National Rural Employment Guarantee as Social Protection

carasimha reddy
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D. Narasimha Reddy*

Abstract
This paper is an attempt to highlight issues around implementation of NREGA especially with a focus on institutions and governance and innovations there of. We hypothesize that institutions and governance play important roles in determining the functioning of NREGA, and the trajectory of its success. An attempt has been made to identify conditions of success (or failure) in the process dimensions, to bring about lessons for addressing mid-course correction to the programme. This includes examining the role of, political, administrative and bureaucratic dynamics and civil society and innovations in the scheme that may improve the delivery of the ‘right to work’. It is highlighted that differential impacts and achievements in scheme performance may be attributed to variations in local leadership and mobilization and levels of preparedness of institutional and governance capacities. Based on the field study in three states of India, the paper provides evidences and policy recommendations for enhancing effectiveness.

I

Introduction

Guaranteed public employment programme (NREGP1) in India is one of the largest social protection programmes in recent times that has attracted attention around the world for its approach, content, design and implementation mechanisms. At one level, desirability and feasibility of such a programme is argued from economic considerations like the realisation of the goal of full employment (Bhaduri 2005) and stimulation of demand during the periods of economic contraction. Further, it is also viewed as an effort to cushion the negative effects of the process of globalization, especially through creation of wage employment and assets in rural areas. From the perspective of a real politick it has placed development at the center of grass roots democratic processes of the country (IHD 2008). It is also viewed as a pre-cursor to a development paradigm that would be inclusive (NCEUS 2009).

NREGS - Programme Featuresii

The NREG is based on twin principles of universality and self-selection. First, as a legal right to work, it bestows legal entitlements to workers in the form of providing work for those who demand the same within a time frame (15days of applying for work) at a guaranteed minimum wage. Second, the universal nature of the programme eliminates targeting errors. The process of implementation and community involvement (in the form of planning of works and social audits) is expected to reduce corruption and malpractices which formed an important weakness in earlier programmes.

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Informed as it is by the basic elements of rights and entitlements, the immediate objective of NREGS is to provide work that supports and augments family income to the needy households to overcome deprivations. In the long term, it does hold a four-fold “transformational” potential, through multiplier/accelerator synergy, allowing simultaneously for (i) ecological transformation, (ii) transformation of sustainable livelihoods, (iii) technological transformation, and most importantly, (iv) democratic transformation of rural governance structures informed by the notions of citizenship and entitlements (Shah 2009a). The implementation process of NREGS is expected to unleash a transformative potential in social relations and rural governance as well (see also Shah 2009b; 2009c).

Methodology

The choice of the three States - Rajasthan, Bihar and Andhra Pradesh – is made with a specific purpose of locating implementation of NREG in different institutional contexts. Rajasthan has been at the helm of social mobilization efforts, particularly with presence of civil society agencies like unions of agricultural labourers (Mazdoor Kisan Shakti Sangathan). The consideration is that existence of such agencies promote awareness among labourers of the NREGA and its entitlements and also institutional preparedness on the part of implementing agencies. Further, the state has also accumulated experience of implementing public works programmes as part of earlier efforts towards drought relief. In Andhra Pradesh, proactive bureaucracy, grassroots mobilization through institutionalized agencies like self-help groups, innovative use of IT (for monitoring), creation of mechanisms of transparency (social audit) are hypothesized as some critical factors that enabled implementation of NREG on a firm ground. In contrast to the two States, Bihar may be taken to be facing teething problems stemming from a pervasive tradition of corruption-ridden nexus between contractor and panchayati raj structures which also hinder innovative measures in implementation. By contrasting experiences in such diverse locales, an attempt is made to identify factors that are critical in the performance of NREG.

In each of the three states, through a stratified sampling process with job creation as criteria, sample districts (two each), sample blocks (two in each district) and sample panchayats (8 in each block) were selected. In all, a total of 1443 worker households spread equally across the three states were interviewed. Apart from these, focus group discussions were held with several groups of stakeholders including Panchayati Raj Institution (PRI) leaders, officials at the panchayat, block and district levels. Work site observations also formed part of the data gathering process.

An initial analysis of the profile of the sample worker households reveal certain stylized facts that confirm the scope of NREG as a social protection programme, reaching the most needy economic and social groups of the country – Scheduled Caste (SC) and Schedule Tribe (ST) households, agriculture labour households and women. Coming from landless or marginal farmer families, engaging in casual labour work, belonging to below poverty line (BPL) economic group (possessing a BPL card or card for the
poorest), and hailing from the most deprived social groups (scheduled caste and scheduled tribes) formed important identities of majority of NREG workers. These almost defining characteristics of NREG workers impose enormous pressure on the implementing apparatus in ensuring effective delivery. Simultaneously, this also leaves potential for creating conditions of misuse and neglect of processes. These warrant the necessity of effective institutional and governance structures for the realisation of entitlements.

The paper is divided into four sections. The second and third sections provide evidences on the functioning of NREG from the perspective of entitlements, processes and institutional factors. The last section discusses policy implications of the findings.

II

NREG Worker Entitlements

In this section, work processes are diagnosed based on the household interviews and discussions with the stakeholders. As per the design of NREG, there are certain pre-work processes that create entitlements for NREG workers. Given that vast majority of the laboring poor have not been exposed to the demand based public works programmes, the first step in the implementation would be creating awareness about the programme. Various mechanisms have been put in place in order to enhance awareness among workers about NREG.

