

*Essential Services*

# National Rural Employment Guarantee: Issues, Concerns and Prospects

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# Abstract

NREGS is a massive rights-based social protection programme of the country. It evolved tremendously over the past five years, demonstrating the relevance in as well impact on the rural landscape. In spite of being a nationally designed programme, it demonstrated varying performance across states, and several local innovations, improvisations, and adjustments can be seen at the field level. This paper brings out an analysis of its performance in terms of meeting the risks and vulnerabilities of identified sections and identifies issues and concerns that stem from the field. Our analysis is based on secondary data sources as well as field studies conducted by various agencies across the country. The paper identifies the fast-evolving ground scenario of implementation as well as some specific initial conditions that determined the trajectory of progress across states in its implementation. Political commitment, proactive bureaucracies and their capacities, and experience are found to be some of the factors that enabled states like Andhra Pradesh to unfold smoother implementation and innovate on the design templates of the programme. Civil society groups played a critical role in several states, working as pressure groups. However, there are a host of issues related to design, processes, and implementation, both at the field level and at the policy level. These are to be addressed through clarity in guidelines, flexible approach, institutionalized processes, technical support, and closer monitoring by agencies at different levels.

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## I

### Introduction

Ever since India achieved independence, one of the major challenges before successive governments has been provision of adequate remunerative employment to the vast majority of rural workers who have been unemployed, or mostly underemployed, in meagre subsistence livelihood activities. The Indian Constitution addressed the issue as a part of the Directive Principles of State Policy. According to Article 39 the state must ensure that 'citizens, men and women equally, have the right to an adequate means to livelihood' and Article 41 enunciates that 'the state, shall within the limits of its economic capacity and development, make effective provision for securing Right to Work ...' The Right to Work as such did not get the needed priority, though the Government of India, from time to time, did undertake public works-related wage employment programmes since the 1960s. These programmes were mostly *ad hoc* in nature, had limited impact in generation of employment, lacked proper planning in creation of assets, and most of the assets created were of poor quality and often suffered from poor maintenance. These programmes did not make any lasting impact, either on rural unemployment or in improving rural resources.

Right to Work was relegated to a low priority under the trickle-down strategies which enunciate that with growth and industrialization there would be growing opportunities for the unemployed and underemployed to be absorbed in productive employment. Paradoxically, the neo-liberal reforms did bring about a very high rate of growth of GDP in the 1990s (6.7 per cent) compared to the 1980s (5.2 per cent). However, the reforms failed to stimulate higher rate growth of employment in the 1990s, which was as low as 1.07 per cent compared to 2.7 per cent in the 1980s. There was increase in unemployment and underemployment and much of the little growth witnessed was in the informal sector, with formal public sector employment showing a declining trend. These developments have evoked considerable public concern in India and the 'Right to Work' surfaced as an important political agenda. The Common Minimum Programme of the UPA government which came to power in 2004 placed Right to Work as top priority. It stated, '...The UPA Government will immediately enact a National Employment Guarantee Act. This will provide legal guarantee for at least 100 days of employment on asset-creating public works programmes every year at minimum wage for every rural household...'. The result was the enactment of the Rural Employment Guarantee Act in 2005. The Act is expected to enable people to claim from the state a basic aspect of their Constitutional Right to Work. The NREG was introduced in February 2006, in 200 districts to begin with; in April 2007 it was extended to another 130 districts; and from April 2008 it was extended to all rural areas in the country.

Through a synthesis and analysis of evidences, this paper attempts to take stock of the progress, identify issues and concerns in the implementation of NREG, and provide a set of recommendations for enhancing the effectiveness of the programme. The paper is divided into six sections. Following this introduction, the second section discusses the multiplicity of perspectives that NREG has thrown up and the programme features as it took the shape of legal provision. The third section, based on official sources, provides a macro view of implementation in terms of a few indicators. The fourth section, based on field studies, analyses the impact of the NREG. The fifth section

discusses the issues and concerns arising out of the implementation experience. The last section suggests measures that would help in making it more effective.

## II

### **NREGA: Perspectives and the Programme**

#### **Negotiating Multiplicity of Perspectives**

Ever since the initiation of the demand for a universal guarantee of certain minimum employment, arguments in its favour have been put forward from various perspectives.

First, it is argued that a process of growth with redistribution is envisioned through employment, as opposed to earlier trickle down attempts. The underlying proposition is that the poor would secure access to goods and services by engaging in public works, in contrast to money transfer programmes. The employment created is seen as a stimulus to the economy, with income earned through employment opportunities, expanding the purchasing power of beneficiaries and fuelling the domestic market. By ensuring regular work at minimum wages, the thrust was to be on ‘employment first, with growth as an outcome’, rather than the vice versa (Bhaduri: 2005). This path towards full employment alone can ensure the ‘economic content of participatory democracy’, and allow for ‘development with dignity’ (ibid.). Such a perspective is also broadly in conformity with the notion that the government ought to act as an employer of the last resort (ELR) (Papadimitriou: 2008).

Other positive externalities envisaged due to the adoption of wage employment programmes include exerting of an upward pressure on market wages owing to the favourable higher wages granted through the programme, organizing of the rural poor into a collective, based on their organization into beneficiaries of the scheme and address to a certain extent the exclusionary aspects of society which hitherto created discriminations (Hirway: 2004). State assistance in the form of such wage employment then acts as a valuable safeguard in the light of risks and vulnerabilities.

NCEUS (2009) observes that ‘...NREG has potential to lead the economy towards a labour-intensive growth path, especially in light of the low and declining growth rate of productive employment...’. Thus, the wage-work programme needs to be seen in a long term perspective, with a strong planning component, dovetailing with ongoing development efforts, incorporating decentralized planning, and implementation, skill training, maintenance of public assets, and eventually absorbing wage-earners into mainstream employment (NCEUS: 2009).

NREG is also visualized as a social protection and poverty reduction strategy, especially for its transfer benefits as well as stabilization benefits (ODI Policy Brief: 2006). It is argued that as a social protection and poverty reduction programme it aims to establish a ‘social floor’ for labour with redistributive and asset creation objectives.

Rural public work programmes are also particularly important in the context of changing the agricultural scenario of the country. A vast majority of cultivators are marginal and small farmers, and agriculture is increasingly becoming economically unviable for them, owing to low productivity, high input cost, and low prices.

Fragmentation of land is also leading to unviable units of land for cultivation. A large part of India's agriculture is also rain-dependent and provides inconsistent incomes to families. It is in this context, public employment is visualized as a strategy to meet the employment gap as well as increasing the productivity of land through augmentation and conservation of land and water bodies.

There is a view that realization of decent livelihoods through NREG is contingent upon certain preconditions. There has to be some minimum amount of basic social security which everyone can access. And in its absence, the feasibility of a rights approach would be diminished, as many of the deserving remain disadvantaged owing to manipulations stemming from socio-economic backwardness (Kannan: 2008). Further, rights have value only when they are realizable (Madhavi: 2008). Therefore, theoretically, while a demand-driven scheme based on rights may seem visionary, its translation on the ground is often hampered in the light of innumerable inequalities. It was observed that the workers needed to be seen in the light of their wider social dynamics and their capacity to 'demand' work, amidst the iniquitous social structure (Srivastava: 2008). It is also argued that the issues of quality of employment and productivity of work are critical in enhancing the content of any attempt towards the Right to Work (Rodgers: 2009).

