

Employment Guarantee: Progress So Far

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The National Rural Employment Guarantee Act is into its second year of implementation. It is easy to criticise the Act and its execution. However, even as we recognise its shortcomings and the scope for correction, we must consider what it has achieved so far and the promise it continues to offer.

The National Rural Employment Guarantee Act (NREGA) is now in its second year. Much has been written about it, by those who oppose the employment guarantee and by those who advocate it. And still a general impression prevails, without much debate, that the programme is not worthwhile. There is inadequate awareness perhaps, that the NREGA is more than a scheme for wage employment and that it has other underlying objectives.

There are few parallels to such a programme in the world. Argentina had introduced a job creation scheme, the Plan Jefes y de Hogar, in 2002, after the virtual collapse of its economy. This was a more limited intervention than the NREGA, focusing on municipal areas, though it covered a wider range of activities including community services, health, education, child care and self-employment; it was “redesigned” in 2006 to a programme primarily of unemployment insurance and welfare.

The NREGA is the first tangible commitment to the poor that they can expect to earn a living wage, without loss of dignity, and demand this as a right. The government has a statutory obligation to provide employment to every household, or, if unable to do so, to provide

an unemployment allowance. It is true that this will not end either poverty or exploitation, but it is significant nevertheless, and could mark the beginning of momentous changes in the lives of the rural poor.

The NREGA is certainly far too important not to be properly appreciated or to fall victim to a superficial understanding. A distinctive feature is that only the very poor, and none else will seek benefits from it – and so it cannot, almost by definition, generate the support of any lobby – for there are few interested in it, and fewer still who will be prepared to work for its success. A balanced and informed view also tends to become uncommon.

Scope and Performance

Although it has now been announced that the NREGA will be extended to the entire country from 2008-09, the act itself was enacted after considerable opposition from within the government itself.¹ The employment guarantee already covers more than half the country – over three lakh villages and 1.5 lakh gram panchayats in the most arid and drought-prone regions; tribal and forest areas where many villages are still not accessible – in its vastness, reach and scope, it is truly huge. It is certainly not easy of implementation.

While it is too early to make a comprehensive assessment of the programme, the performance data for 2006-07 should nevertheless be seen. At the macro level, the figures are impressive: out of 2.16 crore households who sought employment, 2.10 crore households (97 per cent) were provided work of 90 crore person days, an

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average of 45 days in the year.² The participation of women (41 per cent), scheduled castes (scs) (25 per cent) and scheduled tribes (strs) (36 per cent) was high; equally significantly, unskilled wages comprised 67 per cent of the total expenditure, and 94 per cent of the expenditure on wages. About 8.41 lakh works were taken up of which 3.97 lakhs were completed, and out of the Rs 12,073 crore available for the programme, Rs 8,823 crores (73 per cent) was utilised. This trend has continued during 2007-08.

Performance Data

The data in Table 1 show that funds for the programme have not been a constraint. However, some states availed of larger amounts relative to the number of NREGA districts. The utilisation per district was more than Rs 100 crore in Rajasthan (115) and Madhya Pradesh (103) and high also in Chhattisgarh (61) and Assam (85); on the other hand this was less than Rs 25 crore in Gujarat (14), Maharashtra (18) and Tamil Nadu (25).

The objective of 100 days of employment was not achieved in any state. However, the per district person days of employment and households provided employment were comparatively high in Madhya Pradesh (1.6 lakh households, 68 days), Orissa (0.7 lakh households, 57 days), Chhattisgarh (1.7 lakh households, 54 days) and Rajasthan (two lakh households, 83 days). In West Bengal and Tamil Nadu although three lakh and 1.2 lakh households, respectively worked under the NREGA, they could do so only for 14 and 26 days, respectively. In Gujarat and Maharashtra, only 30,000 and 40,000 households per district availed of the employment guarantee.

It would appear that some “backward” states have done better than several of the progressive ones. The number of works per district shows unusually wide variations across states – 17,000 and 9,389 in Andhra Pradesh and Madhya Pradesh, respectively against 430 and 917, respectively in West Bengal and Maharashtra. In most states the figure is between 2,500 and 4,000. Although the financial year does not coincide with the working season, over 60 per cent of the works in some states and around

50 per cent in several were completed by March. As the programme stabilises, so also should the norms for the selection of works in each district – their nature, size and number.