### Awareness Creation through NGOs and Local Level Initiative

Awareness about NREGA and its entitlements was created in Tonk District of Rajasthan by an NGO from Jaipur. Puppetry was used as the medium to communicate to workers what constituted their rights, along with the particulars of the employment programme. In Udaipur, focus group discussions reveal that ‘role-play’ was also used to create familiarity for prospective workers about the nitty gritty details of the scheme. Additionally, in Tonk district it was observed that the local Panchayat Samiti had distributed pamphlets detailing the scheme’s provisions, and also being close to Jaipur some workers claimed they had heard about it through the television, newspapers, radio and also through their ward members. Painted wall posters on the sides of buildings elaborating the tenets of NREGA were also a common sight in both districts of Rajasthan.

While in most cases in Bihar the role of NGOs and SHGs in awareness creation about the programme was negligible. However, officials in village Dobhi, Gaya reported that a Gautam Budh NGO is creating awareness about NREGS while in two or three villages of Purnia district too, Jeevika SHG had similarly played a role. Additionally, villagers in Neema in Gaya district claimed that the local cadre of CPI (ML) was creating awareness among its members, who have become well versed with the NREGS provisions. Few local officials said that mahila samitis (women’s groups) were creating awareness among women.

Women SHGs facilitated by the Indira Kranti Patham (IKP) a Government led poverty reduction and empowerment programme in Andhra Pradesh plays important role in NREG. SHG members and leaders and the cadre of community workers facilitate awareness, job card creation, applying for work and etc. Leaders of federations of SHGs at the Panchayat and mandal levels and field workers also play important role in facilitating payment transactions and social audits.
Registering workers and providing them with job cards, seeking applications for work from the needy workers, planning for works, designing works, allocating works to workers are some of the processes that are envisaged as part of implementation. In these respects, workers’ experience in Andhra Pradesh and Rajasthan reveals better performance in comparison to those in Bihar, where instances of incurring certain transaction costs in securing these entitlements are reported.

### Mismatch between Job Cards Given to Households and Actual Persons Working

In both Rajasthan and Bihar, it was mentioned by officials that often, even though they registered numerous households by giving them job cards, only a fraction of these households participated in NREG work. Secondary data for scheme implementation in the financial year 2008-09 points to the fact that out of the total households given job cards, only about 37% households in Bihar were in fact provided employment under NREG. Similarly in Andhra Pradesh, the proportion of actual working households amongst those that were issued job cards was 53%, while in Rajasthan, this figure stood at about 75% households. Other households, according to officials, merely hoarded the job cards as security in anticipation of getting the unemployment allowance. Since NREG is based on self-selection process, there is no restriction on the issue of job cards. Several households which do not have anyone willing to take to physical labour also acquire job cards in the hope of other benefits it may offer. Thus, there is always an excess of households with job cards and households with actual participation.

Further, some of the local level officials in charge of NREG said that often the labour budget estimate was inaccurately calculated by multiplying the number of BPL card holders in a Panchayat/Block/District with Minimum Wages of 100 days. This was unrepresentative of the ground reality as often some of the BPL card holders themselves did not come out to do NREG work.

### Job creation

Creation of works to needy workers within 15 days of their demand is an important dimension linked to provision of work, which appears to be flouted by officials (at least in 50 per cent of sample households in Andhra Pradesh and Bihar). This is primarily related to the effectiveness of delivery mechanism across the three states, though awareness among workers also plays a role in seeking this entitlement. From the supply side, lack of shelf of projects, delays in release of funds, lack of planning, non-availability of technical staff appear to be some of the reasons for this situation. However, no instances of invoking provisions related to claiming of unemployment allowance (in the event of a failure to provide jobs within 15 days) were found in the field. There appear to be some process deficits in this regard, where in records related to job requests and acknowledgement of demand for work are maintained very poorly at the field level. Instances of non-provision or undated receipts at the time of demand for work are observed, which would mean that officials at the local level circumvent the provisions related to unemployment allowance.

Another important aspect closely related to provision of work is related to entries on the job cards of the workers (days worked and wage amounts due). It was found that for all sample households, in only about one fourth of the cases were there complete entries
made in the job card. Only some entries were made in job cards across the three states – Andhra Pradesh in 32% cases, in Bihar in about 22% cases and in Rajasthan in about 66% cases. Such a situation seriously violates the entitlements of workers and provides scope for corruption and other malpractices, as workers would not be in a position to contest any discrepancies related to payments.

**Days of Employment Created**

An important indicator of the performance is the number of days of employment provided to a household. Rajasthan enjoyed highest number of person days of employment per household, averaging at 76 days, followed by Andhra Pradesh with 74 days and Bihar with 24 days. Rajasthan and Andhra Pradesh also show majority of households (58% and 53% respectively) getting 75 to 100 days of employment. Level of wages is another important indicator of performance. In Bihar, wage rate per day fluctuated between Rs 80-82 with a yearly NREG earning of around Rs 1460. In Rajasthan, wage rates ranged between Rs 69-71, with annual income around Rs 3850.

In Andhra Pradesh, wage rate per day ranged between Rs 84-86, with annual earnings amounting to about Rs 3200. Higher annual earnings corresponded with either higher number of employment days or higher wage rate per day or both.

