61	59	64
Chhattisgarh	34	43	40	42	58	56	65	64	62	68
North-East ^b	45	35	49	39	88	77	72	68	73	81
Assam	70	25	32	31	55	47	65	65	67	73
Tamil Nadu	9	21	81	82	58	60	96	97	80	77
Jharkhand	14	20	28	27	64	62	58	58	69	75
Andhra Pradesh	10	19	55	58	43	41	86	80	79	82
Himachal Pradesh	20	17	12	30	53	43	52	59	86	83
Uttarakhand	20	16	30	43	28	32	61	62	72	74
Uttar Pradesh	11	11	17	15	60	56	59	67	56	93
Haryana	9	10	31	34	60	54	65	85	97	124
Orissa	21	8	36	36	73	64	58	54	53	77
West Bengal	6	8	18	17	55	50	78	76	70	79
Bihar	8	7	17	27	50	48	59	65	70	80
Jammu & Kashmir	13	7	4	1	29	32	65	63	69	72
Karnataka	17	7	51	50	53	49	60	60	67	72
Kerala	3	6	66	71	33	34	89	86	121	118
Gujarat	7	5	50	47	71	72	65	71	56	64
Maharashtra	4	3	37	40	57	57	95	88	104	90
Punjab	7	2	38	16	69	76	59	65	94	101
India	17	16	40	42	62	57	66	68	65	75

a In the relevant districts ("Phase I" districts in 2006-7 and "Phase I + Phase II" districts in 2007-8); number of rural households was taken from the 2001 Census.

b Combined figures for Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura [excluding districts with missing data].

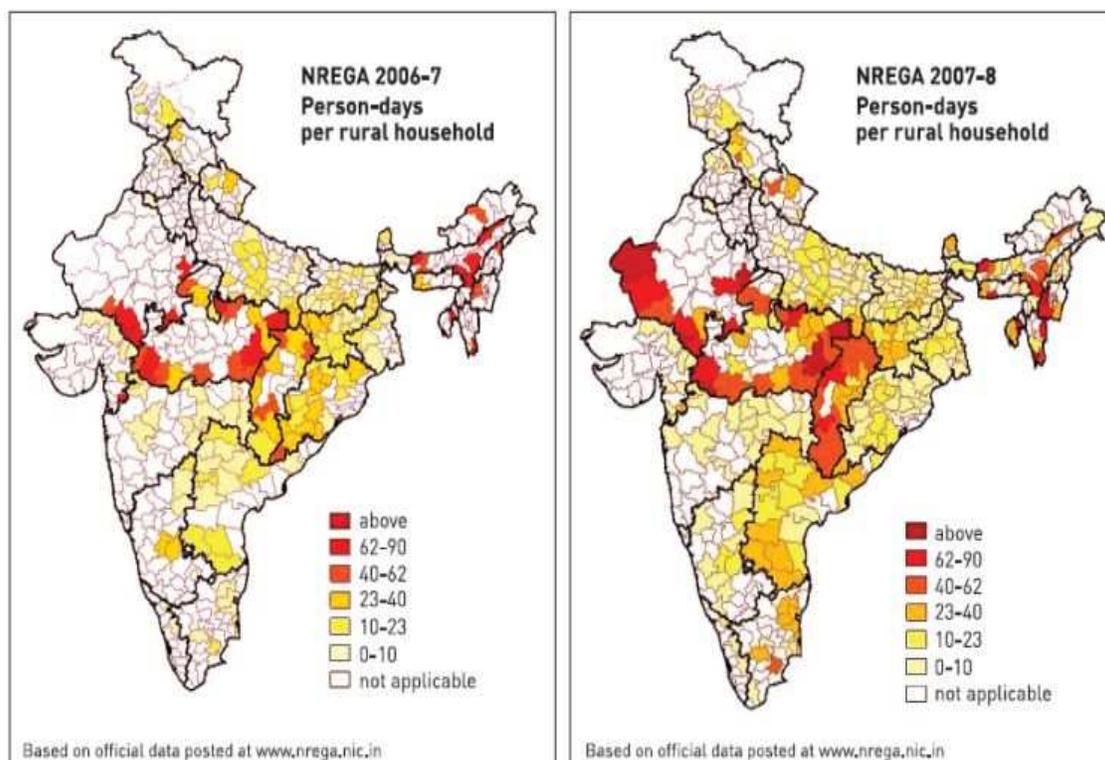
Source: See Table 1. States are ranked in decreasing order of NREGA employment generation in 2007-8 (second column).

This unrestricted comparison suggests that the extension of the NREGA to 330 districts was relatively "smooth", in the sense that what was achieved in 2006-07 was achieved again in 2007-08 on a larger scale. Total expenditure increased more or less in proportion with the increased coverage, and most indicators remained much the same in both years. This applies, for instance, to "employment per rural household" (and related indicators of the scale of works), as well to the share of women in the workforce, expenditure per district, and the share of wages in total expenditure.

