"No person can live without the means of livelihood. If the right to livelihood is not treated as part of the constitutional right to life, the easiest way of depriving a person of his right to life would be to deprive him of his means of livelihood to the point of abrogation. Such deprivation would not only deprive the life of its effective content and meaningfulness but it will make life impossible to live."

Supreme Court judgment in Olga Tellis v. Bombay Municipal Corporation Case (1985) 26

**Introduction**

As per 61st round of NSSO, 28.3% of rural population live below poverty line (BPL), 45% of population is illiterate, 2-3% of rural population is unemployed on Usual Principal status (UPS) and many more are seasonally and disguisedly unemployed. In this background, National Rural Employment Guarantee Act (NREGA) came out to help in reducing some of this pain of unemployment, poverty and hunger. It came into existence in Aug 2005, came into force in February 2006 (starting from 200 backward rural districts) and subsequently expanded to all rural districts in April 2008.
The primary objective of this act is to **provide strong social safety net** for the vulnerable groups in rural areas by providing a fall-back employment source, when other employment alternatives are scarce or inadequate. The auxiliary objective is to **strengthen the natural resource base of rural livelihood and create durable assets in rural areas**. The process outcome of this act is creating a **model of governance reform** anchored on the principles of right to livelihood, transparency and grass root democracy\(^1\).

Bringing out this act is a revolutionary step as it is the only programme in the world which guarantees employment at such an unprecedented scale. This Act is also a hope for majority of Indian Population, which live on less than rupees 20 per day, in gaining adequate and dignified livelihood.
**Highlights of NREGA**

The main features of NREGS include:

1) *“Demand Driven”* and *“entitlement-based”* scheme. The work entitlement of *‘100 days per household per year’*, which may be shared between different adult members of the same household, is given to all those rural households which are willing to do public *unskilled work* at minimum wage rate applicable to agriculture worker in that state.

2) **Detailed and time bound procedure is mentioned for providing this legal entitlement.**
   
   a) Worker shall have to get himself/herself registered with Gram Panchayat (GP) or Block level Officer. Only eligibility is local residence and adult status.
   
   b) Within 15 days, s/he shall be issued job card.
   
   c) For getting work, s/he must submit application form mentioning the days and duration for which work is demanded. A period of employment shall ordinarily be at least fourteen days continuously.
   
   d) Work should be given within 5 km of his/her residence, otherwise travelling allowance be given.
   
   e) “Schedule of rates” should be such that a labourer working for seven hours would normally earn the minimum wage.
   
   f) In the case of delay of wage payment beyond 15 days, worker is entitled to compensation as per the provisions of the Payment of Wages Act.
g) In case of non allotment of work within 15 days of receipt of application for work, s/he gets entitled to “unemployment allowance” which shall be one-fourth of the wage rate for the first thirty days and one-half of the wage rate for the remaining period of that financial year.

3) **Proper administrative structure is envisaged for the implementation of the scheme.**

   a) At Central Level, Ministry of Rural Development (MoRD) is the nodal agency for implementation of the scheme. It shall provide resource support to states; review, monitor and evaluate process and outcomes; and establish Management Information system (MIS). There is Central Employment Guarantee Council (CEGC) to advice GOI on NREGA related matters; monitor and evaluate; and prepare annual reports.

   b) At State Level, State government shall formulate rules for REGS; ensure wide dissemination of information; and ensure administrative, financial and technical support for implementing agencies. State Employment Guarantee Council (SEGC) shall advice while State Rural Employment Guarantee commissioner (SREGC) shall ensure that all activities related to the objectives of the Act are carried out as intended. State may appoint Technical Resource Support Groups (TRSG) at the State and District levels to assist in the planning, designing, monitoring, evaluation and quality audit of various initiatives with a view to improving the quality and cost effectiveness of the scheme.

   c) At District Level, District Panchayat shall finalise District Plans; monitor and supervise REGS in the district;
and execute works other than GP work. District Programme Coordinator (DPC) shall be responsible for overall coordination and implementation of scheme in District. In similar way, at Block Level, there are intermediate Panchayat and Programme Officer (PO). State may appoint panels of Accredited Engineers (AE) at the District and Block levels for the purpose of assisting with the estimation and measurement of works and Technical assistant(TA) for every 10 GPs.

d) At village Level, GP shall do planning of works, registering of households, issuing job cards, allocating employment; executing 50% of the work; and monitoring implementation of the scheme. Gram Sabha (GS) shall recommend the works to be taken up; conduct social audits; and ensure transparency and accountability. State may appoint Employment Guarantee Assistant (EGAs) in each village to assist GP.

4) Each district has to prepare a shelf of projects. Projects intend to create durable rural infrastructure. Permissible works are as follows:

- Water Conservation
- Drought Proofing (including plantation and afforestation)
- Irrigation canals including micro and minor irrigation works
- Minor Irrigation, horticulture and land development on lands of SC/ST/BPL/IAY and Land Reform beneficiaries
- renovation of traditional water bodies
- Land Development
- Flood Protection
- Rural Connectivity

The shelf of projects has to be prepared on the basis of priority assigned by the GS.

5) **Active involvement of Panchayati Raj institution (PRI)** in planning, implementation, evaluation and monitoring of the projects. In fact no plan can be executed without the approval of GS. There is **bottom-up approach**.

6) **Transparency and accountability emphasized.**
   a) **Grievance Redressal Mechanisms (GRM)** at the Block level and the district level.
   b) Mandatory **Social Auditing** is to be conducted by GS on biannual basis.
   c) **Pro-active disclosure of all accounts and records** relating to the Scheme encouraged.
   d) Application of **Management Information System (MIS)**

7) Provision for **insurance against death/permanent disability** due to accident at work place. If any personal injury is caused by accident to a child accompanying any person who is employed under a Scheme, such person shall be entitled to, free of charge, such medical treatment for the child as may be specified in the Scheme and in case of death or disablement, through an ex gratia payment as may be determined by the State Government.
8) **Provision of basic facilities** (like drinking water, crèche, medical aid box, shelter) at work site.

9) At least **one-third of persons** to whom work is allotted have **to be women**.