<table>
<thead>
<tr>
<th>State and District</th>
<th>Average no. of employment days (per hh)</th>
<th>% Per HH Employment Days</th>
<th>Wage Per Day (Average)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Upto 25</td>
<td>25-50</td>
</tr>
<tr>
<td>Andhra Pradesh</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kurnool</td>
<td>78</td>
<td>2.1</td>
<td>12.1</td>
</tr>
<tr>
<td>Medak</td>
<td>70</td>
<td>4.6</td>
<td>19.6</td>
</tr>
<tr>
<td>Total</td>
<td>74</td>
<td>3.3</td>
<td>15.8</td>
</tr>
<tr>
<td>Bihar</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gaya</td>
<td>25</td>
<td>62</td>
<td>28.5</td>
</tr>
<tr>
<td>Purnia</td>
<td>23</td>
<td>62.9</td>
<td>29.6</td>
</tr>
<tr>
<td>Total</td>
<td>24</td>
<td>62.4</td>
<td>29</td>
</tr>
<tr>
<td>Rajasthan</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tonk</td>
<td>78</td>
<td>5.8</td>
<td>11.6</td>
</tr>
<tr>
<td>Udaipur</td>
<td>74</td>
<td>6.3</td>
<td>16.7</td>
</tr>
<tr>
<td>Total</td>
<td>76</td>
<td>6</td>
<td>14.1</td>
</tr>
</tbody>
</table>

There are several factors that contribute to the provision of employment when demanded by the workers. Receiving administrative and technical sanctions, planning, fund releases, weather conditions, and agriculture season play important role in number of days of employment created. Often there appears to be mis-match between the periods that workers seek employment and the periods of creation of employment, and such a mismatch would also affect the overall participation rates. Workers’ preference in all regions is for longer duration of work without too many breaks. But in reality, shorter duration
and frequent breaks mark the works and discourage participation as much as encouraging migration seeking continuous work for longer periods.

In both districts of Rajasthan, it was observed that female participation in the scheme in terms of number of employment days worked was much higher than their male counterparts. This can possibly be attributed to out-migration by male members of the household resulting in their non-participation. In Andhra Pradesh, relatively higher women’s participation in NREGS may be owing to higher wage rate offered in NREGS, compared with otherwise gender discriminatory market wages in agriculture and non-agriculture (Sudarshan (2008)). In Andhra Pradesh and Bihar, primary reason cited for women not participating in NREGS was that they needed to attend to domestic chores/dependents of the household (59% respondents). In both districts of Rajasthan, the primary reason for women’s non-participation was because of inadequate child care facilities at the worksite, and in turn this was the second most important cause in Andhra Pradesh and Bihar as well. Caste and class factors were also found to play a part in some instances in women’s participation in the scheme especially in Kurnool (Andhra Pradesh) and Purnia (Bihar).

**Table 2 Share of NREG Employment by Gender**

<table>
<thead>
<tr>
<th></th>
<th>Male (%)</th>
<th>Female (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Andhra Pradesh</td>
<td>49</td>
<td>51</td>
</tr>
<tr>
<td>Bihar</td>
<td>71</td>
<td>29</td>
</tr>
<tr>
<td>Rajasthan</td>
<td>28</td>
<td>72</td>
</tr>
</tbody>
</table>

Across three states, share of NREG employment of SC and ST families, small and marginal farmers and those possessing below poverty line ration card (BPL families) is high compared to others which reflects the fact that as a social protection NREG is able to reach the most vulnerable families.

**Table 3 Share of Employment by Social and Economic Categories**

<table>
<thead>
<tr>
<th></th>
<th>AP %</th>
<th>Bihar %</th>
<th>Rajasthan %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Group</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SC</td>
<td>46</td>
<td>72</td>
<td>33</td>
</tr>
<tr>
<td>ST</td>
<td>5</td>
<td>7</td>
<td>23</td>
</tr>
<tr>
<td>OBC</td>
<td>34</td>
<td>21</td>
<td>34</td>
</tr>
<tr>
<td>Other</td>
<td>15</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td>Land Category</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Landless</td>
<td>20</td>
<td>80</td>
<td>20</td>
</tr>
<tr>
<td>Marginal</td>
<td>48</td>
<td>19</td>
<td>65</td>
</tr>
<tr>
<td>Small</td>
<td>25</td>
<td>0</td>
<td>11</td>
</tr>
<tr>
<td>Economic Category</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>APL</td>
<td>3</td>
<td>10</td>
<td>49</td>
</tr>
<tr>
<td>BPL</td>
<td>90</td>
<td>40</td>
<td>34</td>
</tr>
<tr>
<td>Antyodaya</td>
<td>7</td>
<td>37</td>
<td>12</td>
</tr>
</tbody>
</table>
Wage Payment

One of the important dimensions of right to employment is that workers are entitled to payment of wages commensurate to minimum wages of respective state governments. Added to that, wages are to be paid within 15 days of completion of work, failing which the concerned officials are liable for punishment. Given that the work provided is physical manual labour, wage payments and related processes are cumbersome in the sense they are based on the physical measurements of work done, on the basis of piece rate and not based on the ‘hours of work’. This brings us to the issues related to the basis for wage calculations and to what extent workers are able to understand and appreciate the processes related to wage calculation and actual wage that they have earned over the past one year.