- (i) The outcome of the debate is multiplicity in views regarding the character of the NREG, with the programme being differentially labelled as a scheme for: income transfers for the poor with employment as a screening mechanism;
- (ii) a programme of investment for creating productive assets;
- (iii) a social safety net for the poor;
- (iv) a poverty alleviation measure; or
- (v) merely an employment generation programme providing supplemental livelihood opportunities in the lean agricultural season.

Outwardly these may appear divergent objectives, but on closer scrutiny, converge into a strategy to provide for enhancement of livelihood security through guaranteed employment, and if carried on through participatory grassroots planning, would augment productive resources.

## **The NREG**

The NREG Act ensures, on demand, 100 days of employment in a year to a household at a minimum wage. The NREG is based on the twin principles of universality and self-selection. The Act places enforceable obligation on the State and gives bargaining power to rural labourers. As a legal Right to Work, the NREG Scheme contrasts with previous employment generation schemes in several respects. First and foremost, it bestows entitlements to workers – in the form of providing work for those who demand within a time frame (15 days of applying for work) at a guaranteed wage, which was not the case with earlier public works programmes. Second, the universal nature of the programme eliminates targeting errors. Third, the process of implementation and community involvement (in the form of social audits) is expected to reduce corruption and malpractices which formed a major weakness in earlier programmes. And finally, the guarantees enshrined in the Act are expected to ensure

its implementation a binding responsibility of the government. (Mehrotra: 2008; Dhavse: 2004)

Very high expectations are placed on the outcomes of the Act in terms of protecting rural households from poverty and hunger, reducing rural-urban migration, increasing opportunities of employment for rural women, creating useful assets in rural areas, changing power equations in rural areas, and activating and empowering Panchayat Raj institutions. (Dreze: 2004) To what extent all these are likely to be realized and what are the processes that would enable realization assumes importance in analysing the implementation experience of the initial years.

Given the focus on creating employment for unskilled workers by way of manual work, improvement of land and water resources formed an important part of the works undertaken. Water conservation, creation of water harvesting structures, and drought proofing (including afforestation and tree plantation) formed the top two activities in order of priority in identification of public works. Improving land and micro and minor irrigation facilities (feeder channels, etc.) of marginal groups, especially SC, ST, and OBC communities, and those below the poverty line are also identified as important public works that would enhance productivity of land and provide long term asset base for the poor and the marginalized. Creation of flood protection mechanisms, renovation and restoration of water bodies are also part of the list of works which would enhance agricultural productivity and also strengthen the community resource base. Finally, rural connectivity (roads) is also part of permissible works as that would enhance communication and linkages with markets.

Apart from the focus on transforming the rural resource base, the implementation process of NREGS is expected to unleash a transformative potential in social relations and rural governance. At the center of implementation are three-tier Panchayat Raj institutions and Gram Sabha (the village community) plays a critical role in identifying and ratifying types of works to be undertaken in a village. Elected representatives of Panchayat, its official (Panchayat Secretary) and Rozgar Sevak (an NREGS worker – a dedicated field worker especially appointed for each Panchayat) have an important role in registering job seeker households, issuance of job cards, receiving job requests from workers, proposing suitable works for the approval of the Gram Sabha, monitoring of works, and timely payments. Functions at this level are scrutinized through a process of social audits, which again encompasses participation of the entire village community (Gram Sabha).

### III

#### Progress Across States

Launched in February 2006 in two hundred districts and extended to all rural areas in all districts, NREG has been under implementation across the country for the last two to four years. The main sources of information on the progress of implementation of the NREG are the elaborate websites of the Union and state governments.<sup>1</sup> There are no large scale countrywide studies on NREG. However, there have been innumerable field studies by several institutions, agencies, and researchers which provide considerable information and insights into issues ranging from transparency and accountability, institutions and innovations to the impact in terms changes in wages, incomes and expenditure nature and quality of assets etc. The next section uses these sources for analysing the impact, while this section attempts to capture a macro picture of progress of NREG across the states based on the official sources of information. There are reservations about these official sources, especially on the quality and reliability of certain aspects but nonetheless these do provide broad indication of the progress of implementation.

Since the main objective of the NREG is ‘to provide for the enhancement of the livelihood security of the households in rural areas by providing at least 100 days of guaranteed wage employment’ in a year, the main indicator of progress is the person days of employment per household seeking employment and then, whether these households are getting 100 days of employment in a year. Though NREG is self-targeting, the question is whether the poor households are able to exercise the right and access employment. Occupationally the poorest in rural areas are agricultural labourers while socially more disadvantaged are Scheduled Castes (SC), Scheduled Tribes (ST) and Women. Taking these aspects into consideration, progress of NREG across the states is presented here in terms of the following indicators: (i) average number of person days of employment per household in a year; (ii) percentage of households getting 100 days of employment in a year; (iii) percentage of agricultural labour households to total rural labour households and percentage of households provided employment to total agricultural labour households; (iv) The extent of participation of SC and ST households in NREG relative to their share in population; and (v) the share of women in total person days of NREG employment.

The following table (Table 1) provides employment provided in various states in comparison to the agriculture labour household<sup>2</sup> as well as in comparison to total rural worker households<sup>3</sup> as they are expected to be largely job seekers, given their low or no resource endowments and other deficits. It also gives wage expenditure, both per household and in comparison to total expenditure.

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<sup>1</sup>The websites of national and state governments provide data on progress in various indicators like the number of job card holders, number of person days created, amount of funds spent, numbers of various types of assets created and etc for different years. Some of the data has also been segregated across gender as well. Some of the state governments have more elaborate data base management systems which enable almost real time tracking of progress.

<sup>2</sup>Total rural households include self employed in non-agriculture, agriculture labour, other labour, self employed in agriculture and others. Of these, agriculture labour households are expected to be at the lower end of economic endowments and hence we compared their participation in NREG. (NCEUS 2009)

<sup>3</sup>Worker household is defined as a household where in at least one member of the household is in the work force (NCEUS 2009).

In many states, participation of households of agricultural labour and rural workers (farm and off-farm workers together) in the NREGS programme is seen to be overwhelmingly high. However, in states like Bihar, Orissa, West Bengal, Maharashtra, Gujarat, Karnataka, and Tamil Nadu which have a high proportion of agricultural labour households, their participation in NREGS is relatively low, which may reflect the lacklustre demand as well as gaps in the implementation process. Column 5 indicates the proportion of spending on NREGS related to the wage component, which would mean that income transfer through the programme is relatively high (although with interstate variations)<sup>4</sup>, compared to the norms set for the programme wherein 60 per cent of the expenditure should be on wage. This would, *prima facie*, mean that the net transfer benefit out of NREGS is appreciable for the families who participate in the programme as workers. Such incomes, as we shall see in the next section, would account for up to 15 per cent of the household incomes of the participating families. The average (per household) wage through NREGS also appears to indicate a similar contribution (assuming there are no leakages!), though households have not been able to receive 100 days of work during the year. (the national average stands at around 48 days per household).

