

Failure of National Rural Employment Guarantee Scheme in Maharashtra

This article offers explanations for why the National Rural Employment Guarantee Scheme has failed to take off in Maharashtra.

CHHAYA DATAR

It is a well known fact that the National Rural Employment Guarantee Scheme (NREGS as a part of the Minimum Common Programme) is based on the Maharashtra Employment Guarantee Scheme (MEGS) for which an act was passed in 1976. The scheme ran until February 2006, when it was converted into the Maharashtra Rural Employment Guarantee Scheme (MREGS), under the guidelines of the NREGA. Against this background, it was expected that the new scheme would be launched quickly, without the teething problems experienced in other states. However, after one year, it appears that the scheme is performing poorly in Maharashtra and has not even spent half the amount allocated to the 12 districts selected in the first phase by the central rural development ministry. For example, in Chandrapur, during 2005-06 and 2006-07, a total of Rs 51.35 crore was allocated

but only Rs 8.04 crore was spent (as of March 31, 2007). Incidentally, these are the poorer districts of Maharashtra where the tribal population is very large.

Some of us concerned about this state of affairs tracked the developments in the first phase of the scheme and collected data with the help of two organisations – Jananrth Adivasi Seva Viakas Sanstha in Nandurbar and Jagrut Mahila Samaj in Chandrapur districts. We also met some senior officers in the planning department, which is responsible for funding the old Employment Guarantee Scheme (EGS) as well as monitoring the new MREGS. These meetings were useful to understand the similarities and differences in the old and new schemes, and to understand why there was a general lethargy in the MREGS.

Before proceeding, we present some important developments during the last three years regarding the status of the EGS. Then, in order to explain the present

amnesia towards the MREGS we compare the two schemes. At the third stage, we present some data to reinforce our point regarding this amnesia and focus on the urgent need for intervention by the chief minister to save the scheme and make it more vibrant so that the slide in social development indicators is arrested. Also, we wish that Maharashtra, where the EGS concept originated should emerge as a model state and that the scheme should be upscaled by the central government.

The EGS act levied a special professional tax on all salaried persons in Maharashtra, which was agreed upon by all parties in 1976 under the plea that urban people should share the tax burden of the rural poor and make a sacrifice to provide employment for them during lean seasons. Since 1976, this tax has been collected and reported under a separate head in the state balance sheet and annual expenditure statement. The act also states that the government would provide a matching grant for the amount collected. Over the last few years, the tax amount has risen handsomely (Rs 1,500 crore during 2006-07), proving that the size of the salaried class has increased substantially. However, the government failed to match the amount as per the law and thus came under criticism. During the same period, the government machinery that implements the EGS has become lethargic, under the plea that there is no demand for EGS work on the one hand and on the other, there is a saturation of possible worksites, implying that a lot of infrastructure has already been built and thus, there is no scope for more.

Against this background, a committee was set up in 2003 by the minister of the EGS and the planning department to restructure the EGS to make it more meaningful, fulfilling its initial mission of water conservation and greening of rural Maharashtra. Unfortunately, the report and consultation on the same among the elected representatives of the assembly was delayed, reflecting the government's lack of will to reshape the EGS. The thrust of the committee's report was that so far, the worksites for the EGS were selected randomly and in a scattered manner as a response to the crisis posed by the drought situation and also, dictated by the local member of legislative assembly (MLA) as a populist measure. The report suggested that these scattered structures be consolidated and made a part of the mapping of planned

watershed activity in each village, where the work would continue for years together. Thus, real conservation of water would be achieved by allowing percolation of water as per the watershed technique of drainage treatment and land treatment from ridge to valley to allow water to be percolated by decreasing the speed of flowing. Earlier, a similar programme was incorporated within the EGS called Shramshaktidwara Gram Vikas but it failed because of lack of coordination between departments when carrying out earthwork in a certain sequence. Finally, the villagers got weary. The report suggested that to deal with this lacuna, technical people from all line departments should be deputed to one nodal agency, which would carry out the EGS work in a systematic manner. This agency would work under the department of water conservation. It also suggested that to accommodate some structures such as cement bunds, etc, as per the requirement of watershed activities, the proportion of the labour to skill component would be changed from 60:40 to 50:50. The report strongly recommended escrowing EGS funds and not allowing the fund to be used for any other government activity, considering the fact that the Maharashtra government always faces a cash crunch. Although there is balance shown in this account on paper, payment of wages to workers at the sites is always delayed.