Basis of Wage Payment - Work Measurement Or Daily Wages

While almost all respondents reported that wage payment was made on the basis of measurement in Andhra Pradesh and Rajasthan, in Bihar about half the respondents said they were paid on the basis of daily wages. Also, while in Andhra Pradesh and Rajasthan workers reported having seen officials measuring work, in Bihar, 17% of households reported that they had not seen officials measuring work around worksites and this proportion is higher in Purnia (28%). This discrepancy exposes the lack of knowledge on the part of the workers about the basis of payment of their wages, and also inconsistency in measuring of work by technical officials, possibly due to understaffing.

Work Participation and Work Measurement Issues in Group Based Work

A peculiar problem was observed in Rajasthan. Usually large numbers of workers were present at worksites, up to 50-70 persons, and they were further divided into teams to undertake tasks (see also Khera 2008). Gender and Caste related issues surface in some cases. It was found that only some members in the group worked, while others often shirked work, assuming they would be paid anyway. As a result of this we found 70 year olds and even some college students physically present at the worksite during their summer holidays, not undertaking work but merely hanging around! In Tonk district we found some people even playing cards at the worksite! Mostly members of dominant communities like Gujjar and Jat did not work, but yet threatened mates and other officials to put their attendance so that they could claim wages!
But there are also contrasting evidences. In Andhra Pradesh three instances where weak, old aged and women were allowed lighter tasks in a group. Lactating mothers were also allowed to break for breast-feed infants. And yet wages are shared equally as a conscious agreement among the groups.

Further, there were instances where male labourers in a mixed group did not work much, making women to do much of the work and hence the female laborers did not prefer males in their groups! The Programme Officer in charge of NREGA in Tonk District mentioned that they were experimenting by trying to make separate groups for males and females, but often this too was not preferred!

One of the reasons for low daily wages in Rajasthan is labour crowding at works. In one instance in Nadri Panchayat of Tonk District, where there was very hard soil/rock, after division of wages among workers, only Rs.1 per day accrued to each of them – attributable to large number of workers, sub optimum work output and also strict schedule of rates! On the contrary, in another village where the numbers of “sitting” laborers were few in number, wages at that site were above Rs 80.

NREG Wage Vs Prevailing Rural Wages

NREG should adhere to State level statutory minimum wages. Minimum wages are expected to be higher than the market wages. But there are regions where minimum wages are less than the market wages. NREG wage rates in Bihar are higher than the agricultural and non agricultural market wages. In Andhra Pradesh, in several districts the NREG wages were lower than the prevalent agricultural wages. In Rajasthan, across the districts, NREG wages were more competitive than agricultural wages, but below non agricultural wages.

Table 4: NREG and Non-NREG Wages (Per Day)

<table>
<thead>
<tr>
<th>State (District)</th>
<th>Agricultural Wage Avg. (in Rs.)*</th>
<th>Non-Agricultural Wage Avg (in Rs.)*</th>
<th>NREG Wage Rate (Avg)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bihar (Gaya)</td>
<td>56</td>
<td>75</td>
<td>80</td>
</tr>
<tr>
<td>Bihar (Purnia)</td>
<td>65</td>
<td>81</td>
<td>82</td>
</tr>
<tr>
<td>Andhra Pradesh (Kurnool)</td>
<td>86</td>
<td>129</td>
<td>84</td>
</tr>
<tr>
<td>Andhra Pradesh (Medak)</td>
<td>91</td>
<td>124</td>
<td>86</td>
</tr>
<tr>
<td>Rajasthan (Tonk)</td>
<td>61</td>
<td>101</td>
<td>71</td>
</tr>
<tr>
<td>Rajasthan (Udaipur)</td>
<td>64</td>
<td>97</td>
<td>69</td>
</tr>
</tbody>
</table>

* as reported in survey

Impact on Agriculture – Creating a Wage Floor

In Rajasthan villages, after the commencement of NREGS, wages in agriculture had increased, from between Rs 40-60 to revised estimates of Rs 80-100. In non-agriculture too wage increase was observable from the earlier Rs 70-80 to Rs 100-125 on account of NREGS. In fact, labourers in Rajasthan claimed that they did not want to go to do agricultural work or construction work as they had to toil more in these types of works, whereas in NREGA, there was no real pressure or supervisor to force them to work! These instances brought forth the wage effects as a result of NREGA being based on statutory minimum wages in rural areas as well as greater awareness and improved bargaining power of rural labourers due to NREG.

Some negative externalities of NREGA on agriculture were observed. For instance in Purnia district of Bihar, a small farmer lamented that he could not “compete” with the NREG wage for engaging agricultural labourers. He emphasized that this was in particular the plight of small farmers such as himself, as the large farmers were still in a position to up the ante and attract agricultural workers. Ensuring access to input
provision at fair price and minimum support price (MSP) for the produce to small-marginal farmers should be part of a larger social protection strategy.