**Table 1: State-wise NREGS Implementation Status upto 2009**

State	Percentage of Rural Agriculture labour households to total rural households (2004-5)	Percentage of households provided employment to total agricultural labour households\$	Percentage of households provided employment to total rural working households**	Percentage of hh completed 100 days of employment to no of HH provided empl	Percentage of wage expenditure to total expenditure	Average wage expenditure per household provided job (Rs.)	Avg. person days of employment created \$\$
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Andhra Pradesh	35.81	101.1	39.5	5.7	73.7	2907	51
Assam	12.95	262.4	34.4	4.8	63.5	2753	30
Bihar	31.62	65.2	22.4	0.6	64.8	2027	25
Chhattisgarh	37.53	131.1	51.6	5.6	64.3	3979	46
Gujarat	32.73	25.1	8.7	2.6	70.6	1408	29
Haryana	11.73	28.8	3.5	1.6	80.3	5279	32
Himachal Pradesh	1.71	1837.7	33.0	5.4	62.3	3506	46
J and K	4.63	163.5	7.7	1.7	57.4	2246	35
Jharkhand	10.84	274.4	30.6	3.0	52.8	3913	49
Karnataka	42.48	20.6	9.0	2.4	64.3	2001	50
Kerala	16.10	55.2	9.5	0.6	82.4	2209	22
Madhya Pradesh	29.55	167.4	50.8	8.0	60.6	3633	50
Maharashtra	36.32	13.1	5.0	3.1	88.6	3994	41
Orissa	29.15	39.8	12.3	1.8	61.2	2948	32
Punjab	20.29	14.8	3.1	0.4	59.8	2468	25
Rajasthan	6.47	1042.8	70.6	20.7	71.3	5565	65
Tamil Nadu	35.53	89.9	34.4	8.6	95.7	2605	58

<sup>4</sup>The variations observed could be due to the types of works undertaken as some states have more labour intensive works (like land development) compared to others

Uttar Pradesh	13.66	103.2	14.7	8.7	64.9	4310	51
Uttaranchal	8.65	147.4	13.5	1.4	64.2	2912	32
West Bengal	32.62	56.3	19.2	0.2	65.4	1617	28
<b>India*</b>	<b>25.55</b>	<b>92.4</b>	<b>24.8</b>	<b>7.4</b>	<b>68.0</b>	<b>3438</b>	<b>47</b>

\*Including all the states and union territories

\*\* working household means, household with at least one worker

\$ Over 100 per cent in some cases due to the fact that employment is provided to those who are other than agriculture labourers as well.

\$\$ for the period ending 2008-2009 (upto Dec) sourced from

Sources: Calculated based on the data from the Ministry of Rural Development, Government of India.

MGNREGA 2005 Report to the People 2<sup>nd</sup> Feb 2006 – 2<sup>nd</sup> Feb 2010.

The total rural working households and agriculture labour households is taken from the reports of National Commission for the Enterprises in the Unorganized Sector (NCEUS) to calculate columns 2,3&4.

## Employment Generated

In 2009, the number of households demanding employment under NREGS stood at 42.97 million, while the number of households provided with employment was 42.72 million. Total persons days generated were 2000 million, of which the share of SCs was 29.7 per cent, STs 22 per cent and women 49.9 per cent. Average person days of employment per household were 46.8 days. There are large variations across the states in terms of quantum of employment generated. It ranges from 65 person days in Rajasthan to 22 in Kerala. The eastern states of Orissa, Bihar, West Bengal, and Assam are lagging behind in employment creation compared to other poverty pockets like Chhattisgarh, MP, UP, and Jharkhand.

The administrative capabilities, technical capabilities, and ability to plan and execute projects, commitment of political leadership, setting up of implementation mechanisms, role of civil society, and finally, the demand from the community in seeking works etc., even socio cultural dimensions, particularly relating to wage labour work of women, appear to be important factors influencing the programme.

State governments are responsible for framing the rules as well as actual implementation of the scheme on the ground. The scheme does provide room for the states governments to innovate and adapt it according to the local requirements. For instance, the performance of the scheme in the state of Andhra Pradesh has been characterized by some analysts as a 'success model' because of strong political will and the state has had experience of rural works and community mobilization movement. In Rajasthan, which has the history of drought relief based public employment and active civil society, the success of NREGS is more impressive compared to other north Indian states. The programme does not attract so much demand from men in Kerala because the NREGS wage is too low for the men compared to their opportunity cost (IHD: 2009a).

In India, important social groups such as scheduled castes and scheduled tribes that are at the lowest rung of the social and economic hierarchy together constitute about 23 per cent of the total population. However, their shares in the development outcomes are far too low in terms of resource endowments as well as for human development indicators. Their presence is disproportionately high in groups such as agriculture labour households, small and marginal farmers as well as unorganized workers. Poverty and vulnerability is also high among these groups compared to other

social groups. Given this situation, NREGS appeared to be a critical source of employment for the rural poor, particularly categories such as distressed families from SC and ST. As tables 2 and 3 indicate, the person days of jobs taken by SC and ST workers are consistently high over the period and also represent more than their share in the population. The data suggest that as a measure of social protection to the poor and vulnerable social groups the scheme is making a difference by augmenting their employment and incomes. In all states the share of SC and STs in the employment generated under the scheme is much higher than their share in population. Even in Gujarat and Rajasthan, where it was lower initially, there was substantial increase in the later years.

**Table 2: Per cent of Participation of SCs in NREGA (Person Days)**

States	%SC Population of Total population*	%SC Person Days of Total Person Days (2006-7)	%SC Person Days of Total Person Days (2007-8)	%SC Person Days of Total Person Days (2008-9)
Andhra Pradesh	16.20	29.82	27.72	26.14
Assam	6.90	8.65	7.6	10.41
Bihar	15.70	47.08	45.66	50.07
Chhattisgarh	11.60	12.01	14.91	16.41
Gujarat	7.10	7.04	5.92	12.67
Haryana	19.30	60.03	53.8	53.03
Himachal Pradesh	24.70	30.4	32.19	33.51
Jammu And Kashmir	7.60	5.42	9.85	8.46
Jharkhand	11.80	23.48	20.74	18.1
Karnataka	16.20	33.05	30.23	27.77
Kerala	9.80	20.12	16.87	19.47
Madhya Pradesh	15.20	15.87	17.87	17.82
Maharashtra	10.20	16.19	18.44	16.51
Orissa	16.50	23.65	24.33	20.24
Punjab	28.90	69.36	76.29	74.28
Rajasthan	17.20	15.97	19.24	28.79
Tamil Nadu	19.00	56.06	57.36	60.27
Uttar Pradesh	21.10	56.85	53.75	53.56
Uttarakhand	17.90	26.7	27.3	27.15
West Bengal	23.00	36.08	36.28	37.45
Total	16.20	25.36	27.42	29.29

Census 2001; NREGS website

Source: MORD data - NREGA Implementation Status – 2006-07, 2007-08, 2008-09 (accessed on October 10, 2009). Total includes NE states also. Data calculated from MoRD for 2006-07, 2007-08 and 2008-09 is inclusive of added districts in the subsequent phases. [Phase I - 200 districts (commenced on February 2, 2006), Phase II - 130 districts (commenced on April 1, 2007), Phase III - 285 districts (commenced on April 1, 2008)]

**Table 2B Per cent of Participation of STs in NREGA (Person Days)**

States	% ST Population of Total population	%ST Person Days of Total Person Days (2006-07)	% ST Person Days of Total Person Days (2007-08)	%ST Person Days of Total Person Days (2008-09)
Andhra Pradesh	6.60	13.01	12.79	12.95
Assam	12.40	46.26	39.12	34.45
Bihar	0.90	3.21	2.46	2.65
Chhattisgarh	31.80	45.55	41.39	41.32
Gujarat	14.80	64.26	65.92	50.56
Haryana	0.00	0	0	0
Himachal Pradesh	4.00	22.41	7.26	7.79
Jammu And Kashmir	10.90	23.22	24.34	27.43
Jharkhand	26.30	40.29	41.65	39.97
Karnataka	6.60	20.35	19.18	13.87
Kerala	1.10	12.4	16.89	9.26
Madhya Pradesh	20.30	48.64	48.76	46.81
Maharashtra	8.90	40.88	38.49	44.17
Orissa	22.10	49.27	39.65	35.81
Punjab	0.00	0	0	0
Rajasthan	12.60	64.36	46.39	23.24
Tamil Nadu	1.00	2.37	2.63	1.74
Uttar Pradesh	0.10	3.11	1.85	1.96
Uttarakhand	3.00	1.4	4.34	5.15
West Bengal	5.50	18.61	13.8	14.81
Total	8.10	36.45	29.33	25.43