Discarding the Official Report

Surprisingly, the organisations working with EGS workers too were not willing to discuss the report in detail and did not make any strong recommendations on the points that were unanimously agreed upon. They found foul game in the report, allowing contractors to take over EGS activity under the pretext of improving the skill component, reducing the opportunity for labourers to earn some wages in the lean season. Also, according to some, watershed activity is ultimately useful to farmers and landless labourers have nothing to gain and hence, they did not take an interest in making watershed activity a pivotal goal for the EGS. They wanted to stick to the original format of the EGS, with only one concern – that it should be implemented sincerely. The original slogan for the EGS was “employment on demand”. The only new point raised was the revision of wage rates. According to the organisers, the reason

for the low demand for EGS work was that the wages were unrealistic and not paid on time. Under these circumstances, no substantial discussion on the need to change the thrust of the EGS could take place and during the meeting with the minister, the report appeared to be discarded.

Emergence of NREGS

Meanwhile discussions on implementing the NREGS began and 12 districts of Maharashtra were selected in the first phase followed by another 14 in the second. As a response to this development, the government shelved the MEGS and decided to switch over to the NREGA guidelines with one distinction – instead of promised work for 100 days for the entire family, the government would provide as many days of work as demanded by the people. The most important advantage the government has is that its commitment to provide funds is negligible, i.e., as little as 10 per cent of the skill component is to be provided for the entire commitment of 100 days work demanded by as many people as those who would come forward to demand work.

As a consequence, a small news item in a Marathi paper reported that the chief minister announced that the EGS fund would not remain reserved for the EGS but would be merged with the general administrative fund as many other funds are slated for the same fate. Thus, he was hinting that the commitment to provide the matching grant would also no longer remain valid and the condition for the funds to be specifically spent on the EGS worksites would also be eliminated. Of course, the government cannot do this unanimously because it is the act, which needs to be amended but under the plea that the state government is no longer responsible to provide “employment on demand”, the chief minister could convince MLAs from all the parties to pass the amendment. The professional tax and its validity in these circumstances, and likely public interest litigation on the issue were not addressed by the chief minister.

Comparing Two Schemes

This background information would partially explain the apathy observed about the employment needs of the rural poor and the imposed migration on many tribals who are seasonally dislocated, affecting

the education and health status of their children. Interestingly, there are hardly any news items in the English regional press about this well publicised scheme nor there are any statements made by politicians about the state of affairs of the MREGS. Looking at the lack of publicity and necessary push required on the part of the chief minister and minister for the EGS, it appears that there is a reluctance to own the new scheme under the NREGA guidelines. Organisations and unions have also not come forward to claim the benefits of the scheme, and we realise that the reason for this amnesia may lie in the nature of the guidelines of the NREGA, which have a heavy thrust on people’s participation, decentralised processes of decision-making and implementation and a very minimal role for state bureaucracy. The state was geared towards a centralised implementation process and unions were also oriented to respond to the centralised machinery, making people dependent on the state and protesting against it if their demands are not fulfilled within a reasonable amount of time.

To understand the situation better, one needs to go into some comparative details of both the schemes. Under the MEGS, employment is guaranteed in rural areas as per the demand by any individual. Registration, identity cards and job cards are not necessary although there is a provision for this in the act. If there is failure to provide work, then unemployment dole is to be distributed after proving that the collector failed to provide work. The district collector is the coordinator for all the line departments that prepare estimates of the worksites and implement construction activity. The deputy collector (EGS) is appointed to assist the collector. A ‘tahsildar’ at the block level is responsible for monitoring the scheme. In most cases, he is never very active. The planning department is to collect data and consolidate it for presentations in the assembly and to release funds to each district. The chief executive officer (CEO), block development officer (BDO) and ‘gram sevaks’, i.e., development stream is not involved in planning or execution. Muster clerks are appointed by the deputy collector (EGS), who keep the muster and disburse wages as per the measurements taken by the line department and approved by the collector. In light of centralised activity, there is less accountability to the people in the villages. Finally, as per the act of 1976, the state government collects

professional tax from every salaried person and some levy from other taxes to provide reserved funds for the EGS. There is also a provision for a matching grant from the government to show its commitment to the programme.

Under the NREGA, households are given a guarantee for 100 days of work in the year. But the MREGS has extended this for any number of days as the need be. Registration and identity cards are made compulsory and job cards provided are to be filled by the 'rozgar sevak' to keep a record for the number of days for which work was provided and from what agency. In the case of failure to provide work, the MREGS provides dole. The district collector is the programme officer and either the deputy collector or tahsildar (class I) is appointed to look after day-to-day matters. The central government directly deposits funds into the collector's account and he is supposed to release funds as per the instructions. Fifty per cent is allocated to the gram panchayat as per the number of registered work seekers. The collector keeps 50 per cent aside to be spent by the line departments mostly for skilled work. Thus, the responsibility of the line departments is much relieved. They need not be as proactive.

