

# NREGS Update

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## Small but successful initiative

LALIT MATHUR

*The National Rural Employment Guarantee Programme social audit in Andhra Pradesh owes much to the government's directives, finds former bureaucrat.*

Was it implemented properly?: Work in progress under the NREGA.

The Andhra Pradesh Government, quietly and unobtrusively, has achieved something quite remarkable: the conduct of the social audit for the National Rural Employment Guarantee Programme (NREGP) using the RTI Act; and thereby sown the seeds for a non-violent revolution in less than two years.

The government does not conduct the audit; rather, it facilitates it, but does so comprehensively and with an eye for detail. One round has been completed in all gram panchayats and the second round is in progress. There has been a tremendous impact because the government has taken on the responsibility; it has also gained credibility because of its transparency and is not seen as a stage-managed process.

At Kollampalli village, Thimmapur mandal, Karimnagar District, the Village Social Audit (VSA) was on its last leg; the day before the public meeting at the mandal (mandals have replaced Blocks in AP) headquarters. This meant that records had been obtained from the Mandal Parishad Development Officer (MPDO) and examined; door to door verification had been completed; the variations discussed with the Field and Technical Assistants and the Mate; and the findings were being consolidated. In several cases, the Field Assistant and the Mate had signed statements admitting misappropriation of amounts and given a commitment that they would recover them.

### Process of verification

This was the first social audit in the village and all the works during 2006-07, 2007-08 and part of 2008-09 were verified.

Kollampalli is a large village and had utilised almost Rs. 1 crore for works like desilting of irrigation tanks, construction of tanks, excavation of field channels, horticulture plantations, land development and irrigation wells on holdings of Scheduled Caste and other poor small farmers. Six village social auditors - all from agricultural labour families from the neighbouring villages - were trained for the social audit. All were young - four girls and two boys studying in college - selected by the DRP who also trained them.

The village sarpanch had a stranglehold and was also alleged to be in league with the MPDO to misappropriate funds. Many of his supporters checked the social audit team's work and also tried to question them. But they did not obstruct the work nor did they try to disrupt the ward sabha meeting; for this exercise had the full support of government.

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At one ward sabha meeting of about 100 people, the majority being women who had worked under the programme, the audience participated actively and often vigorously particularly when they discovered that the records showed wrong names and amounts. At the mandal meeting the Zilla Parishad Chairman from Karimnagar and other district officers were also present. About Rs. 20,000 was returned by the Field Assistants and the Mates. Commitments and deadlines to pay back other amounts misappropriated were also made public.

When misappropriation by the sarpanch was discussed, the Zilla Parishad chairman insisted not only on the return of the amount but also on a criminal case being filed against him! Political support could not have been expressed in clearer terms.

At the Mallapally mandal meeting, about 1500 people from 20 gram panchayats participated. The results of the social audit for each Gram Panchayat were read out in turn. This included not only discrepancies and irregularities but also the good work. The discussions were free, unrestrained, transparent and very animated.

For one village, several maintained that they had been paid only half the minimum wage. The Field Assistant agreed to this but said that only half the work was completed, and since wages were calculated after measurement of the work done, the payments were correct. But the women insisted that they had worked all day and should have been paid the full wage. The Project Director (PD), therefore, directed the MPDO to visit the village along with the engineer within three days to check the muster roll and verify the names. This would be reviewed at the follow up meeting. The villagers were satisfied with this assurance.

#### Problems arise

For certain villages, some stated that they had not been paid for the work done. When the PD wanted to compare the payments as per the pass-book with the payment as per the job card, it was discovered that the job card did not contain the inner pages that record the work done by each person; the job card itself was incomplete. This came as a surprise as it had not happened in any mandal so far but then this area had seen intensive PWG (Naxal) activity, and also resisted the initiative. The MPDO was asked to ensure that complete job cards were issued, investigate the lapse, fix responsibilities and send a report. Earlier, several officials, Field and Technical Assistants and Mates admitted to irregularities and about Rs. 50,000 was returned. From separate discussions with the sarpanches, it was evident that they were keen to ensure that there was no irregularity in their villages. Proper implementation was a matter of both pride and satisfaction.