In such programmes there will inevitably be some leakages and imperfections, with reports from districts of things going wrong, of delays, of corruption, and so on. These must, of course, be set right and continuous efforts made to do so. At the same time, such reports in the initial years should not be allowed to cloud the significance and relevance of the employment guarantee.

Parameters

The NREGA is an initiative comparable perhaps only to the green revolution and it is also a complex one. It requires action on several fronts and coordination on a scale not envisaged so far.

First, the active participation of the rural poor, unorganised, exploited, on the fringes of hunger, disillusioned by government schemes and unfulfilled promises. Second, the close involvement of reluctant government officials and

administration – from the village to the state – who would not have a clear understanding of their responsibilities under the NREGA. Third, the mainstreaming of the panchayats, to deliver in a situation where most have limited capability, little experience and virtually no manpower. Fourth, the owning of the programme by every government agency which executes works in rural areas – essential for the generation of employment and for the creation of meaningful assets. Fifth, partnerships between officials and panchayats, the village community and the administration, the most poor and the decision-makers in the village, NGOs and government. Sixth, a thrust and focus on the programme by the media with its vast influence and reach, now even to remote villages.

These are only the broad parameters of what represents, really, a transformation in the development scenario of India. This transformation cannot happen on its own. A deliberate, planned direction is necessary; to work out a strategy and to put in place a process. This, as yet, seems to have been given little thought.

Table 1: Some Performance Parameters for States and Districts – 2006-07

State	No of NREGA Districts	Funds Available (Rs in cr)	Expenditure (Rs in cr)	Percentage Utilised	Average Utilisation/District (Rs in cr)	Average Per District			Daily Unskilled Wage Paid (Rs)	Average No of Works/District	Percentage Completed
						Person Days (in lakh)	HHS Employment (in lakh)	Employment/HH (Days)			
Madhya Pradesh	18	2134	1862	87.3	103	110	1.6	68	59	9389	49
Bihar	23	1197	713	59.8	31	26	0.9	35	70	2696	48
Andhra Pradesh	13	1142	680	59.6	52	52	1.7	31	86	17000	39
Uttar Pradesh	22	1029	780	75.8	38	37	1.2	32	56	3864	65
Jharkhand	20	982	712	72.4	36	26	0.7	37	80	3200	38
Orissa	19	890	733	82.4	39	42	0.7	57	53	2684	37
Rajasthan	6	856	693	81	115	167	2	83	51	3667	41
Chhattisgarh	11	841	669	79.5	61	64	1.2	54	63	2909	50
West Bengal	12	486	174	35.9	18	13	0.3	40	104	917	45
Maharashtra	10	630	395	62.6	42	44	3	14	70	430	56
Karnataka	6	341	248	72.8	41	37	0.8	44	67	3000	61
Tamil Nadu	6	252	151	60.2	25	31	1.2	26	80	1167	29
Gujarat	6	124	85	69.4	14	17	0.4	43	56	1333	38
Uttarakhand	3	71	48	68.3	16	13	0.4	31	72	2333	57
Himachal Pradesh	2	57	39	68.9	20	15	0.3	50	69	4500	56
Jammu and Kashmir	3	50	35	68.9	12	11	0.4	27	69	6300	37
Kerala	2	48	28	57.7	14	10	0.5	20	121	-	-
Haryana	2	47	36	77.3	18	12	0.3	48	97	8000	63
Punjab	1	38	25	65.1	25	11	0.3	37	96	1300	62
NE States											
Assam	7	707		83.7	85	82	1.1	73	67	2143	60
Tripura	1	50		90.6	45	50	0.74	68	60	5000	80
Mizoram	2	26		63.2	8	3.9	0.5	16	175	130	80
Meghalaya	2	26		81.7	11	12.1	0.5	25	73	1450	28
Manipur	1	20		99.4	20	18.6	0.18	103	75	1600	56
Nagaland	1	16		91.3	15	13.1	0.28	47	66	128	97
Arunachal Pradesh	1	12		18.3	2	4.5	1.7	2.6	67	500	80
Sikkim	1	5		57.4	3	2.4	0.04	61	87	158	65
All India	200	12073	8823	73	8823	90.51cr	2.10 cr	43	65	8.41 lakh	43

The states are ranked in descending order of funds available.