\* 2001 Census

Source: MORD data - NREGA Implementation Status – 2006–07, 2007–08, 2008–09 (Accessed on October 10, 2009). Total includes NE states also. Data calculated from MoRD for 2006–7, 2007–8 and 2008–9 is inclusive of added districts in the subsequent phases. [Phase I - 200 districts (commenced on February 2, 2006), Phase II—130 districts (commenced on April 1, 2007), Phase III—285 districts (commenced on April 1, 2008)]

Progress and performance of NREGS can also be seen from a gender lens. As women face multiple deprivations due to their gender roles, NREGS appeared to have created spaces for women to engage in public works and earn decent wages (mostly on par with men), that has the potential to alter gender relations within the family as well as in the broader community.

As per the Act, the following specific provisions are aimed at enhancing women's participation:

- (i) At least one-third of beneficiaries are women workers [Schedule II (6)]
- (ii) Equal wages for men and women [Schedule II (34)]
- (iii) Provision of crèches for the children (aged 1–5 years) of women workers [Schedule II (28)]

Table 4 presents data on female work force participation rates as well as the share of women in NREGS work provided across the states for the past three years.

**Table 4: Participation of Women in NREGS (Person Days)**

States	Rural Female Workforce Participation Rate* (1)	%Rural Female Workers 2004–5* (2)	% Women Person Days to Total Person Days (2006–7) (3)	% Women Person Days to Total Person Days (2007–8) (4)	% Women Person Days to Total Person Days (2008–9) (5)
Andhra Pradesh	48.30	44	54.79	57.75	58.15
Assam	20.90	26	31.67	30.85	27.16
Bihar	13.80	25	17.38	26.62	30.02
Chhattisgarh	4.70		39.32	42.05	47.43
Gujarat	42.70	41	50.2	46.55	42.82
Haryana	31.70	35	30.6	34.42	30.64
Himachal Pradesh	50.60	47	12.24	28.49	39.02
Jammu and Kashmir	26.70	31	4.46	1.08	5.76
Jharkhand	31.30		39.48	27.17	28.51
Karnataka	45.90	42	50.56	50.27	50.42
Kerala	25.60	33	65.63	71.39	85.01
Madhya Pradesh	36.60	40	43.24	41.67	43.28
Maharashtra	47.40	45	37.07	39.99	46.22
Orissa	32.20	35	35.6	36.39	37.58
Punjab	32.20	34	37.76	16.29	24.63
Rajasthan	40.7	43	67.14	69	67.11
Tamil Nadu	46.1	43	81.11	82.01	79.67
Uttar Pradesh	24.00	31	16.55	14.53	18.11
Uttarakhand	42.7		30.47	42.77	36.86
West Bengal	17.8	23	18.28	16.99	26.53
Total	32.7	36	40.65	42.56	47.88

Source: MORD data - NREGA Implementation Status – 2006–7, 2007–8, 2008–9 (accessed on October 10, 2009). Total includes NE states also. Data calculated from MoRD for 2006–7, 2007–8 and 2008–9 is inclusive of added districts in the subsequent phases. [Phase I - 200 districts (commenced on February 2, 2006), Phase II - 130 districts (commenced on April 1, 2007), Phase III - 285 districts (commenced on April 1, 2008)].

\* NSS 61<sup>st</sup> round 2004-5; usual principal and subsidiary status

It is well known that female work participation varies widely across the states due to several factors of which socio-cultural influences play a substantive role. An attempt is made here to look at the participation of women in NREGS work in comparison with their usual work participation pattern and to analyse the differences.

The NREG guidelines specify that at least one-third of employment provided should go to women. Except Bihar, Himachal Pradesh, Jammu & Kashmir, Uttarakhand, Uttar Pradesh, and West Bengal, in all other states the share of women in NREG employment is much higher than one-third. In many cases, it is much higher than the usual female work participation rate. These two aspects reflect the enhanced employment opportunity for women due to NREG. This is despite the fact that the programme design does not make any specific provisions to meet the requirements of women workers in terms of types of works identified, work conditions, etc. In spite of such a situation, women's participation appears to be high, indicating the needs of women workers as well as the vulnerabilities of families.

What emerges as a pattern is that south Indian states appear to have a higher participation of women in NREG compared to their work participation rate; while the same trend was not clearly visible in case of most north Indian states, the exception being Rajasthan with higher share of women in NREG compared to their general work participation, and Himachal Pradesh with much lower NREG participation by women compared to their usual work participation rate. In several other north Indian states, participation by women in NREG is marginally above their work participation levels, and in many cases it is, in fact, lower (e.g. UP, Uttaranchal, Punjab, and J&K).

### **Inter-State Variations in Progress**

Several factors explain the reasons for varying degrees of progress across states and even across districts within a state. Strong political will, presence of civil society agencies and NGOs, higher levels of awareness among the communities, and prior experience and capacities of civil servants and officials with regard to implementing similar programmes (like drought relief schemes) are identified as some factors responsible for a better take-off of NREGS in states like Rajasthan and Andhra Pradesh. Innovations and adaptations made by some of the states are also identified as one of the reasons for relative success in some locations (IHD: 2009c). For example, in Andhra Pradesh, self help-groups and their federations at the village and mandal levels played an important role in the implementation of NREGS (undertaking monitoring, wage payment, social audit, and other functions). The state of Rajasthan had vibrant civil society groups in certain districts who championed implementation of NREGS through field level facilitation (ibid). In states like Jharkhand, lack of effective decentralized governance systems appeared to be reasons for the poor performance (ibid). Exceptionally high performance of a district like Durgapur, a drought prone area, in Rajasthan is attributed to the effective grass roots mobilization of communities by NGOs and civil society activists. While the same is the case with many parts of Andhra Pradesh, it is coupled with effective monitoring systems and use of technology (electronic transfer of funds, on-line MIS) that appeared to have enhanced the performance of a state like Andhra Pradesh (IHD: 2009c).

In Bihar, shortage of personnel, lack of technical personnel and low capacities seem to be the reasons for poor performance (IHD: 2008). Innovative implementation

mechanisms like vesting the responsibility of implementation in Kutumbashri (self-help groups) in Kerala are illustrative of the space available for effective implementation of NREGS, and especially that of women's participation. Kerala's strong Panchayat Raj institutions could also have enabled effective implementation. Awareness building appeared to have worked well in Pakur, Jharkhand—a tribal-dominated area which shows high performance. However, several field studies point out generic factors like low funds, poor flow of funds due to political and administrative hurdles, etc. as reasons for varying performance across states and districts (IHD: 2008).

From the secondary data it can be inferred that districts and states with high concentration of poor, Dalits, and tribals, like Uttar Pradesh, Bihar, Chhattisgarh, and West Bengal appeared to be performing well below satisfactory levels compared to other states, like Rajasthan. It is these states poverty levels are the highest, and hence, demand for employment would also be the highest. An NCEUS supported field survey in 6 states,<sup>5</sup> which are also the poorest states in the country, found massive demand for NREGS works. About 60 per cent of the respondents have reported that they were willing to work all year long in the programme (NCEUS: 2009). Yet, it is these very states which are providing much less employment under the NREGS when compared to other states. Similar high demand for work was reported in Bihar, Rajasthan, and Andhra Pradesh (IHD: 2009c).