However, the gram panchayats are supposed to prepare a plan of work for the whole year, and have it approved by the tahsildar before proceeding further. It is the duty of the gram sevak, BDO and CEO to see to it that the plans are prepared and submitted. They can ask the gram panchayat to outsource the work of preparing technical proposals to contractors, who can appoint technical sevaks to prepare the proposals. These technical sevaks would help carry out the work in the village. The proposal needs to be approved in the gram sabha and the resolution of that effect has to be attached with the proposal at the time of submission. The rozgar sevak should be one of the village persons who could keep the muster as per his convenience and be paid on the basis of percentage of work performed.

The comparison illustrates that major changes have occurred in the execution of the schemes, in tune with the present ethos of decentralisation. The gram panchayats have been given major powers to plan and execute the works needed for village development, which include watershed activities for conservation of water as well as construction of roads and several

other small activities, which do not require more than 40 per cent of skilled work. In fact, the labour to skill component ratio of 60:40 has also been kept flexible, i.e., it is not applied to each proposal but has to be taken into account covering all the works in the district. Villages have been allowed to spend more than 50 per cent of the funds if need be and only the skill component is to be referred to the District Programme Council (DPC), who is responsible for arranging help from line departments and getting it done.

Field Evidence

At this stage, we would like to present some data from the field. In Nandurbar, records of every visit to the DPC and the tahsildar office of four tahsils were kept for a period of one year from May 2006 to June 2007. Sometimes visits were made with labourers to demand work or just to obtain information about what kind of worksites had been opened and how many workers had work. The organisation was also trying to publicise the scheme and its new nature. According to the detailed records, firstly, the DPC itself was in the dark on how to execute the scheme. Hence, the responses received by the organisation were always elusive. It appears that the DPC should have been told that the gram panchayat needs to

prepare an annual plan and have it approved. It is free to start the work after the gram sabha resolution is passed, which needs to be attached for the funds to be disbursed. The organisation realised that very few labourers had identification cards and nobody had job cards. Form number 4 required for an application to work and the receipt to prove that after the demand was made, work was not provided within 15 days as it was not available needed to be obtained from the gram sevak. The organisation was told that they were sent to Pune for printing. The initial Rs 33 lakh sent for IEC and printing of forms, etc, were not spent nor was any information about it offered to the organisation.

Secondly, information sharing appears to be a major problem. The launch of the MREGS was announced in February 2006. On October 30, a clerk shared information that the district had received Rs 10.38 crore. On December 1, the organisation was told that 50 per cent of the allocated amount had been deposited into the account of each gram panchayat. The clerk also shared information that the cheque was issued to the CEO but he refused to take it. It shows the collector's poor knowledge of the scheme. The step of transferring funds from one stream to another has been avoided and the DPC expected a direct grassroot reach. It was

EPW CD-ROM 2005

The digital version of Economic and Political Weekly is now available for 2005 on a single disk.

This electronic edition contains the complete content of all the issues published in 2005. The CD-ROM 2005 comes equipped with a powerful search as well as utilities to make your browsing experience productive. The contents are indexed and organised as in the print edition, with articles laid out in individual sections in each issue. Users can browse through the sections or use the sophisticated search facility to locate articles and statistics of interest.

Price for CD-ROM 2005 (in India)

Individuals – Rs 220 (Rs 200 plus postage and handling charges of Rs 20)

Institutions – Rs 420 (Rs 400 plus postage and handling charges of Rs 20)

International – US\$ 40 (including airmail postage)

Also available 2003 and 2004 on two separate CDs, individual CD price as above

Any queries please email: circulation@epw.org.in

To order the CD-ROMs (please specify the year) send a bank draft payable at Mumbai in favour of Economic and Political Weekly. The CDs can also be purchased on-line using a credit card through a secure payment gateway at epw.org.in

Circulation Manager,
Economic and Political Weekly

Hitkari House, 284 Shahid Bhagatsingh Road, Mumbai 400 001, India

learnt later that apparently the CEO and gram sevaks were reluctant to shoulder the responsibility of the MREGS, where they have been asked to prepare plans for the village works but the monetary powers rest with the revenue department, i.e., the collector. Gram sevaks are particularly resistant because they feel it is too much responsibility to keep accounts of so much money, although actual labour payments are made by the rozgar sevak, who is appointed by the gram sabha.

In Nandurbar, people demanded that the work commence before October, as they preferred to migrate to Gujarat for sugar cane cutting after that. Once 40-50 per cent of the families of the village migrate, there is not sufficient strength to start any work, which would be completed before the monsoon begins. In one village, the sarpanch himself wanted work but did not know how to avail of the scheme.