10) Wage-material ratio should not exceed 60:40. **Contractor or use of labour displacing machine is prohibited.**
NREGA: Potential Lifeline of rural poor

“...the EGS (NREGS) is one imaginative programme where the wretched idleness of our poor could get converted into social wealth.”

This Act is a hope for a nation of 1.14 billion to realize demographic dividend. This act is an effort in the direction of providing the citizens, men and women equally, the right to an adequate means to livelihood. This Act can be used to realize “concealed potential saving”, represented by huge army of unemployed/ underemployed/ disguisedly employed rural population, to develop planned and equitable rural infrastructure. An idle man's brain is devil's workshop. Youth of our country in the absence of useful employment cannot be allowed to degenerate and take to the life of crime unrest and riots. This act can help in checking distress migration. It is the lack of facilities and employment in the villages which force rural people to migrate to cities.

This Act can give rise to a new work culture. Hitherto work was decided from above and the workers were controlled by contractors and their middlemen who knew how to extract work. Now workers themselves decide which work to be undertaken and a new internal dynamic evolved with peer pressure would ensure that they put in their maximum efforts as such projects are for their benefit only. This act can help in mobilisation and organisation of poor labourers and in breaking down social differences
by increased interaction among people working at common work site irrespective of caste, gender and religion.

This act can be a **tool for ecological regeneration and ensuring food and energy security**. The NREGS is a particularly **important strategy in the current economic context of global economic crisis and national economic slowdown**, when raising aggregate demand is a major task for the government. Fiscal policy that provides more wage income directly to unskilled workers in rural areas is likely to be much more effective in increasing aggregate incomes than other forms of public spending, because of the higher value of the multiplier in such expenditure\(^2\). These poor people have lots of unmet essential needs which they will try to fulfil when they have money in their hands. This will give better living standard for these poor on one hand and raise the aggregate expenditure demand for consumer goods on other hand.
Beneficial effects which are being noticed

The NREGA is making a difference to the lives of the rural poor, slowly but surely.  

1) **40-45 days of employment are generated** on an average for employment demanding household.  

2) **Salutary effects have been noted on natural resources and agricultural productivity** through the works undertaken under this scheme. In 2007-08, works carried out largely include water conservation (53%), provision of irrigation facility to land owned by SC/ST (13%), road connectivity (17%) and land development (14%). One case study shows Choubey Sayer at Mahadebpur under Ana Gram Panchayat was a barren stretch land before NREGA started. After the successful re-excavation was done, Choubey Sayer provided water for various purposes, primarily for irrigation of about 6 acres of surrounding land area. This irrigation facility not only increased production level and multiple crop cultivation but also turned few barren lands into cultivable ones where for a start pulse has already been grown. 

3) **Social inclusion** in NREGS. There is high workforce participation of marginalized groups - 46% of the jobs held by women, 27% by SC and 30% by ST.  

4) The bargaining capacity of workers has been strengthened. **Minimum wages have gone up** from Rs 65 in 2006 to Rs 85 per day in 2008.
5) **Distress Migration is found to have been reduced** in some areas. In Muzzafarpur, UP, for the first time in spite of a situation of severe crisis in agriculture which used to trigger large migration of people to cities, distress migration away from rural areas did not occur because of NREGS².

6) **Empowerment of people is taking place.** People at grassroot level are found to be using social Audit Forums, RTI and Public hearing to make the administration accountable. In Andhra Pradesh, amounts ranging from Rs 25 to Rs 3 lakh has been returned to the system or to the wage seekers, from whom it has been siphoned off².

7) **Reduction in corruption.** The theft has dropped to a mere 33 per cent in Ranchi district. And in the Surguja and Koriya districts of Chhattisgarh, it seems innocuous at 5 per cent. That means 95 per cent of the wages per the muster was getting through to the working poor².

8) **Financial inclusion** is taking place. By feb’09, the number of accounts opened under NREGS with post offices has already crossed the two crore mark.

9) **Restoration of ecological environment through afforestation and tree plantation works.** 113294 works of this nature have been undertaken upto dec07².

10) **Steps towards energy security of nation.** Bio fuel source of energy is being encouraged. The Sidhi District of
Madhya Pradesh undertook jatropha plantation on a large scale under the NREGS\(^2\).

11) **Encourage formation of Self Help Groups (SHGs).** Infact SHGs have been made implementing agencies for land development of BPL/SC/ST household's under NREGA in Bastar district of Orissa\(^2\).

12) **Mobilization of poor laborers is taking place.** NREGS workers’ Union has come into effect in Gujarat, which has been approved by the Gujarat Labour Commissioner\(^3\).

13) **Improvement in GRM.** The first-ever Lok Adalat, as a possible tool of grievance redressal for NREGA, is being convened by the Jharkhand Legal Services Authority in Latehar District. The Lok Adalat led to the first instance of payment of the unemployment allowance in Jharkhand. The government order sanctioning the unemployment allowance in Kope and Jerua also pulled up the BDO (Manika) for failing to perform her duty. She was fined Rs. 1000 under Section 25 of the NREGA\(^4\).
Greater participation of women is found in various states like Tamil Nadu, Kerala and Rajasthan where participation rate is well above 50%.

Factors encouraging greater participation of women
1) **Given preference in work allotment** in such a way that at least one-third of the beneficiaries shall be women
2) Provision of crèche facility at work so that they don’t have to worry about their young children
3) **Given minimum and equal wages** as that to men
4) **Work is to be given within 5km of the residence.** So they don’t have to go far off places in search of work.
5) **Opportunity to get additional source of income** and spend the same to improve standard of living of their home
6) Women **feel more comfortable and safer working along with their neighbours and near their residence.**
7) **Since NREGA is a government job, it is given a certain sort of dignity** (especially in areas where social norms prevent them from participating in the labour market).  
8) **NREGA helps them avoid demeaning or hazardous work**

However states like Uttar Pradesh and Bihar have unacceptably low level of participation (less than 15%). Some of the reasons for low participation are
1) **Gender discrimination.** Tenacious social norms against women working outside home.
2) **Irrational wage structure** which is insensitive to gender differences in performance of manual work.
3) **Lack of child care facilities** despite its provision in the act.
4) **Continued illegal presence of contractors** at many
worksites. Contractors tend to discriminate against women as they prefer young physically strong men over women to get maximum output in minimum wages. Some of them also faced verbal sexual harassment.