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<sup>5</sup> Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Rajasthan and Uttar Pradesh

## IV

### Early Indications on Impact of NREG

While progress based on the data sources available from the government presents the picture at the macro level on how different states are faring vis-à-vis various indicators, the actual performance of the programme in various dimensions, concomitant issues, and concerns in the field can be assessed from various field studies conducted by different agencies across the country<sup>6</sup>. Studies commissioned by agencies like United Nations Development Programme (UNDP), National Commission for Enterprises in Un-organised Sector (NCEUS), and United Nations Development Fund for Women UNIFEM in select states provide evidences on the state of implementation of the NREG<sup>7</sup>. Based on these evidences, this section analyses the impact of NREG in terms of migration behaviour; level of wages, mode of payment and utilization of wages; women's employment, earnings and expenditure decisions; and type and quality of employment and assets created.

#### Migration

Field studies point out that distress migration has been reduced as workers are finding employment within the village or in surrounding areas, especially during the lean agriculture season (Srivastava: 2006, IHD: 2009c). Sainath (2008) identifies how reduction in migration caused by the prevalence of NREGS work in particular can be gauged from the fall in number of bus services ferrying migrants from Mahbubnagar in Andhra Pradesh to Mumbai city. However, there remain mixed experiences regarding migration. The ability of NREGS works to reduce migration depends on the predictability of employment at source, guaranteeing work within 15 days of its demand, (Khera: 2006) and the ability of the administration to provide work locally on a continuous basis for a reasonably longer period. Sporadic nature of work, short duration, and unpredictable timing are seen as reasons for continued migration in spite of workers' preference for local work (IHD: 2009c). In certain instances, small scale of works, inability to meet employment opportunities demanded, and poor awareness on the part of workers have been cited as reasons for continued migration (IHD: 2009a). Also, in case of lack of guarantee of certain minimum wages (especially due to piece-rate wage system), NREGS work fails to offer incentive enough not to migrate. It is also to be noted that migration continues to be attractive as long as the

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<sup>6</sup> Institute for Human Development (IHD), New Delhi has conducted field studies in AP, Rajasthan, Bihar and Jharkhand. Similarly Institute of Social Studies Trust (ISST), New Delhi, Institute of Development Studies (IDS), Jaipur, Centre for Science and Environment (CSE), New Delhi, CESS, G.B. Pant Social Science Institute (GPSSI) have also conducted studies across the country. Inferences are drawn from all such studies in IHD (2009) which synthesises several of such field evidence based papers.

<sup>7</sup>See IHD (2009) gives proceedings of a national workshop on NREG. It contains findings of such field studies and several other studies conducted in various parts of India. Papers presented at that workshop and proceedings of a subsequent workshop organised by IHD at Bangalore (Apr 2009) have been referred in this section.

urban-rural difference in wages of male workers continues to be high. There are a number of instances of male migration for higher wages, leaving women to take up NREGS works, which ensures a minimum wage that is higher than the prevailing market wage for women. The implications of such a situation in terms of multiple burdens on women need to be acknowledged.

### **Minimum Wages and Wage Payment**

One of the important outcomes identified with NREGS is that of awareness among the rural poor with regard to minimum wage. Workers are expected to be paid the prevailing minimum wages notified by the respective state governments<sup>8</sup>. However, field surveys found that this is one entitlement that not many workers are aware of! Also it is found that in many areas minimum wages are paid to workers for the first time. A NCEUS supported survey found that about 50 per cent of workers are aware that they are entitled to minimum wages, but it is only in half of the worksites that minimum wages are actually paid (NCEUS: 2009).

This reflects the fact that this entitlement, of payment of minimum wages, is flouted by officials in many instances. Such violations of minimum wages occur through different modes like: (i) over-exacting or non-transparent ‘Schedule of Rates’ in some states; (ii) defective measurement arrangements and/or work incentives under the piece-rate system; and (iii) exploitation of workers, especially on the part of private contractors (who are not supposed to implement NREGS works in the first place) (NCEUS: 2009)<sup>9</sup>.

Yet another important entitlement is payment of wages within 15 days, which is not followed in most locations due to bureaucratic apathy and delays. There appears to be no system to track and redress such delay and no mechanisms to create accountability among the officials for prompt payment of wages. If one were to compare within the two better performing states in this respect, Andhra Pradesh where wages are paid within 15 days of completion of work in most of the cases appears to be better placed in this respect compared to Rajasthan. Delays to the extent of more than 60 days have been reported in Rajasthan (IHD: 2009c).

Penalties for wilful delays in payment and compensation for workers for delays in wages may, perhaps, ensure better compliance with rules regarding payments.

### **Use and Importance of NREGS wages**

NREGS wages formed a critical and valuable source of income for many families. Families who earned from NREGS works were able to invest in children’s education, health, repayment of old debt, and for other such useful purposes (IHD: 2009c). More importantly, many workers recounted that NREGS works gave them the dignity of

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<sup>8</sup>A recent development on this front is that of fixing Rs.100 as daily wage for the workers through out India

<sup>9</sup>There is also an unresolved issue of interpretation of the right to minimum wage under the piece-rate system, which is hampering further progress towards guaranteed payment of minimum wages under NREGA.

working in a government programme with assured minimum wages and not under a landlord or contractor. There is also a gender impact observed, as the majority of women tended to retain their wages and use them for household purposes (IHD: 2009a).

For several workers, NREGS is an important source of additional income. Perceptions on the programme benefits reflect the fact that it formed an important part of the workers' life, as a strategy to avoid migration (57 per cent), to cope with hunger periods (69 per cent), to cope illness in the family (47 per cent), and enabled them to avoid demeaning and hazardous work. (Dreze and Khera: 2009) The study also observed that wages earned through NREGS had helped workers in financing their food and health requirements with 69 per cent of workers reporting that the wages earned were spent on food and 47 per cent reporting expenditure on health. Further, more than two thirds of the respondents said that it had helped them send children to school. The share of NREGS income in household income would improve significantly in Gaya and Ranchi, with increased person-days of NREGS employment (IHD: 2009a).

### **Women's Work, Wages and Empowerment**

As observed earlier, in most of the states there have been very high levels of participation by women in NREG works. Non-discriminatory wages; assured minimum wages which are more than market wages for women; the dignity that comes with the work since it is seen as working for the government rather than for a landlord or contractor; employment at the doorstep; and certain women-specific facilitation like the *kudumbashree* in Kerala, female mate in Rajasthan, SHGs in Andhra Pradesh are seen as factors that contributed to higher participation of women in NREG. (Pankaj and Tankha: 2009) However, there are certain factors which inhibit participation women in NREG and these include local social and cultural norms which run against women's wage work, inadequate worksite facilities like childcare, gender insensitivity of the nature of work, work measurement and schedule of rates, and in some cases, exclusion of single women in the definition of 'household'.

Besides increased employment, women also experienced more control over their earnings. Some studies show that a majority (79 per cent) of women collected their own NREGS wages and, in turn, retained them (68 per cent). NREGS employment also served as the primary (70 per cent) wage earning opportunity for a large section of women in the preceding three months at the time of study (GBPSSI: 2009).