Two minor changes can be noticed. First, the share of "Scheduled Tribes" (S.T.s) in the NREGA workforce declined (from 36 per cent to 29 per cent) between 2006-07 and 2007-08, presumably owing to the fact that the initial 200 districts had particularly high shares of S.T. households in the rural population. Second, there was an increase of about 15 per cent in the average wage rate ("wage cost per day" in the table), in nominal terms – from Rs.65 to Rs.75 a day. In real terms, this corresponds to an increase of about 8 per cent over one year. This is hardly "hyper-inflation of wages", as some commentators (including the Minister for Rural Development) described this pattern in the context of the alleged need to "freeze" NREGA wages.

On closer inspection (that is, looking also at the restricted comparison, confined to the phase-I districts), this aggregate picture hides important differences between the phase-I and phase-II districts.

Maps of performance



Specifically, employment levels in 2007-08 were much higher in the phase-I districts than in the phase-II districts (about 20 and 10 days per rural household, respectively). This is as expected, not only because the phase-I districts were able to build on the foundations they had laid the previous year but also because the need for employment is greater in the phase-I districts since they are poorer. Note that, consistent with this interpretation, employment levels in the first year of implementation (2006-07 in the phase-I districts and 2007-08 in the phase-II districts) was considerably higher in the phase-I districts than in the phase-II districts. With these qualifications, the dominant pattern in Table 1 is one of relative continuity between 2006-07 and 2007-08.

State-specific patterns

Table 2 presents a sample of State-specific indicators. In this table, the “unrestricted” comparison (between the phase-I districts in 2006-07 and the “Phase I + Phase II” districts in 2007-08) is made State-wise. Here again, we find that the basic indicators for 2007-08 and 2006-07 are much the same, in most cases. However, there are interesting exceptions.

For instance, looking at the scale of NREGA works, as indicated by the number of person-days of employment per rural household, we find that the “leaders” in this respect, in 2007-08, were Rajasthan, Madhya Pradesh and Chhattisgarh (in that order) as well as the north-eastern region. In fact, the first three States together accounted for more than half the total employment generation under the NREGA in 2007-08. All three were in a leading position in 2006-07, too, with similar levels of employment per rural household. On the other hand, Assam did very well in this respect in 2006-07, but slipped back the next year.

Another State where there was a major setback was Orissa, where employment generation per rural household apparently declined from 21 days in 2006-07 to eight days in 2007-08. Orissa was the focus of a wave of embezzlement reports in 2006-07, and there are at least two possible reasons for this employment crash the following year. One is that there was a substantial reduction in the fudging of employment figures, owing to greater vigilance (there is some independent evidence of this from recent social audits initiated by the National Institute of Rural Development). This could bring down the official employment figures even without any reduction in actual employment. The other possibility is that employment actually declined, perhaps because the corruption scandals had some sort of “dampening” effect. It is quite likely that both factors played a role.

Looking at the other end of the scale, NREGA employment levels in 2006-07 were extremely low in Bihar, Gujarat, Haryana, Maharashtra, Punjab and West Bengal; they remained abysmally low in these States in 2007-08, and even declined in several cases (for example, Gujarat and Punjab). On the other hand, NREGA employment per rural household doubled in Andhra Pradesh, Kerala and Tamil Nadu, three States where there were active efforts to expand the programme in 2007-08 (starting from a relatively low base). The absence of a similar take-off in, say, Bihar and West Bengal is a matter of concern, given the high levels of rural poverty in those States. (All these figures have to be read bearing in mind that the “need” for NREGA employment varies from State to State. This helps explain the low levels of employment in, say, Kerala, but not in Bihar or West Bengal.)

It is a little ironic that all the three NREGA “leaders” in terms of scale of works had Bharatiya Janata Party (BJP) governments in 2007-08, considering that the Act is perceived as the Congress party’s baby. If anything, the odd contrast between the BJP’s activism in this regard and the Congress’ resilient inability to nurture its own baby became even sharper with Assam’s slide. Of course, it is not that every BJP government has done well in this respect – Gujarat is a prominent exception. But on the whole, the BJP seems to have adopted the Congress’ orphan with open arms. Whether this played a part in the BJP’s recent return to power in two of these three States (Chhattisgarh and Madhya Pradesh) in spite of the anti-incumbency factor is hard to guess.

Participation of women

Turning to other indicators, the share of women in the NREGA workforce was much the same in both years (around 40 per cent), though there was a noticeable increase (from 40 to 44 per cent) in the phase-I districts – a healthy indication of growing participation of women over time. The State-specific figures and rankings for 2006-07 and 2007-08 are fairly stable, with Tamil Nadu having the highest participation of women in both years by a long margin (though Kerala was “catching up” in the second year). One interesting development is a major increase in women’s participation in Bihar and Himachal Pradesh. However, the States where women constituted less than the statutory minimum of 33 per cent of the workforce in 2006-07 remained so in 2007-08 as well, except for Haryana and Uttarakhand. Punjab crossed the mark in the wrong direction. The share of S.C.s and S.T.s in NREGA employment declined a little between 2006-07 and 2007-08, mainly on account of the decline in S.T. participation (noted earlier), with no remarkable changes in State-specific figures.