Apart from discrimination in getting employment, women tend to have lesser say in planning of projects under NREGA in GS meetings because they do not feel welcome or they believe meetings are not for women.

Some of the initiatives taken by some state government to increase women’s participation:

a) In Bihar, women get paid more than men for the same amount of work done for the same amount of work. If a man digs 80 Cft of soft soil he should be paid a minimum wage of Rs 87. A woman has to dig 68 Cft to receive the same minimum wages.

b) In Rajasthan, there is reward for the women labourers who have completed 100 days of work in a financial year. Also the Rajasthan Government has reduced the task prescribed for calculating wages under the NREGS by 30 per cent in view of women (and old labourers) not being able to accomplish the allotted task and deprived of minimum wages.

c) Satna district (MP) administration recruits only women as mates. (Mates maintain records and act as site managers. They also assist sub engineers in valuation of works to avoid delay in payment to workers).
NREGS and SC/ST

NREGA is a self targeting programme. Since SC/STs are poorest among the poor, there is greater participation of them (around 56%) in this scheme despite of no reservation for them in the scheme itself. However, this scheme is conscious of the extent of backwardness of this category. Thus scheme has made some special provision for this category:

• Projects providing irrigation facility to land owned by SC/ST comes under permissible work
• People from the SC/ST, who work in their own fields, are eligible to get wages under the NREGS\(^1\)

Benefits to SC/ST
1) **Empowerment of SC/ST**
   a) **Pati Experience**\(^9\)

In Pati Block (Badwani District, MP), under the banner of Jagrut Adivasi Dalit Sangathan (JADS), SC/STs are able to assert their rights. They generally make joint applications for work in writing, and many of them are able to secure a full 100 days of NREGA work over the year (2006-07). In November 2006, the JADS won the first-ever payment of unemployment allowances under the NREGA, to hundreds
of men and women who had been denied work. It has also formed its own vigilance committees to prevent corruption

b) Nagphana Experience

In Nagphana (Bolangir District, Orissa), hundreds of dalit wage labourers went on a mass strike in protest against non-payment of rightful wages. Labourers went on a mass strike in protest against non-payment of rightful wages. Not a single labourer from Nagphana turned up for work in protest against underpayments, and the contractors had to pay them their due wages. Of late, the labourers have also set up a committee of seven people in the village, which keeps copies of all relevant documents and muster rolls relating to employment activities and other schemes in the village, including works implemented directly by the panchayat.

c) Villupuram Experience

Acts of protest were organized at Villupuram (Tamil Nadu) where dalit labourers refused to accept wages falling short of the minimum wages prescribed by the state government.

Problems faced by SC/STs:

1) Discrimination in the type of work allotment

   a) Parasi Experience:

   In Parasi Village (Arwal district, Bihar), a Dom family was hired under the NREGP to clean and repair the sewer in the village. Within the dalits, Dom sub-caste belongs to the lowest in the caste hierarchy who traditionally perform the job of scavengers. Surendra Dom and three members of his
family worked four days on the above-mentioned NREGP site. Surendra was quite conscious that no other family would have taken up such a “dirty” job and it was natural that the authorities recruited him to clean the sewer. But more importantly, according to Surendra, he and his family were refused a job when the canal was being constructed under the NREGA in the same village.

b) **Thanabegha Experience**

In Thanabegha village (Jehanabad district, Bihar), there was a piece of government land which was used by the Dalits of the village for cremating the dead. It was decided that an irrigational pond would be constructed on that land. The Dalits were kept out of the construction of the pond, since, according to upper caste Hindus, Dalits would pollute the pond.

2) **Caste Segregation**

Breaking of caste barriers was one of the expected potential benefits of this act. However in some areas, work is “rotated” between different wards in successive weeks. Since different caste groups live in different wards, employment gets segregated by caste\(^{12}\). NREGA in Villupuram is in danger of solidifying social divisions\(^{34}\).

3) **Land Alienation**

In Betul (Madhya Pradesh), tribal communities are being displaced from their locations of habitation on the pretext of tree plantation programmes carried out under the NREGS scheme. According to an update of the Right to Food Campaign, tribal communities are estimated to have
lost 58.88 hectares of land in village Tadhar of Chicholi block of Betul district alone.

4) **Officials' apathy**
In Mandli (Anantapur District, Andhra Pradesh), NREGA has virtually failed all the 150 Dalit families in this village having a mixed population of Reddys and Backward Classes like Kuruvas, Boyas and Sakalis. But it is only the Dalits who do not get work.
Areas of Concern

CAG report 2008

Period 2006-2007 covering 200 districts

Key Findings:

1) Not many people were able to exercised their right to work.

3.81 crore rural households had registered under the scheme but only 55% of them demanded employment; Although 99% of those who demanded employment actually received that, only 10% of them received full 100 days of legally guaranteed employment.

2) Proper administrative structure was not established despite clear provisions for that in the act itself.

a) At state level:

• Although NREGA provides for funds to be transferred by GoI to the State Governments through separate State Employment Guarantee Funds, this mechanism was not operationalised.

• 13 States did not formulate rules for carrying out the provisions of the Act. In the absence of
detailed grievance redressal mechanisms, it was not clear as to what action could programme officer/ district programme co-ordinator take against a GP/ programme officer or otherwise provide relief to the aggrieved labourers.

- 16 States did not prescribe the time frame for each level the time frame for each level i.e. GP, Block and District levels for proposing, scrutinising and approving REGS works.
- Some states had not set up State Employment Guarantee Councils (SEGCs). In states where it is set up, it suffers from various deficiencies like not coming for meeting, not preparing the list of preferred works, not preparing Annual Reports, not reviewing the monitoring and redressal mechanism of NREGA and/or not monitoring the implementation of NREGA.
- Some of the State Governments had not designated an officer as State Rural Employment Guarantee Commissioner.
- 22 states did not set up TRSG.

b) At District and Block level:
- Full time dedicated DPC not appointed in many states. District programme CEOs doubling up as DPC.
- 18 States did not constitute AE
- 20 states had not appointed PO at Block Level in 72% of the blocks it surveyed. The existing Block Development Officer (BDO) was given additional charge of NREGA.
- 11 states had not appointed TA in 40% of the
c) At village level:

- 18 states had **not appointed EGA** in 55% of the GPs it surveyed. The absence of EGA severely affected the maintenance of basic records at the GP level, without which it would be impossible to verify employment demand and allocation for each household.