Worksite Entitlements

Worksite Facilities

Under the NREG Act, it is mandated that there should be certain worksite facilities in order to ensure respectable conditions of work and impart dignity to labour. These include four basic worksite facilities: drinking water, shade, first aid kits and crèche. However, it was observed that the status of worksite facilities was uniformly poor across the three states studied. Nearly all sample worksites across states did not enjoy all these facilities. But drinking water is provided in all the states. Shade in some places in Rajasthan, first aid in some places in Bihar and Andhra Pradesh. No crèche in any of the work sites visited. What was more surprising was that some of the basic implements for digging and carrying earth, and even vessels for drinking water is not provided in Bihar! It was found that there appear to be no institutional mechanisms of accountability in the provisioning of such worksite facilities, and this in turn necessitates evolution of certain benchmarks in this regard to ensure not only employment but decent work.

Muster Rolls at Worksites

An important feature that ensures transparency is a sheet of attendance (called muster roll) to be marked by the officially appointed field worker (often twice a day acknowledging attendance of workers), which is to be signed by the workers (thumb impression in the case of illiterate workers). Ensuring proper maintenance of muster roll is an important function of the field worker as they form the basis for the calculation of attendance and wages as well. On this front, gaps are found in Bihar with only little over one third of worksites reporting muster rolls in place. In vast majority of cases in this state (85%), attendance is taken on an informal notebook, “kachcha khata”. Also in both Bihar and Rajasthan, nearly half the sample workers did not sign the muster rolls at all and in majority of cases these rolls are not kept up to date. These deficiencies deny transparency and create room for tampering.

Types of NREG Works Undertaken

It can be seen that maximum works undertaken in Andhra Pradesh were land development works (45%), followed by other works (28.9%). In Bihar, most are rural road connectivity works (64.5%) and a few works were renovation of traditional water bodies and irrigation works. In Rajasthan too, maximum number were construction of rural road works. A few works of renovation of traditional water bodies were also undertaken, mostly in Tonk. A disturbing feature that came out of road construction or even other works in Rajasthan is the violation of the guidelines that labour cost should be at least 60 per cent of the project cost and the material cost should not exceed 40 per cent. In most of the works the material cost was in the range of 60 to 80 per cent. It is observed as a deliberate ploy to misappropriate by inflating the procured material cost.
“Transformative Potential” of NREGA - Private Land Development of SC/ST in Andhra Pradesh

In the dry land areas of Medak and Kurnool and throughout Andhra Pradesh, development of marginal lands belonging to SC and ST communities (most were assigned by the Government under land distribution schemes) as part of NREGS appeared to have resulted in long term benefits for the marginal farmers in terms of improving the quality of their asset base. Most of such lands were hitherto remained uncultivated due to the inability of such marginal farmers to invest in land development. Under NREGS, workers developed such lands by bunding, removing boulders, stones and shrubs and land leveling. Through a participatory process such lands were identified and works were undertaken on priority basis and in several panchayats this has resulted in an increase in area under cultivation. This activity ranks high among all the activities undertaken as part of NREG in the State.

Household Income Gains & Changes in Living Conditions

It was found that NREGS (wages) contribution to the household income was 16.5% in Rajasthan, followed by Andhra Pradesh (9.62%) and Bihar (8.39%). The additional income accruing from NREGS wages were primarily used for purchasing food items – Rajasthan (58% respondents), Bihar (51% respondents), Andhra Pradesh (46% respondents) and other non-food consumption items – Bihar and Rajasthan (17% respondents each) and Andhra Pradesh (15% respondents). Significantly in Andhra Pradesh, about 10% respondents also said that they used their NREG wages to address their health needs and for their children’s education.

Regarding improvement in economic condition, about 70% households in Rajasthan, 67% households in Andhra Pradesh and 48% households in Bihar reported some change. Further, in Rajasthan, approximately 87% of households reported impact on reducing hunger, from across social, land and occupational categories, while in Bihar, about 40% households reported the same. In Andhra Pradesh majority households (78%) said that they could not tell the impact of NREG on reducing hunger.

III

Institutions and Governance in NREG Implementation

It is imperative at this stage to understand institutional factors that contribute to the processes. While government officials recruited especially for the implementation are expected to deliver their services, there are host of other agencies that have participated at various stages of implementation.

NREG Functionaries

At the three tiers of local government representation – the district, the block and the panchayat, there are supposed to be dedicated NREG personnel, viz., District Programme Coordinator, the Block Programme Officer and the Panchayat Rozgar Sewak. These officials are responsible for implementation of the programme from the conception to execution, at their respective levels. However, through discussions with these NREG functionaries it was observed that their abilities and effectiveness in delivering on their roles and responsibilities are crippled by inadequate staff, adhoc positions without any career prospects, poor salary, heavy work load and absence of conveyance facility or allowance.
Grievances of NREG Functionaries

Interactions in Bihar for instance revealed the following:
- At the Panchayat level in particular, Rozgar Sewaks received a consolidated salary of Rs 3000 per month, which is considered almost as subsistence wage! Further, salaries for NREG personnel were often delayed by 3-6 months!
- Understaffing of functionaries at each level meant that they were often given additional charge of Blocks or Panchayats over and above their designated ones.
- Despite being appointed especially for the NREG, officials complained of being burdened with non-NREG work such as preparing BPL lists, serving during election duty etc, resulting in lesser attention to NREG work.
- No travel allowance or transport facility was provided to them despite their having to oversee multiple worksites, for which they had to incur their own expenses.

Further, lapses or delays on the part of the Junior Technical Engineers/ Assistants to visit worksites for work measurement and account for the work undertaken by the labourers were found to translate into subsequent delays in the issuance of wages to the workers.