NREG enabled women to make significant contribution to household earnings (IHD: 2009b). The share of women's NREGS income in the total income of the household constituted 21 per cent in Dungarpur (Rajasthan), 15 per cent in Kangra (Himachal Pradesh), 10 per cent in Ranchi (Jharkhand), and 8 per cent in Gaya (Bihar). Income from NREGS contributed as much as 27 per cent of the total income of a woman worker's household in Dungarpur (Rajasthan) 18 per cent in Kangra (Himachal Pradesh), 16 per cent in Ranchi (Jharkhand), and 13 per cent in Gaya (Bihar), other main sources of income of households being wages from non-agriculture and agriculture, and remittances. In a similar study, it was found that in Rajasthan and Andhra Pradesh 80 per cent of women collected wages on their own and retained the

same, while 43 per cent of women workers in Bihar reported receiving wages on their own (IHD: 2009c).

However, while the scheme has proven valuable for women by creating primary bread-winning opportunities for paid work, it is still premature to see if it has caused 'empowerment', and perhaps this aspect of change in gender relations needs further examination (IHD: 2009a).

### **Quality of Employment and Assets**

Concerns have also been raised about what kind of jobs are being created under the NREGS and to what extent the assets are pro-poor in nature. Provisions for basic safety, sanitation, and health at the worksite, and neglect of issues of childcare have emerged prominent (IHD: 2009a) as far as quality of employment is concerned. On a broader plane, some scholars have raised the issue of the adequacy of minimum wages of NREGS and questioned whether these were sufficient to compensate the bodily deficit caused by the hard labour required at the worksites. It is argued that the replacement cost of the bodily energy used up is not being met, and these bodily deficits imposed on the most vulnerable sections of society were the drivers of the asset creation under the scheme (IHD: 2009a). As pointed out earlier, quality of employment is also linked to realization of substantive content of Right to Work (Rodgers: 2009). Another feature related to the type and nature of work is that NREGS has brought in 'group work' as a dominant mode of working, especially manual works like digging and land development. This is something of a new work-culture in public works programmes. Such systems have often led to problems of free riders. However, some field experiences in Andhra Pradesh revealed that workers developed innovative mechanisms of sharing of responsibilities wherein physically weak or old age persons were given 'lighter' work instead of altogether excluding them. Thus, the potential exclusionary nature of manual work has been addressed to a certain extent (IHD: 2009a).

In 2008–09, for the country as a whole, the nine-fold classification of NREG works shows that: 18.14 per cent were rural roads; flood control and protection 3.43 per cent; water conservation and water harvesting 21.19 per cent; drought proofing 7.1 per cent, micro irrigation works 5.24 per cent; irrigation facility to land owned 20.42 per cent; renovation of traditional water bodies 9.15 per cent; land development 14.34 per cent; and others 1 per cent (<http://rural.nic.in-16-3-2010>). Field study of IHD (2009c) points out that the maximum works undertaken in Andhra Pradesh were land development works (45 per cent), followed by conservation of water bodies and related works (28.9 per cent). In Bihar, majority of works relate to rural connectivity (64.5 per cent). In North Bihar like Purnia, the preference seems to be for rural connectivity, while it is for water conservation works in South Bihar like Gaya. In Rajasthan too, maximum works were construction of road works, especially in Udaipur District, improving connectivity to the city. A few works of renovation of traditional water bodies were also undertaken, mostly in Tonk. Though considerable freedom has been given to the states to tailor and adapt the scheme to their local contexts, this has not occurred optimally. A few innovations have been made in the types of works adopted. Lack of mapping of village resources and failure to incorporate need-specific works into village planning remains a lacuna of the scheme and the shelf of projects are rarely suggested by members of the Gram Sabha. A 'shelf

of projects' refers to the listing of all possible works that can be undertaken in a village/panchayat for a given period, usually a year. It is normally prepared through a process of consultation at the panchayat level and works are taken up from this list (in a sequence and priority which is decided by the panchayat representatives, officials etc). It is a kind of rolling list, as works not completed within a year will be taken up in subsequent periods.

Quality of assets have also emerged as a concern, and possibilities for increased material component have been suggested to ensure minimum standards during asset creation, though this interferes with the 60:40 wage and material allocation ensuring pro labour bias. It has been suggested that completion and maintenance of NREGS works be made compulsory (CSE: 2008). Technical help is lacking at the field level in order to enhance the quality of works undertaken. Inadequate technical support for planning physical works (especially activities like de-silting tanks, bunding of agriculture fields, etc.) appears to be a major reason for poor quality of works completed (IHD: 2009c).

On the issue of benefit sharing and types of assets created through public works, contentious viewpoints prevail (IHD: 2009a). It is argued that preference for land and water development works benefit (in the long run) those who possess and use such resources in comparison to those landless workers who merely earn their wages. It is suggested that by giving the landless a stake in the public asset management process, they would benefit, not only from the wage component of the scheme in the construction phase, but also from claiming a proper share of the value of the assets in the future (Pankaj *et al.*: 2009). Such mechanisms would require proper institutions and governance structures at the Panchayat level and would also necessitate mediation and negotiation among all the stakeholders.

However, the transformative potential of NREG can be visualized (and actualized) through development of private assets of the poor and marginalized. As per the Act, development of agriculture land belonging to SC, ST, OBC and poor households is allowed and experiences point out that such a provision, wherever implemented, has provided positive results in terms of bringing barren private lands (small plots of assigned lands) into cultivation, thereby providing sustenance to the poor and marginalized. This is especially observed in Andhra Pradesh, where lands of SC, ST, and OBC were developed through NREGS. Often these were lands assigned to such beneficiaries several years ago under land distribution programmes and were never cultivated as most often such lands were of poor quality with boulders and bushes. As part of NREGS works the village Gram Sabhas have taken up development of such lands, thereby ensuring that such land owners would be able to cultivate hitherto barren and uncultivable lands. This particular 'work' is more popular in the villages of Andhra Pradesh (such works accounted for over 20 per cent of total works in the state in 2009) as that enabled small and marginal cultivators to engage in crop cultivation, in several cases for the first time in their life! (IHD: 2009c)<sup>10</sup>.

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<sup>10</sup> Such works appeared to have broken the caste barriers as well due to the fact that workers irrespective of caste identity were engaged in developing lands of Dalit and Adivasi households

While such land development works have transformative potential, there has been a recent amendment in the Act allowing for land upgradation works on the lands of small and marginal farmers belonging to other communities as well (other than SC and ST). This has been viewed as a premature step by some scholars, who warn that the meagre benefits that the SC/ST/OBC beneficiaries were thus far enjoying may now be cornered by influential sections of the society (Roy and Dey: 2009).

There has been an argument that shift of focus of NREGS projects from community works on public lands to individual works on private lands with private benefits would skew it in favour of the landed as opposed to the originally intended landless labourers. However, experience shows that development of land belonging to SC, ST, and OBC would enable augmenting resources of poor and marginal sections and that would create conditions for moving out of poverty.

## V

### Issues and Concerns

#### Basic Entitlements

Micro level evidences point out that job seekers are willing to work for even more than 100 days if they are provided with work. However, this needs building up institutional capacities at the Gram Panchayat and block level to design assured and continuous projects and provide works on a continuous basis. This gap is demonstrative of the massive potential for the scheme, and the pressing need to facilitate increase in person days of employment to meet the increasing demand. Most often workers do apply, mostly orally, for work to the local officials and village representatives, but the institutions are not able to supply work on a proactive basis out of a shelf of well conceived works.