Due to the absence of dedicated technical resources, there were **delays in surveys, layouts, measurement of work**. Also it is **not clear as to whose power and responsibility is to convict those who contravene the provisions of this Act**. Moreover **Overburdened GPs** with low remuneration have little incentive to actively devote their time, attention and energy to the programme.

3) Poor Planning:

- 58% of the districts surveyed **didn’t have District Perspective Plan** (DPP).
- **Annual Plans were not prepared** for 31% of the GPs surveyed. There were various gaps found at various levels even in those which were prepared – GS meeting was not convened in 14% of the village surveyed, works were not identified by GS in 18% of GPs surveyed, District plans were not prepared in 5% of the districts surveyed, 6% of the District Plans didn’t comprise block-wise shelf of projects, 36% of the district plans didn’t indicate the person-days to be generated, 17% of the
district Plans didn’t indicate the full cost for each project, 16% of the District Plans didn’t ensure that 50% of the work were to be executed by GPs etc.

In the absence of DPPs and Annual Plans, a long-term shelf of projects is not available. This, in turn, affects the timeliness of project approval. Lack of participation or inadequate participation will lead to non transparency and not choosing of the right projects.

4) Registration and Issue of Job Cards
   • GS was not convened for the purpose of explaining the provisions of the Act, mobilizing applications for registration and conduct verifications in 60 % of GPs surveyed.
   • Door-to-door survey to identify persons willing to register was not conducted in 57 % of GPs surveyed.
   • Job cards were not issued within 15 days of application for registration in 35 % of GPs surveyed.
   • Photographs of the applicants were not attached to job cards in 44 % of GPs surveyed.

Absence of dissemination of information, issuing of job cards or fixing of photographs may lead to needy people not able to exercise their right of guaranteed employment.

5) Works:
   • Unique identity number not allotted to
works in 59% of GPs surveyed. Non allotment of unique number may lead to duplication of work.

- **Wage:** Material ratio of 60:40 was not maintained in 27% of the districts. In one district of Haryana, this segregation of expenditure not maintained.

- **Worksite facilities were not provided** or only partly provided in 40% of GPs.

- **Shortfall of execution of work** actually taken up vis a vis those contemplated in the Annual Plans ranged from 1% in West Bengal to 97% in Maharashtra. In some districts of Bihar, no work was undertaken, leaving the entire allotted funds unutilized. **Delays in completion of work.**

- **Lack of appropriate approvals and assessment of requirement of work undertaken**- not approved by Panchyats, not a part of Annual Plans, not getting administrative approval and/or technical sanction. It led to either taking up inefficient or unprioritized or unauthorized (not permissible) work.

- **Contractors were found to be involved** in Orissa in disguise of payment of Village Labour Leaders/ Junior Engineers.

- **Execution of work by non qualified persons** due to shortage of staff.

- **Measurement books for the works were not maintained** in some states. In some there was recording of inflated measurement.
• **Use of unauthorized (kutcha) muster roll** in some districts.

• **Poor quality of work** leading to unfruitful expenditure. E.g.: lack of arrangements for filling the ponds with water, building of Kutcha roads

• **Allotment of work to defaulting NGOs.**

6) **Employment and Wages**

• Majority of states had **not prepared separate district wise schedules rates** specifically for NREGS works, after listing tasks for REGS works in different geo-morphological conditions, and undertaking time and motion studies for observing out-turn and fixing rates. In its absence, there was use of PWD rates which might not have ensured minimum wage for seven hours of work.

• **Wage payment not made on time and no compensation made for the same** in 38% of GPs surveyed. In some cases wage payment was delayed by as much as 355 days.

• **Minimum wages not paid** in 14% of GPs surveyed.

• **Work was not measured on daily basis** in 68% of GPs surveyed.

• In some cases, **no dates of payment were recorded in Muster Rolls (MRs)** so whether wage payment was made on time could not be ascertained.

• **Ineligible labourers** (Minors, Unregistered
laborers and laborers belonging to households already provided with 100 days employment in a year) found to be engaged in work in some areas.

- **Unemployment allowance not given** in 50% of GPs surveyed in which there was written record that those people did ask for employment. Many more even were not entitled to Unemployment Allowance due to the absence of recorded date of demand.

7) **Muster Rolls (MRs)**

- **MRs didn’t bear unique identity number** in 48% of GPs surveyed.
- **MRs did not contain requisite details** viz. the name of the person on work, job card number, days worked/ absent and wages paid in 24% cases.
- **Photocopies of MRs were not available** for public scrutiny in 44% cases.
- **Summary of muster roll and classification of labour** viz. total number of workers, women, men, SC, ST, physically handicapped etc. **was not recorded/drawn** to verify exact representation of these sections in some districts.
- **Tampering of muster rolls** was done in many cases by using white fluid. There was also entry of fictitious names. Signature of person taking attendance, signature of inspecting authority and certification by official were also not found
in some cases.

- Many Other Implementing agency (OIA) found to be using MRs other than those issued by DPC/PO. Also there were many discrepancies related to not mentioning Job Card numbers, no weekly breaks, works even on national holidays, tempering etc.

8) Record Maintenance and Reports

- **Application Registration Register**, which records applications/ requests for registration of households, was **not maintained** or was not properly maintained in 35% of GPs surveyed.
- **Job Card Register**, which gives details of job cards issue to households, was **not maintained** or was not properly maintained in 52% of GPs surveyed.
- **Employment Register**, which records (for each registered Household) details of employment demanded, employment allotted and employment actually taken up, was **not maintained** or was not properly maintained in 59% cases.
- **Asset Register**, which is a register of all work sanctioned, executed and completed, **not maintained** or incompletely maintained in 57% cases.
- **Complaint Register not maintained** in 56% cases.
- **Deficiencies were noticed in furnishing of Monthly Progress Reports (MPRs) by blocks**
and districts.