The VSAs in Mallapally mandal - about half of them women and all in their late teens or early 20s - were from labourer families, mostly from the Scheduled Castes. They were smart, confident, well turned out and keen to do more work on the social audit. They had all benefited from their experience as VSAs and each had something perceptive to say about the audit and about those aspects that gave them satisfaction - securing additional payments where short wages had been given; recover misappropriated amounts and verify some useful and productive works. Clearly, this enthusiastic group can be a valuable resource not just for the government but also for the community. Based on their skills and aptitude, it may be possible to link suitable self-employment schemes for them or to engage them in efforts like the SSA (Sarva Shiksha Abhiyaan) and ICDS.

Thimmapur mandal had been selected as a pilot project for the payment of wages through Smart Cards, which work like ATM cards and are given to each person registered under the NREGP. The bank concerned at the mandal headquarters appoints an agent to make payment for each village under the scheme. The Kollampalli village agent was a young lady who was also the President of a successful SHG. She operated a simple instrument connected on line with the bank, and after biometric identification each worker was paid the wage earned that had been deposited in the savings account. The families preferred this procedure to that of payments through the Post Office.

#### Encouraging aspect

The most encouraging aspect is that it is all actually beginning to happen! Not perfectly, not painlessly and still evolving, but unmistakably so. An interesting feature is that the politicians have supported it, often vigorously. They have seen in this process an opportunity to enhance their own standing in a credible public forum. The second round has shown less corruption, better quality of work, more effective supervision; the social audit team is even being called in as consultants for other programmes.

None of this would have happened without the information received under the RTI Act; and that would not have come without government directives. It is time other States adopted a similar approach.

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**Chequered path: From chiselling diamonds to cutting roads**  
**Kamran Sulaimani**  
**Posted: Mar 03, 2009**

Diamonds are not forever, at least for the unemployed workers from Amreli and Bhavnagar who had once worked at diamond units in Surat. Finding it difficult to survive in the aftermath of the industry hitting a rough patch, these workers have now taken up jobs such as checking dam depth, tree plantation, and road widening under the National Rural Employment Guarantee (NREG) Scheme. As per statistics, NREG Commission, Gujarat, has issued job cards to 2,879 diamond worker families.

Several job applications from such families have come in the last two months. The flagship scheme floated by the UPA government promises at least 100 days of work to the person who applies for a job. Earlier, the Diamond Workers' Association (DWA) had raised an objection against the government's decision, saying that the diamond workers will never take up jobs under NREGS. But of late, many have approached the authorities for work under the scheme.

According to figures provided by BK Joshi, Assistant Commissioner, NREG Gujarat state commission, "Bhavnagar has the maximum number of diamond worker families (1,240) registered under NREG scheme, followed by Amreli (644), Junagadh (500), Ahmedabad (400), Mehsana (60) and Banaskantha (25)."

Asked about how they distinguish between the workers, Joshi said, "The DRDAs have been asked to do a background check on them for our information." The diamond workers have been looking for alternatives after losing their jobs in Surat. Many of them even committed suicide in the last six months. NREGS has shown them a road to survival.

In Amreli district, response to the scheme has so far been good. "We have issued 644 job cards till now: the maximum in Savarkundla and Rajula. We have also made special arrangements for them so that they don't face any hurdles in starting work," said Amreli District Development Officer Shekhar Vidyarthi.

**Subir Roy / New Delhi March 4, 2009,  
0:48 IST**

At the end of five years of UPA rule a contrast is emerging. Four years of record growth which brought India into international reckoning stand stymied in the last year by a global slowdown. But a solid body of unglamorous action seems to have been taken to address governance and the lot of those at the grassroots, which can prove durable and make today's actors look back with satisfaction.