The labour component of NREGA works accounts for almost 70 per cent of the total expenditure, a significant achievement considering the relatively low labour-intensity of many earlier employment schemes (often owing, in turn, to vested interests in favour of the material component). With the Central government footing the entire wage bill but only 75 per cent of the material costs, State governments have strong incentives to promote labour-intensive techniques under the NREGA. Tamil Nadu went furthest in this direction, with virtually no material component, on the grounds that material expenditure attracts private contractors and breeds corruption. Orissa is the only State where the labour component is substantially below the statutory minimum of 60 per cent of the total expenditure. It is worth mentioning in passing that Orissa also has an odd practice of charging hefty “royalties” (sometimes as high as 30 per cent of the total expenditure on particular works) whenever digging is involved in NREGA works. Even digging of plain sand apparently attracts royalties. This anomaly was exposed in November 2007 by a

delegation of the Central Employment Guarantee Council to Orissa, but – to our knowledge – the matter is yet to be resolved.

Wage rates

Finally, there have been substantial changes in wage rates (last two columns of Table 2) in several States, and also at the all-India level. The changes have been mainly upward, with four exceptions, notably Maharashtra. The largest upward jumps, in proportionate terms, have occurred in Uttar Pradesh (66 per cent), Orissa (45 per cent), Haryana (28 per cent) and Rajasthan (16 per cent). In Uttar Pradesh, there have been successive increases in minimum wages, from Rs.58 a day to Rs.100 a day within a couple of years. The final hike to Rs.100 came on the personal intervention of Chief Minister and BSP leader Mayawati. It was a shrewd political move, which created unprecedented interest in the programme among the rural poor and took the wind out of the sails of the Congress as far as taking credit for the NREGA in Uttar Pradesh was concerned. This was also an interesting U-turn, considering that Mayawati (and her predecessor, Mulayam Singh Yadav) initially ignored and even disparaged the NREGA as a hare-brained initiative of the Congress.

In Rajasthan, the increase in wages between 2006-07 and 2007-08 is likely to reflect the combination of an increase in minimum wages (from Rs.73 a day to Rs.84 a day) and higher productivity linked to improved worksite management. Indeed, the Rajasthan government has taken important initiatives in this field, including mass training of “mates” (worksite supervisors) and “group measurement” of NREGA work. There is some evidence that this led to a significant increase in NREGA earnings under the piece-rate system. Even then, Rajasthan continues to have the lowest average NREGA wages in the country.

It is worth pondering whether there is any causal link between low wages and high employment levels in Rajasthan. As mentioned in our earlier article, this is also a broad pattern across States: high levels of NREGA employment tend to be associated with relatively low wages (for example, in Chhattisgarh, Madhya Pradesh and Rajasthan), and vice versa (for example, in Bihar, Haryana, Kerala, Maharashtra, Punjab and West Bengal). The association may be incidental, but it is also possible that low wages make it easier, in various ways, to implement NREGA on a large scale. Note, however, that the north-eastern region seems to be able to generate large-scale employment at relatively high wages.

Moving to more disaggregated data, Maps 1 and 2 display district-specific employment levels (“number of days of NREGA employment per rural household”) for 2006-07 and 2007-08. From these maps, particularly Map 2, it is clear that the NREGA, despite being a national programme, is still heavily concentrated in a small number of districts, mainly in the three leading States mentioned earlier (Chhattisgarh, Madhya Pradesh and Rajasthan), where most of the NREGA districts have high levels of employment generation. Outside that region, very few districts have comparable levels of NREGA employment, except for pockets of the North-East. Except for Andhra Pradesh, employment levels are still very low throughout the southern and western regions, even in highly deprived areas such as northern Karnataka, eastern Maharashtra or Nandurbar district, also in Maharashtra.

More importantly, perhaps, the programme is yet to take off in most of the eastern region (Bihar, Jharkhand, Orissa and West Bengal), where the incidence of poverty and hunger is very high and the NREGA could make a big difference.

Concluding remarks

Such is the picture that emerges from official data. As mentioned earlier, the accuracy of the official figures is an open question, which calls for urgent scrutiny. In any case, independent large-scale surveys of the NREGA (analogous to, say, the National Family Health Survey) would be very useful. It is not clear why a government that now spends about Rs.25,000 crore a year on the NREGA is unable to spare a few

crores for a comprehensive independent survey to find out where the money is going and what the programme is achieving.

Last but not least, it is worth noting that there are crucial gaps in the present “Monitoring and Information System” (MIS). For instance, in our experience, most programme officers at the block level do not have a list of active worksites. All they know is that various sums of money were disbursed to various gram panchayats (or other implementing agencies) on various dates.

Similarly, there is no systematic record of delays in wage payments. If labourers remain unpaid for weeks at a particular worksite, there is no trace of it in the MIS. This is one reason why long delays in wage payments persist in many States, causing immense hardship to NREGA workers and even inducing some of them to “quit”.

These and other gaping holes in the statistical system need urgent attention if the NREGA is to achieve its ambitious transparency norms. •