In the absence of maintenance of critical registers, especially at the GP level, it is impossible to authentically verify the information about how many and which households are able to get benefit under this scheme.

9) **Fund Management**

- **States didn’t release their share of funds** within 15 days of release of the Central funds to districts in 75% of the districts surveyed.

- **Application for next instalment without submitting Utilization Certificate** (UC) (a proof of utilization of at least 60% of the funds at their disposal) in 85% of the blocks surveyed.

- While demanding additional funds, **GP didn’t furnish the report of VMC** (Vigilance and Monitoring Committee) duly approved by GS in 65% of GPs surveyed.

- **Monthly Squaring of Accounts** (verifying that all money released under NREGA is accounted for under (a) bank balance (b) advances (c) expenditure vouchers) **not done** in 27% of GPs surveyed.

- **Operation of separate bank Accounts** were maintained for unskilled wages, material component, unemployment allowance and administrative expenses **instead of a single bank account for REGS works** in Karnataka.

- **Using of NREGA funds for purposes not**
connected to this scheme
• Non transfer of unspent balances of NFFWP and SGRY into NREGA accounts in some states.
• Diversion and misuse of funds.

10) Social Audit, Transparency and Grievance Redressal
• Social Audit Forum (Periodic assemblies in the GS for scrutinizing details of projects) not conducted once in every six months in 63% of GPs surveyed
• Updated Data, which needs to be put up in predesigned format outside offices of all agencies involved in implementing REGS, not made public in 67% of GPs surveyed.
• Grievance Redressal System (GRS) had not been devised in some states.
• Wide Publicity of this act not undertaken

11) Monitoring
 a) At state Level
• State level inspection of work not conducted in 19 states.
• Both State and District Quality Monitors had not been designated by the State Governments in 20 states.
 b) At District and Block Level
• District level inspection of work not done in 63% of the districts surveyed.
• District Internal audit Cells not constituted
in 84% of the districts surveyed
- **Financial Audit not carried out** in 57% of the districts surveyed.
- **Block level inspection not done** in 74% of the blocks surveyed.

**c) At Village Level**
- **Local VMCs were not constituted** in 25% of the GPs surveyed.

Apart from the problems mentioned in the CAG report, there are some more problems found to be obstacles in the way of successful implementation of the spirit of this scheme. Some are follows

1) **Grievance Redressal Mechanism**
   - **Penalty for non compliance is Rs 1000 which is too low** to deter anyone from contravening the provision of the act.
   - Under the Act, the “**Programme Officer**” at the Block level is supposed to receive complaints and dispose of them within seven days. **However, POs are often responsible for such lapses in the first place**. So it is unlikely that they will hear complaint against themselves.

2) **Ignorance of workers**
• **Provisions of the scheme are still not very clear** to public like that of need for submitting separate application form for employment and mentioning all details regarding days for which employment is needed.

• **Fees for application forms are being charged** in many states like Gujarat, Madhya Pradesh and Jharkhand. The fee ranges from Rs 5 to Rs 50 in some states. Forms are also sold openly in local markets or haats.

• An illiterate worker who does not understand what is written on the Job Card, may not be able to verify entries on the number of days worked, wages being paid.

3) PRI

• **Weak and/or undemocratic panchayats.** In Jharkhand, the GP elections have not been held since the 73rd and 74th amendments of the Constitution (known as “Panchayati Raj amendments”) so little can be expected from such undemocratic institution to deliver the results.

• **Overburdened Panchayats.** The work burden is tasking particularly because most of the states have not devolved the necessary function, funds and functionaries to Panchayats for effective implementation of the NREGA.

• **Nepotism** is being found. The work is being provided to friends and relatives of the mukhiyas or those who vote for them.
4) Discrimination

- **Against Women.** In Sitapur district (UP), women were discouraged from registering. In Sabarkantha district (Gujarat) the aged and physically challenged were denied registration forms.

- **Against aged and physically challenged.** In Sabarkantha district (Gujarat) the aged and physically challenged were denied registration forms.

- **Against SC.** In Madhubani and Gaya districts (Bihar), households hailing from scheduled castes – such as the Musahars and Bhuians - were reported to be excluded.

- **Against Muslims.** There are some reports which claim that Muslims from the Panchmahals, Banaskantha and Sabarkantha districts (the worst affected by last Gujarat riots) have been kept out of the scheme. Muslim workers are not being given job card registration forms and their names are not being listed in workers’ registers. Similarly, a large number of Muslim families in Gujarat who had to abandon their villages after the riots of 2002 and take refuge in places like Vadal, Gamirpura and Kalol have not been able to avail of their entitlements.

- **Against age group 14-18 as these adolescents are neither given right to education nor right to work.**

5) Wages

- **Irrational.** For eg: A labour in Rajasthan had to dig 61 cubic feet to earn a minimum wage of Rs 73 compared to a labourer in Andhra Pradesh
who had to dig only 44 cubic feet to earn a minimum wage of Rs 80.

- **Not eco friendly.** In some places, there is greater demand for road construction than for water harvesting project just because here s/he is assured of getting basic minimum wage per day without any conditionality of task rate. It makes creation of productive assets difficult, thus making the programme less relevant to local needs.

- **Not gender friendly** as when wage payment is based on piece rate method and measurement for work ensuring minimum wages for seven hours of work is done by keeping only ability of men then physically weak gender women tend to suffer.

6) **Wage payment through banks and post offices** also suffer from various problems.

a) **Manipulation**

- Muster rolls are still fudged so source of corruption is not checked so wage payments can be routed to non-eligible worker through post offices/banks also. Little efforts have been made to integrate bank payments with other transparency safeguards.
- Signatures are forged and money withdrawn.
- Signatures of the account holders are true, but they are taken under false pretences.
- People are taken to the bank or post offices with the contractor/middlemen and they themselves
withdraw the money, but then are made to hand over some of it to the contractor. They do this because the contractor gives them the information that the money has been credited to their account, which otherwise they would not know.

b) **Inconvenience**
- Illiterate/ semi-literate find it difficult to go through **formalities of such formal accounts**.
- They don’t have easy access to such banks/post offices. Workers have to spend time and money to withdraw their wages when banks are far away from their places. 
- Many times they have to go to the bank two and three times to enquire if their wages have been credited\(^1\).

c) **Gender based Discrimination**\(^2\)
- In some districts, the accounts are opened solely in the name of the male head of the family. This shall mean that women may work but the money shall be given to this head of the family only. This is gross violation of the spirit of this act which intends to provide economic empowerment to women.