On April 12, 2007, the organisation was finally told that the preparation of proposals for the worksites is outsourced. Two contractors were appointed for six districts and they have been asked to identify 52 technical sevaks who could assist them in taking measurements and later help the sarpanch to execute work. The CEO did this. The outsourcing idea is a part of the NREGA guidelines, because the GPs should not depend upon the line department for this work, which it may not be willing to perform. It is surprising because during the EGS phase all these proposals were worked out and then shelved by the line departments. It was often said by the tahsildar that the line departments have become lazy and the tahsildar is not able to exercise any power over them.

In Chandrapur, the picture was somewhat different. People wanted the work to commence in January so that they could earn cash and later in April and May they could pluck 'tendupatta', for which the contractor provides them good wages and ready cash. A survey of 20 villages found through an individual verification exercise that 99 persons had identity cards but only 38 beneficiaries were given job cards (which records the number of days jobs were provided, wage rate calculated for the type of job, etc). Out of the 20 villages, only 13 villages had some construction work going on. The investigator interviewed a total of 68 persons out of which 56 had job cards. At three places there were complaints about not being paid for a month. At one place, there

was dissatisfaction about the measurement practices, which were not clear. Out of the 12 villages, in five villages cash was distributed for payment of wages. In five villages the cheques were drawn against a nearby bank. In three villages payment was not distributed.

Discrepancies related to distribution of job cards were found. According to the gram sevak's report, all the 331 registered families were given job cards but a detailed investigation revealed that only 69 families had received job cards. It was alleged that without a bottle of alcohol, the gram sevak does not issue a job card.

New revised wage rates were not known to the DPC for quite some time. The wage rate chart was officially published on March 14, 2007. At two villages, the average wage rate reported was Rs 78 and Rs 68 respectively for the earthen bund site. Lack of knowledge about the work procedure was the major phenomenon recorded everywhere after almost one year of reformulation and 30 years of continuing existence of the EGS.

Concern for MREGS

It appears that there is no enthusiasm among the political class as well as bureaucracy to accept the new scheme, which is more decentralised and hence likely to be more transparent and accountable to those who need work. The idea enshrined in the new scheme is that of earning a livelihood with dignity as a consequence of their participation in decision-making. Unofficially, the officers accept that for last few years the scheme was run by contractors, who used to get orders by paying bribes to line departments, which did not want to prepare estimates and supervise works. The tahsildar at the block level had lost control over the line departments and had withdrawn from this work. In the new scheme, he does not want to shoulder the responsibility of monitoring. The development stream under the CEO and District Rural Development Agency is unhappy because the Swarna Jayanthi Rozgar Yojana has closed down without any new avenue to bestow favours to a few individuals close to them.

Politicians were looking at the scheme as a populist measure for last minute support to prove their concern for drought affected farmers and landless labourers and thus, get some work sanctioned in an arbitrary manner, without its viability within the larger watershed map

for villages. We notice that political as well as bureaucratic will is absent in the new scheme under the guidelines of the NREGA. The poor had become weary of the scheme because of lack of regularity and assurance of wages and where erring officials were not punished and nor was unemployment allowance granted to any labourer who was not provided with work. Seasonal migration has been on the rise as a result of this situation.

There have been a few attempts by the planning department to train officials about proceedings required to implement the scheme. The Yashwantrao Chavan Academy of Development Administration (YASHADA) and DPC in Pune have been endowed with special funds for the same. In many districts, proper officials who are supposed to be on contract have not yet been appointed. Also the annual report, to be prepared and submitted to the assembly by the planning department, which is the nodal agency to monitor the scheme, is not yet ready.

In short, the MREGS has not yet picked up momentum because government machinery is paralysed. In the present circumstances, the MREGS would acquire life only if there was a groundswell of the poor willing to pressurise the sarpanch and gram sevaks and make life impossible for the CEO and BDO. It was expected that the sarpanch and gram sevaks would be happy to receive such a large sum to develop village assets. But it is sad to know that they are resisting because of the increased burden and the lack of kickbacks through the contractor. The organisations in Maharashtra have been moulded in old-time politics of demanding and protesting against the state but are not used to the politics of participation of the people to override the state. Their response to the suggestion of the "watershed" to be considered as a central theme for the EGS as highlighted in the report of the committee for restructuring the scheme was negative. Against this background, it is not surprising that they have not taken any initiative to educate the people in the new ethos and build their capacity to manage funds, build assets along with an opportunity to create livelihood for themselves. It is high time that something is done to wear out present amnesia and push the state to implement the scheme in a vibrant manner and reclaim the old glory of the innovative idea. **EW**

Email: chhayadatar@vsnl.net