One critical question at this juncture is why such a demand is not articulated and resulted in penal actions against the officials who were not able to provide employment, which amounts to violation of basic entitlement? The national average of 46 person days per year of job creation perhaps stands somewhere in between the demand for work and its supply. The reason for such a situation is the inability of the eligible workers to articulate their entitlement and also the inability of the functionaries in initiating viable projects (works) at the field level. This entitlement failure is reflected repeatedly in different states. Findings of a survey conducted in six states—Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Rajasthan, and Uttar Pradesh, focusing on the perceptions of workers, pointed out that most NREG workers belonged to the most disadvantaged groups, and most of them had a high demand for 100 days of work, with 50 per cent of the sample even demanding that the scheme should provide work throughout the year (NCEUS: 2009). Failure to meet this basic entitlement brings in several other critical reflections viz a viz the other entitlements bestowed on the workers.

It is found that a majority of workers are not aware of other entitlements like minimum wages and the stipulation that wages are to be paid within 15 days. Failure on the part of administration to bring about awareness is a critical issue that impinges the success of public works programme of this nature. There appears to be bureaucratic apathy in some places that denies the entitlements as officials do not

respond properly to the requests of poor and illiterate workers. Similarly, awareness and realization of other entitlements like minimum wages, payment time period, and work site facilities are yet to be completely fulfilled as evidence points towards non-adherence of minimum wage payment. Payment systems are yet to be streamlined in terms of timely payment through banks and post offices. While NREGA appears to have enabled financial inclusion in terms of payments through banks and post offices to a larger extent, there are gaps in this as several states like Bihar have yet to institutionalize systems in this respect. Delays in payments are attributed to absence of capacities of payment institutions and procedural aspects (IHD: 2009c). Yet another entitlement which has almost completely been denied is unemployment allowance, which is inter-connected to the reluctance of officials to entertain job applications in the first place (IHD: 2009c).

Loopholes in the scheme have already been exploited, with attempts at evading payment of unemployment allowance being observed. For instance, in Madhya Pradesh, worksites were kept open for very few days intermittently and then works are suspended there by denying eligibility of workers for unemployment allowance. Some work is given to the workers within the stipulated 15 days, thereby disqualifying them from claiming unemployment allowance. (Khera: 2008) Such mechanisms allow the local authorities to escape granting unemployment allowance, even though the desired volume of employment demanded is denied and the workers are rendered idle for the most part. Such instances are observed in several other states as well. (IHD: 2009b)

### **Caste and Discrimination**

By and large, there is no discrimination on caste or gender basis in providing work. However, there are instances, as observed in a field study from the Marathwada region in Maharashtra that the upper castes were favoured at the time of allocation of work by allowing them to work on soft soil worksites, while the lower castes were given hard soil ones. (Jadhav: 2008) There are also instances where upper caste Jats and Gujars in Tonk district of Rajasthan register for work at a site but hardly work, making women workers to do most of the work but share the wages equally!

Some studies have pointed out the discrepancy in the number of workers that can avail of the scheme per household. While that Act mentions the worker as adult members of households (defined as members of a family residing together and sharing meals), the Operational Guidelines define the household as a nuclear family (Menon: 2008). On the ground however, work is given according to the definition in the Act (i.e., per household), and this has created conditions for exclusion of single women, widows, and married sons from the scheme. Such instances have been recorded as in Anantapur district of Andhra Pradesh work was being allotted to groups of 2–3 families as units, in order to ensure higher output and productivity and in such case single women were overlooked (Sainath: 2007). Experience from Jhalawar district of Rajasthan also indicates the need for creating a mechanism there by each individual member posses a job card which enables single woman to participate in the programme (Bhatty: 2008). Thus, it has been argued that the Right to Work would ideally be appropriate for an ‘individual’ and not a family, and accordingly, the demand has been made for one person, one job card, and one bank account under NREGA.

## **Other Implementation Gaps**

Field studies point out that there are irregularities observed in filling up of forms and attendance of workers at work sites. Conditions at the work site are also found to be far from satisfactory in terms of provision of facilities like water, shade, crèche for children, first aid, and emergency supports. There was also evidence of use of contractors and machines at the work sites, which were not supposed to be as per the rules of the government. Of course several of these would involve initiatives at the local level and are contingent upon responsive leadership at the local level as well as community participation.

Varying performance of NREG across different provinces (states) of the country reflects that there are lessons to be learned across the board, along with identifying practices that can be adapted from one place to other. There are some states where NREG has managed to achieve its key outcomes quite well and which have indeed innovated in a number of respects. In others, performance has been unimpressive and lack lustre. Unfortunately, there are no mechanisms established for cross learning from experiences.

## **Gaps in Institutional Mechanisms**

Varying degrees of success and experiences across the country point to the fact that institutional mechanisms and governance structures play an important role and determine the trajectory of success. While policy documents do provide a very elaborate articulation of the implementation process and institutional structures that are to be put in place, in a large country like India, one does not assume a monolithic approach to implementation as the institutions (both formal and informal) vary on various counts. Three critical process dimensions, viz., participation, transparency, and accountability are critical for success and an overall assessment of the programme so far brings out the fact that there are deficiencies on these counts as well. Performance of Panchayati Raj (local self government) institutions in implementing the programme is far from satisfactory; similarly institutional mechanisms like social audit and vigilance committees, grievance redressal mechanisms, etc. are missing in several places (though several of these are implemented at varying levels in different states).

One important lesson that comes from the field is that there is an urgent need in creation and capacity building of implementation structures at different levels. Several shortcomings identified viz. a viz. entitlements and processes are closely linked to the operational structures, which are meant to carry out functions with efficiency and effectiveness at the field level. Specific focus needs to be on developing coordination among various implementation structures, viz., central government, state government and local government. There are several instances of absence of rules (there are only guidelines) that were found to be one of the main gaps in ensuring smooth implementation as there are varying interpretations to the provisions by various state governments. In the federal structure the programme is to be implemented with local flexibilities; however the innovation and experimentation depended on the dynamism and commitment of the implementing officials at the field level. Such innovations are

occurring in varying degrees of success and there is a need to learn from such experiences and best practices of implementation.

Another important gap found is in relation to monitoring of the programme. While there are elaborate systems, they are often not being effectively utilised due to lack of capacities as well as commitment. This issue is, in turn, related to transparency and accountability as well.

### **Second Generation Issues!**

It is too early to discuss second generation issues, since, as observed above, there is a great deal of attention and effort needed to streamline the present design and implementation issues. Further, as of now there is no clarity on the so-called 'second generation issues'. Nevertheless, attention is drawn here to the following aspects which are important in enhancing the effectiveness of the programme.

- (i) Equity and access to all workers in terms of work and wages
- (ii) Planning and technical support at the field level for better projects
- (iii) Type, quality, and productivity of assets
- (iv) Distribution of benefits
- (v) Transparency safeguards
- (vi) Wage calculations, payments, grievance redressal
- (vii) Addressing higher demand in some areas and low demand in other places and balancing peak and lean agricultural seasons with in a region

Apart from the above, concern about the sustainability of the programme has emerged, in terms of fiscal considerations and also from the viewpoint of expansion in workers' skills. There is some scepticism and the feeling that unless there are attempts at convergence with other schemes and dovetailing with other development programmes, NREGA will merely create a permanent army of unskilled labourers (Hirway: 2004). Similarly, exit opportunities for workers are still ambiguous (IHD: 2009a), in terms of skills and quality of employment.