7) **Works**
- In 2007-08, 68% of the works were incomplete. Moreover non- maintenance put a large number of assets created into disuse.
• Stopping of NREGS work time to time due to various reasons like monsoon, elections etc in various states\textsuperscript{30}.

8) Administrative issue
• MoRD is not having even copy of each of the state scheme. The result is a confusing duality in the source of norms\textsuperscript{37}.
• The watchdogs- CEGC, SEGC- are virtually powerless in enforcing norms\textsuperscript{37}.
• The Job Card, when taken for updating entries, is not returned on time\textsuperscript{6}.

9) Lack of trained manpower. Reasons can be:
• Poor remuneration so unable to attract semi-skilled or skilled manpower
• Lack of funds to give them training

10) Concept of Household
• Reports from Madhya Pradesh (Dhar district) show that GPs treat joint families as one household, thus issuing them a single job card. Our country has historically followed the system of joint families; such practices will put joint families in a disadvantageous position\textsuperscript{30}.

11) Problems with the Lok Adalat – Latehar Experience
• Some of the benches of Lok Adalat lacked credibility. Some benches in fact included
officials who were hearing complaints against them\(^4\).

- Most of the bench members knew little about NREGA\(^4\).
- Bench members asking the villagers to put their signature or thumbprint on the “agreement” without explaining it to them. This abuse of power, combined with the fact that there is no appeal, could lead to great injustice\(^4\).
- Ill-equipped to deal with the sheer number of people who come\(^4\). Most of the applicants were not able to reach the relevant bench. They went helplessly from bench to bench and returned empty-handed\(^4\).
- Even though a Lok Adalat is ideally supposed to be arbitration where both sides of a dispute agree to a solution, there was rarely a block representative present at the booth/bench. Therefore, instead either paperwork got pushed or at best an order was made to have the BDO investigate the complaint. However, since the BDO is in charge of implementing NREGA the BDO might be complicit in any corruption or at the very least not thrilled to have to admit that one of his or her junior officers is corrupt\(^4\).

12) Incidences of attacks and harassment of NREGA activists.
On May 14, 2008, Lalit Mehta was brutally murdered as he was about to initiate a social audit of the NREGA in Palamau district in Jharkhand. About a month later,
Kameshwar Yadav, an activist of the CPI-ML(Liberation) working on the NREGA and related issues in Giridih district – also in Jharkhand – was killed in circumstances that suggest a link with his political activities. In early July 2008, Tapas Soren immolated himself in Hazaribagh to protest against harassment and corruption in the context of the NREGA⁹.

**Efforts to make this scheme successful**

“..*Let there be no apprehension in anybody's mind: as demand rises more money will be provided to meet the legal guarantee of employment.*"

- *P Chidambaram's Union Budget 2008-09 speech*

Various initiatives are being taken by government and civil society to bring more transparency, efficiency, participation and accountability in the scheme.

1) **At Central level**
   - **A web enabled MIS** ([www.nrega.nic.in](http://www.nrega.nic.in)) has been developed for on-line monitoring and management, data transparency monitoring and free public access to all information. Information pertains to workers' entitlements data and documents such as registration, Job Cards, Muster Rolls, employment demanded and provided; Work selection and execution data including, shelf of approved and sanctioned works, work estimates, works under execution and measurement;
Financial indicators such as funds available/spent, amount paid as wages, materials and administrative expenses.

- **Mandatory wage payment through post Office/ Banks**
- **National Toll free number** to register complaints.
- **Training for NREGA functionaries.** There is “Rashtriya Gram Swaraj Programme” to give training and to improve the capacity of Panchayats. Peer learning Workshops and trainings have been undertaken at the Lal Bahadur Shashtri National Academy of Administration and other national level institutes like NIRD.
- “**Rojgar Jagaran Puruskar**” is being launched to incentivize NGOs, CSO to help in successful implementation of this scheme.
- **Information Education and Communication (IEC)** to enhance awareness of the programme among the rural workforce - **One day orientation of all Sarpanches** at the Block level GSs; **Use of local vernacular newspapers**, radio, TV, films & local cultural forms; **Leaflets, brochures** in simple local language with more graphics; Fixing one day as **Rozgar Diwas** in a fortnight; NGOs/SHGs for awareness generation; Simple **primers for workers and sarpanches**
- **Linking up various social welfare programmes** - promotion of life and medical insurance for
NREGA workers through the Jan Shree Bima Yojana and Rashtriya Swasthya Bima Yojana.

- Nreganet², a Knowledge Network, is introduced by MoRD for sharing initiatives and to help in lateral transfer of these local solutions.
- **Legal awareness campaigns** all over the country and **organisation of Lok Adalats** (for the settlement of disputes through mediation and conciliation between parties) under the aegis of NALSA⁴⁴.

2) **At State Level**

- **Greater use of Information Technology** (IT) by states - In Andhra Pradesh, there is **computerized record keeping of all stages of NREGA work**⁴¹; the Orissa government has introduced the **electronic grievance redressal system** (EGRS)⁴⁰.
- **Innovative ways for wage disbursal** - In Tamil Nadu, ATM are used³⁸; in UP (Jalaun district), ‘**Shramik coupon books**’ are used²; In Orissa (Dhenkanal district), NREGS workers have been collecting their wages from their local post offices using **smart cards**¹⁸.
- **Electronic job cards** – Tripura (Dukli block in West Tripura district) has introduced Smart Cards replacing the paper cards³⁹; Andhra Pradesh (Ananthpur district) is using bio metric smart card².
• **Toll free helpline** - Ganjam district administration has started a toll free help line for receiving complaints on NREGA.

• **Linking with other welfare schemes** - West Garo Hills district administration has clubbed this scheme with schemes such as child immunization programs and compulsory school education for children between 6-14 years along with the NREGS.