There also problems arising out of the very nature of appointments. For instance, the ‘mate’ at the village level in Rajasthan was often an appointment on the pressure of politically influential people and it was reported that in many instances corruption was mostly on account of these mates, who were connected with ‘muscle’ men, and slacked in the performance of their duties.

Gram Sabhas

The Gram Sabha of the Village Panchayat is an important element in NREG functioning. The Gram Sabha is meant to be instrumental in the planning of local need-based works under NREGS. Across the three states, about 44% respondents said that NREGS in particular was discussed in Gram Sabha meetings, though in Rajasthan this figure was limited. Further, as to whether NREGS works were selected at the Gram Sabha meetings, overall 40% respondents said that this did occur, again more so in Andhra Pradesh and Bihar, than in Rajasthan.

The attendance and representation of different groups at the Gram Sabha also determines, to some extent, the types of assets that will be created, and in turn who will benefit most from that asset creation. For instance, most women in Bihar reported that they do not participate in the Gram Sabha as they do not understand much of what happens there. What is lacking is the comprehension of the overall role of the programme which can only come through proper social mobilization.

Banks and Post Offices

Almost all sample households in Andhra Pradesh and Rajasthan had individual accounts through which they were paid their NREGS wages. However, in Bihar, only a little more than half (52%) of workers have bank accounts indicating that payment of wages through bank / post-office accounts had not been institutionalized completely. In these cases, wage payment was made in cash by the work supervisor – the ward member, rozgar sewak or the ‘mukhiya’ of the Panchayat - to the labourers in the form of daily wages,
rather than on a weekly or fortnightly basis. Cash payment of daily wages is also preferred by the workers in need but they do report on cuts and manipulations. Many workers hesitate to report because there is a certain connivance. The functionaries make excess entries of work in the job cards, often with the knowledge of the workers and pocket the wages for those additional work entries. Workers don’t complain because they are getting daily wages without cut on time!

Through discussions with officials it was found that the preference of post office accounts over bank accounts for wage payments has been made as most Panchayats have already existing post offices, if not necessarily banks in their locality. In fact one of the officials in Gaya even said that banks were not active within the NREG as they do not like to operate zero balance accounts, without receiving any commercial gain. However, as was observed in both districts of Bihar, even handling of wage payments by post offices was fraught with difficulty due to shortages in staff to handle the bulk of NREG payments, limited hours of their operation and also their having to handle other social welfare scheme related payments such widow pension, Indira Awas Yojana handouts etc.

In fact, the exact gap between the number of days between work completion and wage payment was found to have some plausible link with the mode of wage payment. In Andhra Pradesh this gap was found to be around 18 days, in keeping with the institutionalized system of wage payment through bank/post office, supposedly occurring within 2 weeks with the help of information and communication technologies.

<table>
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<tr>
<th>Cutting Leakages - Wage Payment using ICT and Biometric Smart Cards</th>
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<td>An innovative feature of the NREG programme in Andhra Pradesh is wage payment through banks and post offices, with the use of ICT and transaction-based Monitoring and Information Systems (MIS). A strict payment cycle is supposed to be followed, with work measurement being readied by day 6, after which preparation of cheques, conveyance of cash, and the final disbursement to post offices occurs by day 13, well within the stipulated 15 days for receiving of wages.</td>
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<td>Further, after a recent pilot study testing its efficiency, Financial Information Network and Operations Ltd (FINO), a technology solutions provider, is paying wages to NREGS workers through biometric smart cards in 259 villages in five districts of Andhra Pradesh (93 in Karimnagar, 17 in Medak, 53 in Chittoor, 55 in East Godavari and 41 in Mahaboobnagar). It is aimed at reducing transaction time as well as costs to workers and also enables transparent payments.</td>
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In Rajasthan, there were immense delays in wage payments, and on an average there was almost 2 months delay (62 days) in between work completion and wage payment, with Udaipur district reporting marginally poorer performance in this aspect! Further, in both the districts, almost three fourths of the respondents reported receiving wages after more than a month’s delay. The cause of delay is on account of opening accounts in Post office, where the service is very poor due to shortage of staff and also of the other paraphernalia of requirements needed for account opening e.g. stationary, necessary forms etc. Additionally for instance in Hathela village of Tonk district it was reported that the Postmaster knowingly delays the NREG payment and demands money. Payment through ‘Mini Banks’ was found to be somewhat more effective in Rajasthan.
Grievance Redressal Mechanisms and Accountability Provisions

Grievance redressal mechanisms remain conspicuous by their absence at the district and sub-district levels, and through discussions with the NREG workers it emerged that this proves very costly for them, as they remain powerless in exposing scheme irregularities. Often, as was reported in numerous cases in Bihar, workers are at the mercy of the locally powerful groups or actors, also in charge of scheme implementation (sometimes by misappropriation), who are able to swing scheme benefits to their gain. They interfered at the time of wage payment and siphoned cuts from the due wages of the workers. However, the NREG workers could not turn to an independent third party to expose this infringement in the working of the programme. A recent amendment in the NREG Act has been made to rectify this situation by providing for a district ombudsman to look into investigation of NREG related complaints.