The success of the delivery of the 'Right to Work' will ultimately be conditional on its innovative design, allowing for minimizing of leakages and also the quality of its implementation (Shah: 2009). Several organizations keenly observing in mobilising people and improving participatory planning and monitoring identify the following steps for strengthening NREG:

- (i) Strengthening the Panchayati Raj Institutions through adequate technical and human resource personnel
- (ii) Convergence of NREGA with the aim to increase the productivity of agriculture and allied sustainable livelihoods
- (iii) Allowing asset creation through NREGA on small and marginal farmers' land
- (iv) Strengthening social audit by combining the strengths of people driven social audit as in Rajasthan (*Mazdoor Kisan Shakti Sangathan – MKSS I*) and state sponsored initiatives as in Andhra Pradesh (*Mazdoor Kisan Shakti Sangathan – MKSS II*)

- (v) Creative use of information technology (IT) to reduce chances of fraud and leakage, ensure daily monitoring (and promptly flagging irregularities), enabling transparency and public scrutiny
- (vi) Ensuring NREG wage payment through the banking correspondent model using handheld computer devices and mobile phones
- (vii) Reforming the schedule of rates (SoRs) to cater to differential needs and capacities of workers
- (viii) Expanded role of civil society – in social mobilization, planning and implementing of NREGA works, having eminent persons serving as ombudsmen and revamping and strengthening the activities of institutions such as CAPART (Council for People’s Action and Rural Technology) and NIRD (National Institute of Rural Development)

(Shah, M. 2009c)

While it is early to identify specific interventions at the field level on the above lines, some of the recent measures of the government warrant caution and debate. For example, the move of the government to engage in creating community infrastructure like ‘Rajiv Gandhi Sewa Kendra (Community Facilitation Centers)’ at the block level need to be treaded with caution as such schemes involve large components of material and how they serve the interests of the workers remains unclear. Similarly, move towards appointment of nodal agencies (mostly NGOs for blocks) and facilitators for panchayats (Lok Sevak & Lok Karmi) for facilitation need to have clarity in purpose as often such bodies imposed from the top would undermine the role of Panchayat Raj bodies and existing implementation apparatus.

## VI

### **Suggestions towards Improved Performance**

One important and central message of NREGS so far is that, three inter-related aspects viz., participation, decentralization, and governance play important roles in determining the trajectory of success. Mechanisms for participation of the workers in the process, decision making at the local level and creating conditions for transparency and accountability would improve effectiveness of the programme in terms of making a lasting impact on the rural poor households. There could be several specific improvements suggested by field studies. (See Annexure I)

A large programme of this nature would entail several pre-requisites for its effective implementation. Strengthening implementation apparatus and processes from the supply side as well as creation of awareness on the entitlements from the demand side are important at this juncture. We attempt to group suggestions from these two perspectives.

#### **Fulfilling and Strengthening Entitlements**

First and foremost, there is a need to safeguard entitlements of the workers in a programme of this nature, which is demand based. This would mean, creating awareness on the rights of workers and ensuring that they are fulfilled by the duty bearers, viz., field level functionaries and administrative set up at the cutting edge level.

Entitlements like payment of wages within the stipulated time period, payment of minimum wages, etc. are important as workers look for public employment in absence of any other productive employment and it is a lifeline for them to survive, especially during lean seasons. Violations of any such entitlements would mean the inability of the programme to meet the desired objective. In order to address grievances there are efforts to institutionalize mechanisms like ombudsmen at the block and district levels. Awareness among workers about such institutional structures also becomes important.

The NREGS work entitlement may be made on an individual basis instead of the current practice of providing job to a family for 100 days. Implications of such an approach will be huge in terms of incomes as well as gender empowerment.

Recognizing the specificities of regional dimensions, the cap on the number of employment days (presently 100) may be relaxed so that works may be available for the needy throughout the year, and for any number of days, especially given the demand for works from certain locations (e.g semi-arid zones which face recurrent droughts).

### **Strengthening Implementation Systems**

There is need to set up systems for proper work requests from workers, acknowledging the same, and creating employment. Systems are also needed to be strengthened in wage payments and in provision of basic facilities for workers. Neglect of duties of the bureaucracy need to be addressed through proper disciplinary mechanisms.

At different levels, adequate staff is necessary and their capacities need to be enhanced in order to implement a large programme of this nature. This appears to be one of the biggest gaps and statutory bodies that are needed for supervision and advice should be constituted at all levels. Such mechanisms of supervision and advice are missing in various states, and even at the national, level. It is also found that functionaries at the Gram Panchayat and Block levels tend to be thoroughly confused about their duties, and poorly informed about recent changes in the Schedules, Rules, Guidelines, and so on. It is found in the field surveys that even persons in positions of high responsibility often lack a clear understanding of the operational framework of NREGS.

Convergence of NREGS works with other rural development activities is imperative for enhancing the effectiveness of the programme. Such an approach would result in creating assets on a permanent basis (fisheries, horticulture, agriculture, water shed, afforestation, drought proofing, etc.). NREG works may also be coupled with other social services at the local level. While such an effort of convergence is being undertaken by different state governments at the district levels, caution is needed to preserve the basic implementation principles of NREG so that workers' entitlements are protected<sup>11</sup>.

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<sup>11</sup>Experience sharing on this subject was facilitated by the MoRD in 2009. See <http://www.nrega.net/csd/circular/csd/convergence-guidelines/final-report-leveraging-nrega-for-sustainable-development/ConvergenceReport-Opt.pdf>

Bringing in technology and information systems into tracking of wage payments and their violations would go a long way in improving the effectiveness of the programme. Hand-held devices and other technological advances would help in effective monitoring of such operations.

Participation, transparency, and accountability are the three important elements which need to be adhered to in order to enhance effective implementation of NREGA. Towards this end, planning for works at the local level through decentralized and participatory systems becomes necessary. Meetings of Gram Sabha (meeting of entire village) are necessary. Similarly formation and effective functioning of vigilance committees are *sine qua non* for transparency. Mechanisms for sharing benefit streams of works created to ensure equity would also become part of this process.

### Annexure-I

#### **Strengthening Implementation Capacities**

Some of the specific recommendations that emanate from field studies and are enumerated here, reflect the need for strengthening NREGS from the vantage of effectiveness and efficiency of delivery.

- (i) Capacity building of the implementation cadre (including front line staff and Panchayat leaders at the village and block levels) in identification of works, planning and maintenance of works, and supervision.
- (ii) Expansion in suggested works to include those enhancing productivity of land of other depressed communities apart from SC and ST, and overall natural resource regeneration.
- (iii) Need for massive capacity building activities at all levels of functionaries and institutional structures (in terms of advisory boards, ombudsman for grievance redressal, etc.)
- (iv) Review of spending of administrative expenditures to allow for earmarked budgets for capacity building of communities and monitoring and implementation structures at the grass roots level.

While the above recommendations pertain to all stakeholders, the following interventions may be considered with specific reference to civil society agencies and those that facilitate community action and advocacy:

- (i) Support to civil society agencies and autonomous people's collectives in facilitating and safeguarding workers' entitlements.
- (ii) Supporting innovations (and action research) around convergence with wider collaboration of government functionaries/departments and civil society agencies at the field level with block or district as unit, so as to develop practices that are in tune with the aspirations and needs of the communities and realize the long term goals of the NREGS.
- (iii) Enhancing capacities of government functionaries, NGO functionaries, and Panchayat Eaj Institutions (PRIs) to engage in various processes of implementation.

- (iv) Facilitating people centred advocacy processes for realization of entitlements.
- (v) Facilitating vigilant communities of workers in order to safe-guard workers' entitlements as well as for enhanced transparency and accountability.
- (vi) Creating and facilitating learning platforms among and across stakeholders with the State as a unit so that practices can be shared and learned.
- (vii) Engaging with policymakers and other influential elements within and outside government and facilitate dissemination of best practices as well as issues related to implementation.
- (viii) Supporting further research and documentation on the process dimensions, best practices, as well as impact studies.

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