• **100% labour intensive work** - The stipulation under Tamil Nadu’s EGS is that only works devoid of any material component be taken up (The National Act allows up to 40 per cent expenditure on material costs). The material component tends to give private contractors a foothold as they provide engineering expertise the GPs may not have.

• **100% execution by GPs** - Tamil Nadu’s EGS is that stresses that all NREGA works be managed by gram panchayats (NREGS requires that at least 50 per cent of the works be taken up by GPs)

• **Good monitoring system** – Tamil Nadu’s EGS expects EGA in each GP to phone the block office every day before 10 a.m. to report worksite attendance figures. This information is immediately collated at the district level and officials from different departments do random checks the same day to verify these reports. In fact, in Viluppuram District (TN) there is Daily
Reporting System through SMS\(^7\) which helps in improving quality of Nominal MR.

3) At civil Society Level
Various civil society organisations have been working to help in making this act successful. They take out padyatras (like Dungarpur padyatra in Rajasthan, Anantapur padyatra in AP, Rozgar Adhikar Yatras), mobilize people, make them aware of their rights under this act, use RTI to verify the claims made by official authorities, keep a strict vigilance over the implementations of provisions of act, conduct social audits etc. JADS (Pati Block, Badwani District, MP) and Majdoor Kisan Shakti Sangathan (Dungarpur District, Rajasthan) have successfully mobilized people and helped them in asserting their rights given under NREGA. Some of similar CSOs include Jan Chetana Sansthan, and Astha Sansthan (Rajasthan), Path Pradarshak (Chattisgarh), Deep (Bihar), Ashagram Trust (Bhopal), Eklavya Sangathan and Disha (Gujarat) NREGA Watch (Tamil Nadu), PRIA, Wada Na Todo, NACDOR, CBGA.

Some of the NREGA activists include economists Jean Dreze and Reetika Khera, Bhaja Tandi (Shramik Shakti Sangha, Orissa), Aruna Roy and Nikhil Dey (MKSS) Sowmya Sivakumar etc

Media (like newspaper "The Hindu") is also playing a pro-active role by bringing in public the potential of this act and giving suggestion of how to make it more effective in its implementation.
Recommendations:

“NREGA is not just about drought relief but relief against drought”

Following are some of the recommendations to make this act more effective. These recommendations do include the recommendations of CAG, NREGA- guidelines 2008, CSE and some more.

Short Term Goal:
1) All the States must formulate detailed rules for the implementation of the Act and submit the same to MoRD.

2) Improve the administrative structure.
   • There must be adequate, well paid, trained and accountable staff (Technical and administrative) at each level.
   • Capability building of panchayats
   • Each PO should have a full-time dedicated computer assistant with a PC for data entry of NREGA records for the block.
   • There should be one Technical Assistant for every 5 to 6 GPs, instead of 1 for 10 GPs, in selected districts depending on the number of works.
3) Proper Planning and implementation

- Time frame for planning and implementation of all works must be adhered.
- Record-Maintenance and Monitoring System must be given high priority.
- Ensure unique identity of the MRs and works undertaken.
- Measurement of works on a weekly basis, keeping in view the availability of technical staff and other practical considerations, should be allowed.
- Make the completion and maintenance of works under the NREGA mandatory. There must be a work completion time frame also.
- There can be formation of groups according to some efficiency/productivity criteria whose work is then measured as a group and paid accordingly. It needs to be done so that people who work hard should not suffer because of idleness or low productivity of work shirkers. It has been tried in Jalore district of Rajasthan.
- Diploma courses on NREGA to produce efficient social auditors, EGA, mates etc
- There is need for better coordination between the implementing Panchayat and the land-holding forest department as many of the Panchayats have not been able to take up plantation in the catchments of water bodies as that belong to forest departments. The village must also get benefits of the plantation.
• **All information** – work estimates, schedule rates, wage payment etc - **should be widely available in local language**

• There is need to **set up central evaluation and monitoring system**

• There can be video recording of some important events like Social Auditing Forum which is biannually conducted.

4) **Greater use of IT to computerize all the records.** Data entry activity may be outsourced.

5) **Primacy should be given for the organisation of meetings of registered workers.** As Reetika Khera points out, "the usefulness of works undertaken through the NREGA can be enhanced considerably if shelves of works are evolved with greater public participation."

6) **Formation of self help groups (SHGs) headed by women and involvement of genuine CSO/ NGOs be encouraged.** In fact some official recognition may help in making the work of these organisations easier and at the same time motivate them to work harder.

7) There is **need to improve the GRM** (Grievance Redressal Mechanism). Introduction of toll free number, Lok Adalats etc are steps in the right direction. However much more needs to be done.

    • There is need to have **greater clarity over the issue of a person/authority who/which has the**
power and responsibility to convict those who contravene the provisions of this Act.

- Need for stricter punishment for violation of provisions of act. Fine must be much higher and there should also be simple imprisonment for repeated mistakes or gross violations.
- Legal awareness need to be spread among workers as well as arbitrators.
- Lok Adalats should have better administrative and technical staff
- Electronic receipt of complains, similar to e-GRS of Orissa, must be launched at national level

8) Make the wage payment system rational, eco-friendly, and gender friendly.
   - Revise of old scheduled rates such that the new rates adequate provision of variations in geology, climate and type of work.
   - Reduce the task prescribed for minimum wages for women/disabled/old so that they are able to get minimum wages by doing seven hours of works.

9) Projects related to ecological regeneration (Water Conservation, afforestation) must be given priority. Such Projects will have following benefits:
   - Enhance agriculture productivity which will help in ensuring food security for a nation as a whole on one hand, provide better livelihood
avenues for majority of population which depend on agriculture and allied activities on other hand.

- Help in **mitigating some impact of climate change**.

Infact, in the 11th Five-Year Plan, Ministry of Environment and Forest has proposed to raise India’s forest cover by 5 per cent using the NREGA as a vehicle.

10) **Payment through Post Offices/ Bank must be worker friendly, gender friendly and combined with strict enforcement of all other transparency norms.** It can be a combination of ‘Shramik coupon books’ and Post office payment for transparency and certainty of wage payment and easy access to ATMs for convenience in withdrawal of payment. Also bank/post office must open joint account on the name of both husband and wife.