In fact, other mechanisms of accountability inbuilt into the NREG programme such as conducting of social audits (see box below), demand for proactive disclosure of NREG related documents through display boards or using the Right to Information Act, public scrutiny of accounts etc, working of vigilance and monitoring committees looking in to the quality of implementation of the scheme were observed to exist in theory but not in practice, save in Andhra Pradesh.

<table>
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<th>Accountability through Social Audit in Andhra Pradesh</th>
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<td>In Andhra Pradesh, social audits have been institutionalized through state led initiative, and are conducted by an independent society - Society for Social Audit, Accountability and Transparency (SSAAT), Department of Rural Development, Govt. of Andhra Pradesh. Social audits as designed in the NREG are intended to serve as a platform for grievance redressal. The audit exercise involves public hearings which act as a forum for exposing divergence in government records of programme implementation and the actual ground realities. This occurs through testimonials of workers and opportunities given to officials to publicly defend their actions (Aiyar and Samji, 2009). As part of the social audit, state resource persons and district resource persons train village social auditors, who in turn are involved in monitoring and evaluating scheme processes. They also play a key role in raising awareness of beneficiaries through discussions and dialogue about the NREG programme, its provisions. The social audit as conducted in Andhra Pradesh has developed as a best practice in terms of public accountability, serving as a model to be replicated in all states. Audits have been conducted in 7000 habitations in all 22 districts of the state, with the involvement of more than 150 NGOs and Civil Society Organisations. As a result, there have been a number of instances of corrective action such as initiation of departmental enquiries, dismissal of erring officials due to their malpractices and voluntary recovery of upto Rs 30 million from NREG related misdeeds (Rajshekhar, 2009).</td>
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IV

Reflections and Implications for Policy

NREGP as Social Protection

First and foremost, our field research informs and re-confirms the basic assumption that as a social protection programme, NREGP is able to reach the intended vulnerable groups of population, as reflected in the share of employment of scheduled caste, scheduled tribes, BPL households and women. Households have also pointed out reduced hunger periods, improved incomes through NREG programme, though they are not conclusive about the reduction in migration. All these point towards the view that as a social protection programme, NREGP is able to address some of the vulnerabilities and able to transfer incomes. Evidences also point out that reaching such groups in a sustainable way would also require institutional structures that deliver the benefits effectively. Since transformation of grass roots governance structures is one of the overarching objectives, such a situation would emerge only when there are processes that facilitate such a transformation. It is in this context strengthening of village level democratic structures (like Gram Sabha, village panchayat), involvement of self help groups and other autonomous peoples collectives becomes imperative. Such processes require resource commitment and NREGP design need to accommodate such provisions.

Implementation and Entitlement Gaps

Envisaged as a right based and demand driven programme, with universal and self-selection as basis for participation, the modus operandi of NREG implementation, however, appears to be on the lines of typical bureaucracy driven public employment programmes that have been in place for many years in India. This is essentially because of the weakness of Panchayat Raj institutions at the grassroots level which need to strengthen by adequate infusion of supporting staff, capacity building of both elected representatives and supporting institutions. However, evidences do indicate fulfillment of certain entitlements of workers to varying degrees across the three states covered in the field study.

While several entitlements are not yet completely fulfilled, yet, what is gratifying is the fulfillment of a very important entitlement viz., provision of at least 75-100 days of the promised work to at least half the participant households (in Andhra Pradesh and Rajasthan), though Bihar still remains nowhere near this achievement. In most cases, payment of statutory minimum wages is also occurring (with exception of delays in Rajasthan), and wages appear to be reaching those workers who have worked under NREG. Systems related to this aspect of the programme, still have teething problems (especially in Bihar), in terms of inadequate capacities of banks and post offices, yet there is an overall positive response in this respect by the workers. One of the important reasons for this situation is that there is intended to be a complete separation of
implementation apparatus and wage payment apparatus. Such a separation has some potential for lesser delays and minimizing malpractices.

The other important aspect of the programme is the type and quality of works created and their contribution to the rural economy. While there is an overall positive feedback on the types of works, there appears to be little focus on the quality of assets and this is linked to inadequate technical capacities at the field level in terms of providing design and technical inputs while executing the works. Interactions with the field functionaries revealed this critical gap. Further, consensus-based decision making regarding selection of assets to reflect local development needs has a long way to go.

**Few Implications for Policy**

As a right based programme NREG envisages certain prerequisites in terms of enhanced awareness and understanding on the nuances of rights and entitlements and the processes of realisation of the same. At this juncture, still there appears to be lot of scope for creating systematic awareness among all the stakeholders. Information dissemination about the Act, its provisions and entitlements is necessary and appropriate processes may be adopted to ensure messages reach to the workers as well as implementing officials, Panchayat leaders and other important stakeholders. The Right to Information (RTI) has been invoked in some instances in Rajasthan and Andhra Pradesh as a corrective instrument to check corruption, where through demand for proactive disclosure of NREG related documents by workers, leakages have been exposed. Role of civil society agencies and NGOs in scheme delivery also become important for this reason in this aspect. For instance in Andhra Pradesh, SHGs of the Indira Kranthi Patham (IKP), its pre-existing cadre of community facilitators has been tapped to facilitate mobilisation under NREGA. Thus, social mobilization at the grassroots level appears to be sine qua non for effective realisation of rights. It is also found that wherever civil society agencies played the role of facilitators, there are qualitatively effective processes.