Source: Compiled from the data on the NREGA web site of the ministry of rural development.

Important in this scenario is the Right to Information (RTI) Act, which emanated from the movement for transparency and accountability in employment programmes.³ A powerful instrument, it can make a difference to implementation and also to the pace at which the NREGP is effectively absorbed in the development agenda.

This is the initial phase. While the employment guarantee is new, wage employment schemes have existed for many years; therefore, their defects and problems have been inherited by the NREGA. It is important, nonetheless, to recognise this opportunity – not just to improve, but to make a clean break. Already, the employment generated in a NREGA district is three times that of other districts – 45 lakh person-days against 14 lakh.

Beginnings of an Impact

Perhaps, more significant than the figures are the changes now beginning to be seen – though these are not widespread, and the experience has been both varied and uneven.

The NREGA has impacted the poor: large numbers of unlettered households have made the effort to come forward to register; migration has reduced in several villages in Andhra Pradesh, Chhattisgarh, Orissa and Rajasthan; wages less than the minimum wage were raised in many states; the participation of women increased significantly even in the districts of Rajasthan and eastern UP; unemployment allowances were sought and actually paid in Madhya Pradesh and Orissa; the maintenance of muster rolls has become a feature in several districts.

The performance of the administration also shows positive trends: registration was completed and job cards issued; work was invariably provided on demand; their selection was also relevant – water conservation (54 per cent) irrigation on sc and sr landholdings (10 per cent), land development (11 per cent); initiatives have been taken not just by collectors but by the numerous village functionaries, block development officers (BDOs) and officers at the field level; training programmes have commenced for officials, elected representatives, NGOs and community groups. Significantly, many panchayats responded effectively despite handicaps; in fact, the

NREGA enabled them to establish their credibility.

Perhaps, the most remarkable change is that a process for the empowerment of the poor is emerging around the NREGA. The programme has stimulated their mobilisation across the country, possibly for the first time in recent history. This is evident from the large number of 'yatras' and 'abhiyans', meetings and discussions, awareness and sharing – spread over districts in all states. NGOs and activists have discovered in the NREGA a vehicle for meaningful interventions, which enables the coming together of the village poor for the employment guarantee. Thus, rural workers have negotiated with private employers, even refusing casual work at double the earlier wage. Social audits are now conducted also by government departments and institutions, often in collaboration with NGOs, facilitating the active participation of the poor in development. The RTI Act, effectively utilised in several cases, has had an immediate impact on the confidence of village communities – officials have apologised for their misappropriation in public meetings, and even "returned" the misappropriated money.

Further Interventions

The Employment Guarantee has evidently begun well. There is, of course, great scope for improvement, as indeed, can only be expected in a new programme, especially one of such complexity.

A system of regular and continuous flow of authoritative information is essential – more than just sporadic reports and studies, as at present, dependent on the initiative of individuals and groups. Government could take up concurrent evaluations (as was done for integrated rural development programme (IRDP) and Jawahar Rozgar Yojana (JRY) in the mid-1980s), more effective monitoring, time-series studies, and focused reports on critical aspects like minimum wages, muster rolls. Not just by the centre, but also by the states; not by the departments of rural development alone, but by others as well – labour, agriculture, forests, planning, the CSSO and its network. This is an important period for the NREGA for it is one of learning as well.

Further, this feedback needs to be shared, disseminated and utilised. To improve implementation, troubleshoot, modify policy directives, issue operational guidelines for the district, block and village. This can only happen with greater interaction between all those involved with the NREGA. The available structures like the central and state councils cannot be enough. However, consultation and participation in development do not come easily, or often. Here clearly, government must take the lead, be proactive, mobilise institutions and groups, use the media effectively.

The number of "facilitators" who are involved with the NREGA is staggering –

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The web editor must have an interest in current affairs and the social sciences. She should also be interested in trends on the internet, particularly on-line publishing. Knowledge of web site content management is expected, and an awareness of design software and internet programming would be a bonus.

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