11) Using a local team, there is a need to make one district each in all the states as **model district** as local experiences are easier to multiply.

12) **Dalits, bearing a greater susceptibility to exclusion due to social reasons, need to be purposively targeted** and reporting of their coverage under the scheme must be made mandatory for all panchayats known to be inhabited by dalit communities. Similarly, known hot spots of hunger, natural disasters and epidemics, mostly coincident with habitations of dalit communities, must be purposively targeted under the scheme.
Medium Term Goal

1) **Use of Biometric Smart Card.** Unique identification Authority of India must speed up its task. This will greatly improve identification of beneficiaries and bring out efficient delivery system.

2) **Extend this scheme for all adults.** As per definition of Household in the act, it says that household term may include any person wholly or substantially dependent on “the head of the family”. Isn’t it some way of discrimination in favour of adult male member of the family? We can’t leave aged parents, widowed, abandoned women to remain dependent on the goodness of their Kith and Kin. Every Adult must have a right to be financially independent. It is very necessary for his/her dignity.

3) **Convergence with Social Development Programmes**
This scheme can be a nodal point for the linkage with other welfare activities. Some efforts like financial inclusion (wage payment through Post Office/Bank Accounts), health insurance (RSBY) and maternity benefits (JBY) for NREGA beneficiaries are already put in place. More needs to be. Some of the ways to achieve this linkage are given below:

   a) Adult Education Programme regarding health, government schemes, family planning etc on the work sites after a day work or on weekly basis can be conducted.

   b) Day care crèche services of the Anganwadi workers under ICDS could be linked. These anganwadi centres
needs to be opened early so as to allow mothers to go on work site on time.

c) Better co-ordination with the Line Departments so that NREGA works can be subsequently upgraded with additional mechanized work to create durable assets⁴.

d) Pro-active extension of benefits given under unorganised worker’s social security act 2008 to these NREGA workers.

e) Public Distribution system can be better targeted towards these workers.

4) **The scope of work must be increased.** Efforts must be made to think innovatively for diversification of permissible works.

   a) Rural infrastructure should also include social infrastructure like schools, hospitals, sanitation centres, shelter for poor.

   b) There is no need of making the life of poor harder by banning use of machines. Machines and tools which can reduce hard manual work must be allowed. This will also help in making this scheme more inclusive of people of all ages and ability. Moreover in some cases use of machines help in building structures, especially related to water conservation, which could last longer periods of time⁴.

   c) Some sort of training can and should be given to allow even semi-skilled work.

5) **Vocational training** “learning by doing” be introduced for all NREGS workers so that they can aspire to rise in life
and hope for better standard of living in future. Some stipend must also be given to them during this period.

6) **Adolescent under age group 14-18** must also have some right. This may include **right to get vocational training “learning while doing”** and some **stipend** during this period.

7) The stipulated wage provided through the program – an average of Rs. 60 per day – is judged to be grossly inadequate, and a **wage revision to the amount of Rs. 120 – 130 is recommended** to ensure that a family is able to meet its basic entitlements of food, clothing, housing, education and health.\(^{29}\)

**Long Term Goal:**
1) One must be allowed the dignity to be employed any number of days he/she wishes to work. So this **time limit of 100 days be get away with.**

2) **Introduction of similar scheme even for urban poor.**
Role of parliamentarians

“The state, shall within the limits of its economic capacity and development, make effective provision for securing right to work...”

-Indian Constitution: Article 41

Parliamentarians have major role to play in successful implementation of any scheme. Members of Parliament who are also the Chairmen of the District Vigilance and Monitoring Committee in their respective districts can play an active role in ensuring that the officials responsible for implementation of the programme are accountable and transparent in implementing the scheme. Given that about 90 per cent of the NREGA funds come from the Centre, the Central government has a right and a duty to enforce higher standards of transparency and accountability in the programme.
**Conclusion**

"Everyone has the right to work, to free choice of employment, to just and favorable conditions of work and to protection against unemployment."

*Article 23.1: Universal Declaration of Human Rights*

**NREGS is not about charity. It is about giving the people their due—respect and dignified livelihood.**

NREGS is not only giving immediate relief to the poor by assuring them to earn dignified livelihood, even if only for 100 days, it is also producing tangible results for these poor as rural infrastructure is built in the vicinity of these poor household which in turn will help these poor in getting sustainable and fruitful livelihood in the long run. There may be lots of problems in the implementation as pin-pointed by CAG report but the solution lies in removing those obstacles and not abandoning this hope of crores of people. Moreover, year after year, workers are likely to develop a better awareness of their rights and their collective power⁹. They will be able to assert themselves and help in better implementation of the scheme. The challenges involved in “making NREGA work” should thus always be seen in the light of the long-term possibilities and their significance for the rural poor.
NREGS is not a fiscal burden forever. It is demand driven scheme. It is just an assurance to the poor that s/he can survive by getting some employment. As and when economy develops, poor will be able to become more literate and have better job opportunities around them, then

### Development Potential Of NREGA

“In 2006-07 alone NREGA has created more than half a million productive assets, mostly water and soil conservation structures. Each of them has the potential to herd out poverty from villages.”

Hiware Bazar, a village in Maharashtra’s drought prone Ahmednagar district, is an example of how to use public wage programme to churn out greater common goods. The village has been highly successful in utilizing state’s Employment Guarantee Scheme (EGS) in securing its future against drought by investing in soil and water conservation activities. It has become a water surplus village from a scarce one. The village now witnesses reverse migration from urban areas for better economic opportunities. And, now there is no demand of work under the employment guarantee scheme.

There is not much difference between Hiware Bazar and a NREGA implementing village. So there should not be any reason why Hiware Bazar cannot be replicated using the NREGA.

*Extracts from report “NREGS: problems and challenges”, Centre for Science and Environment*
the demand for such survival jobs will wither away. Why would they like to do hard unskilled works at minimum wage rate under NREGS? NREGS is their survival need and not choice at present. This must be understood. Then only a due attention can be given to this life saving scheme.

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Claimer:
Numerous articles and reports on internet have been used to write above piece of report and some of them may have been left out in above reference. I regret for the same and pay my gratitude to those articles/ reports also for their valuable inputs in making this report.