Scope for simplification of procedures and processes may be explored as it is one of the concerns of field officials who often spend considerable time in meeting the procedural requirements. Technical support for the field functionaries and panchayat representatives on the planning and monitoring of works appear to be another important need at the field level. Absence of such an input appears to be leading to sub-optimal results as far as quality of works is concerned. To meet such inputs, committed resources may be allocated from within the administrative and capacity building funds. Further, shortage of technical staff, their work load, multiple responsibilities of staff, training, delays in appointments, incentive structures are some of the human resource issues that need immediate attention, as was particularly observed from the lacunae in scheme implementation in Bihar.

Effective planning of works would be an important pre-requisite for quality of assets created through NREGP. Shelf of projects may be expanded and works need to be prioritized based on the needs and not based on sanctioning limits of the implementing structures. The current approach of having limits to sanction works at various levels of
panchayat raj structure appears to be affecting negatively the quality of assets. Bureaucratic hurdles in sanctions also need to be addressed. Development of lands belonging to scheduled castes and scheduled tribe households and other households below poverty line appears to have tremendous potential in unleashing productive capacities in rural areas, wherein hitherto un-arable lands can come into cultivation, as field realities reflect in Andhra Pradesh. Such works would also trigger multiplier effect. It is imperative to identify and prioritise such works through a process of village level resource planning. Mechanisms for equitable benefit-sharing of assets needs to be developed especially in cases like land and water related works, where in post the construction phase benefits often go to land owning sections and not to landless.

While NREG is a rights-based (demand led) programme, at the operational level there appears to be some element of seasonality in the demand for works. As a social protection programme it is expected to meet the employment requirement of the workers during the slack season of employment. It is in this context that there is a demand to develop an NREGP calendar of works. In an exercise conducted by the Centre for Environment Concerns (CEC), an NGO in Andhra Pradesh, farmers and NREG workers were brought together to devise an agriculture employment calendar, resulting in identification of a shelf of works wherein small works could be taken up any time during the year and large ones with high employment potential were slated only during non-peak agricultural season (CEC: 63-68). Such a calendar is being implemented in Andhra Pradesh and a similar approach may be adopted by other states as well. Given that NREGP wages are on par with wages in agriculture, such a seasonal calendar is expected to ensure continuous employment throughout the year for workers. Additionally, the domino effect of minimum wages offered under NREGA on agricultural wages has been welcomed for establishing a much needed wage floor for rural labour.

Use of ICT at various stages may be considered – identification of NREG workers and record keeping of their wage payment. For example, biometrics for attendance (as elaborated earlier in Andhra Pradesh), use of smart cards, use of hand held devices, electronic payments, appropriate tracking software etc are some pilots in these directions and the need is to identify replicable processes for extension in different institutional contexts.

Issues of division of work at worksites, work output and work measurement and the payment of corresponding wages for the work done needs greater clarity, as brought to the fore especially in Rajasthan. For instance, time-motion-and-work studies conducted in Andhra Pradesh found that labourers had to work almost three times more under the standard Schedule of Rates to get the basic minimum wage, owing to the observed difference between the wage promised and the actual wage received by the worker under the task rate formula (CSE 2008: 33-35). Based on the recommendations of this study, the Andhra Pradesh government issued orders in April 2007 modifying wage entitlements of workers under various NREGA works. Thus, it emerges that some standardization in these processes is urgently needed across the states. Another possible scenario that has been suggested is to de-link wages to output and to replace by daily wages in order to simplify the processes (there has been an announcement in this direction; but it has not
yet been clearly spelt out by the central government). Links between mode of wage payment and frequency of wage payment also needs to be explored to minimize the delays in payment to NREG workers, and depending on the handling capacities of banks and post offices, these institutions may be seen as a pivotal mechanism (though not foolproof) in plugging such delays. Incentivizing panchayats for improving work-site facilities may also be considered.

Finally, mechanisms of punitive actions for addressing deficits in entitlements may need to be established earnestly. Such measures will enhance transparency as well as responsiveness among officials to check incomplete entries in job cards, measurement delays, delay in payment etc, which need to be purged. Additionally, instituting of a grievance redressal agency/actor, independent of scheme stakeholders would help in ensuring transparency. Establishment of district ombudsmen is a step in this direction. Social audit mechanism, as institutionalized in Andhra Pradesh, can be replicated in other states, though attention is needed to ensure that such an exercise may be adapted to local contexts, so NREG workers can voice their grievances without fear, rather than this becoming a confrontational match.

Notes

i Acronyms NREG, NREGS, NREGP are used interchangeably in the literature, all meaning national rural employment guarantee programme. We use NREG referring to the scheme. It has been re-named recently as Mahatma Gandhi National Rural Employment Guarantee (MGNREGA). The programme came into existence through the National Rural Employment Guarantee Act (NREGA) of the Parliament in February, 2006. In Phase I it was introduced in 200 of the most backward districts of the country, and an additional 130 districts were included in Phase II in 2007-2008. The Scheme was further extended to all the remaining rural districts of India from April 1, 2008.

ii For further elaboration, see. IHD (2009a; 2009b)

iii National level secondary data also reflects similar features vis a vis participants of NREG programme

iv Others include silt application, percolation tanks, earthen bunding etc

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