

Employment Guarantee Inaction

Jean Drèze

The UPA government seems to have a funny habit of shooting itself in the foot. A prime example is the recent U-turn on the right to information. No sooner had the government earned lavish praise for enacting the Right to Information Act 2005 that some alarmed bureaucrats persuaded the Cabinet to amend it. Some of the amendments relate to the controversial file notings, but much more is at stake. For instance, one of them is a sort of “anonymity guarantee”, whereby almost any document that reveals any official’s identity can be exempted from disclosure. Taken together, the proposed amendments (if passed) could nip the Right to Information Act in the bud. Fortunately, the government made another U-turn (for the time being) after right to information activists blew the whistle.

NREGA: Employment crash?

A similar lack of steadfastness appears to mark the UPA government’s handling of the National Rural Employment Guarantee Act (NREGA). The Act was - and still is - a golden opportunity for the government to redeem its pledge of solidarity with the “aam aadme” (common citizen). It was handed to the government on a platter by the National Advisory Council (NAC), but promptly butchered before being tabled in Parliament in December 2004. It took considerable public mobilization, all the might of the Left parties, and a little help from the NAC to repair the damage and ensure that the final version of the Act had teeth.

Official ambivalence about NREGA (perhaps reflecting divided views on it within the government) seems to continue. There has been plenty of drum-beating, but relatively little by way of effective action. For instance, one year after the Act was passed, the Central Employment Guarantee Council is yet to be formed. The official NREGA website (www.nrega.gov.in) is little more than an empty shell. The financial allocation for administrative expenses is yet to be raised beyond the token level of 2 per cent of total NREGA expenditure, in spite of abundant evidence that this is a major bottleneck. Sometimes the situation reminds me of a notice I saw once in a shop window, advertising a second-hand television. It said, “Sound only”.

Even the sound does not always reach very far. According to a recent survey conducted by the Centre for the Study of Developing Societies (CSDS), barely half of all adults in NREGA districts are aware of the Employment Guarantee Act. Another survey, conducted by the Centre for Budget and Governance Accountability (CBGA) in four states, found similar levels of awareness, ranging from 29% in Jharkhand to 98% in Andhra Pradesh.

As these figures illustrate, some state governments have been much more active than the central government on this issue. But even the state governments have been moving quite slowly. For instance, most of them are in breach of the Act for failing to put in place a “Rural Employment Guarantee Scheme” (REGS) within six months. In several states, the government has actively repressed attempts to organise NREGA labourers and enable them to claim their entitlements.

A related concern is the low level of employment generation under NREGA. The budget allocations for rural employment programmes are much the same this year as last year, if one adds the value of the food component to the cash component. The allocations have been merely reshuffled between different programmes and districts. Looking at the 200 NREGA districts, the budget allocation for 2006-7 is only Rs 10,000 crores or so - less than half of the NAC’s estimate of the amount required for effective implementation of the Act in these districts. Even this modest amount is grossly under-utilized as things stand, judging from recent figures released by the Ministry of Rural Development. For all the talk of NREGA being a “flagship programme” of the UPA government, the actual levels of expenditure and employment generation on public works in the NREGA districts have apparently *declined* this year, compared with the same period last year.

From sound to vision

The silver lining is that the Employment Guarantee Act is becoming a matter of competition between political parties. Senior Congress leaders are going around Bihar and Uttar Pradesh, taking the state government to task for failing to implement the Act, oblivious of the fact that the central government itself has been quite lethargic. The CPM has also flayed various state governments on this issue, even though West Bengal is not exactly a trail-blazer in this field. The BJP regularly joins the chorus of indignation, even as some of the BJP-led governments (notably in Chhattisgarh and Jharkhand) are responsible for major violations of the Act. CPI-

ML(Liberation) recently held a massive public hearing on NREGA in Delhi, exposing serious irregularities across the country - no double-standards here since Liberation is essentially an opposition party.

As political parties become rival champions of the Employment Guarantee Act, there is a chance that NREGA will take off. In fact, there have already been impressive achievements in some areas. In Dungarpur (Rajasthan), for instance, we had a heartening glimpse of NREGA's ability to bring about far-reaching economic, social and political change in rural areas. At the time of the Dungarpur padyatra, in April 2006, most rural households in the district had a job card, and about half of them had a member employed on NREGA. New water-harvesting structures were springing up everywhere. The women of Dungarpur had cash in their hands and some economic independence. The muster rolls were available at the worksites, and extensive checks revealed that few of them were fudged. From panchayat sevak to District Collector, the entire administration was busy trying to meet the popular demand for employment. As one panchayat sevak told us, "for the first time I feel that I am really the assistant of the people, and not the slave of corrupt Block officials". There were, of course, many lapses, notably relating to delayed wage payments and non-payment of minimum wages. Even then, it was a joy to feel the gentle winds of change in the rural economy and society of Dungarpur, within two months of the Act coming into force.

Imagine what exciting times we would live in if this level of commitment to NREGA (achieved through democratic practice) were to spread across the country. A whole range of creative activities can be linked with NREGA: planning productive works, launching innovative social security schemes, creating workers' associations, designing effective crèches, arranging work for persons with disabilities, conducting social audits, organising literacy programmes, and much more. All this, however, requires sustained building of NREGA as a national endeavour, rather than treating it as a feather in one's cap.

Wake-up in Andhra Pradesh?

The most dangerous form of "inaction" on NREGA relates to transparency safeguards, such as the mandatory availability of muster rolls at the worksites. Field reports suggest that these safeguards are often neglected. For instance, the CBGA study cited earlier found that muster rolls were rarely available at worksites, except in one of the four sample states.

In this context, recent efforts in Andhra Pradesh (the lone exception in the CBGA study) deserve to be closely observed. It is not just that the government of Andhra Pradesh has taken pioneering steps to prevent corruption in NREGA, such as the payment of wages through post offices and the design of sophisticated on-line reporting systems. There have also been interesting public initiatives to mobilise NREGA workers and involve them in the monitoring process.

These initiatives culminated last week in a massive “social audit” in Ananthapur District, inspired by the Dungarpur padyatra but adding new dimensions to the exercise. For seven days, more than a hundred teams of volunteers (mainly ordinary residents of the area, including NREGA labourers) inspected the worksites in some 600 Gram Panchayats. Aside from verifying muster rolls and other records, the volunteers conducted quality assessments, public hearings, door-to-door surveys, inspections of Post Office account books, and related activities. The public response was overwhelming and created a new social environment for NREGA in Ananthapur district.

These developments are all the more interesting as Andhra Pradesh has not always been a model of transparency in public works programmes. Under the Chandrababu Naidu government, massive amounts of rice were siphoned off from the National Food For Work Programme (NFWWP). These abuses are well documented in a study by Priyanka Deshingkar and Craig Johnson. In the study villages, the proportion of rice that had been misappropriated varied between 47% and 99%. The authors also show how this plunder was facilitated by deliberate undermining of transparency safeguards on the part of the government. NFWWP rice was brazenly used for political purposes.

Against this background, recent developments in Andhra Pradesh point to a significant change in the politics of employment programmes. Today, providing employment to the people under the Employment Guarantee Act is gradually becoming more important for political leaders than appropriating the funds for purposes of private gain or patronage. Needless to say, this does not mean an instant end to corruption (the Ananthapur social audit itself uncovered some disturbing skeletons). Nevertheless, this changed outlook is a sign of hope for the survival and success of the Employment Guarantee Act.