How can the same administrative structure, which has failed to deliver over decades, have woken itself up and laid new foundations for delivery? The credit goes to an institution innovation, the National Advisory Council, which gave the executive advice it was not used to getting. The advice was both insightful and implementable as it came from banging together heads belonging to three groups that usually don't jell - some notable civil society leaders, senior officials and a few academics. And the administration could not ignore the advice as it came under the imprimatur of the highest political authority in the land, Congress president Sonia Gandhi who chaired the advisory council.

Set up to help the government implement its programme, the council of nine had four notable members from the civil society space - Seeba Hussain, Aruna Roy, Madhav Chavan and Jean Dreze. And acting as a bridge between the groups was N C Saxena, a remarkable civil servant who had been equally a scholar on grassroots issues. At the end of the day the council can claim a success rate of four out of five. Its stamp is clearly visible in three landmark legislations - the Right to Information Act, the National Rural Employment Guarantee Act and the Scheduled Tribes and Other Traditional Forest Dwellers Rights Act - and a multi-year development programme - the national rural health mission. And its big failure is its inability to see through, in an acceptable form, a rehabilitation and resettlement bill.

There is now widespread recognition that not only is the right to information working, those manning the works fear that it may have already begun to wilt under the overwhelming pressure of applications. This is because it has not only caught the fancy of the educated middle class, some of its best beneficiaries are very ordinary people in the countryside who, with their civil society mentors, are using the process to get vital information on spending and the running of public programmes.

K K Mishra, the chief information commissioner of Karnataka, is fearful that such is the volume and the way in which the time for an application to be disposed of is going up (it is now a year or more in Maharashtra and UP), right to information may go the way the consumer disputes redressal process has gone. If you have to wait for a year or more to simply find out if you will get the information you want, will you bother and will the official interested in withholding the information be fearful of doing so? On the other hand, the controversy over whether file notings are available under the Act has virtually disappeared with high courts upholding the access to them.

The rural employment guarantee programme is another innovation that is seen by those helping people at the grassroots to be working. From an initial 200 districts it has now been extended to all districts. Proof that it is working comes from the demand for more days - from the current 100 to 200 - of employment. Now that an economic slowdown is upon us and people who have lost their city or construction industry jobs are going back to the villages, it is seen acting as a safety net. It is working partly because of systemic innovations like the use of computers and smart cards. Those familiar with its working readily point to corruption and mismanagement also taking place, in particular in states with a poor administrative tradition. But in rural areas where there is a degree of literacy and an active NGO is around to help, or the administration is committed, the people are making demands on the system and it is delivering.

The same can be said for the national rural health mission. It was off to a slow start but successive independent evaluations have shown that in some areas, where the conditions listed above or an active panchayat is around, the mission is delivering. Here again an innovation, the *asha* or woman rural health worker, seems to have worked. Another innovation, the *Rogi Kalyan Samiti*, has tremendous potential but care is needed to ensure that the really poor are not left out as the better off and better educated walk away with the benefits. The overall feeling at the grassroots is the same as with the employment programme - the idea is good, the scheme is well worked out and is working and delivering in places.

Action under the Forest Dwellers Rights Act, the legislation to be passed most recently, is just about taking off. Activists are not happy with all its provisions but there is a clear recognition that "for the first time they (forest dwellers) had a law that recognised the rights of tribals and forest peoples," says Rita Anand in *Civil Society*. Earlier, villages of forest dwellers had no access to healthcare, school or roads. The real test of the law will come when forest dwellers are able to sell non-timber forest products and earn more.

The conceptual changes that these laws represent mark a new departure in the Indian state's journey to bring some of the fruits of growth to the poor. A

revolution will be wrought if at least some of the initial promise is fulfilled.

## **States hijack Centre's flagship rural schemes**

**5 Mar 2009, NEW DELHI**

It's no coincidence that rural development has been offered the lion's share in the interim budget 2009. After all, the majority of the electorate resides in rural India and it makes political sense to cater to them in an election year. But even as the Congress waits for its electoral kitty to swell on account of the rural development bonanza, the high-visibility campaigns by states to take welfare schemes to the villages are threatening to rob the grand old party of its patent over Central initiatives like NREGS.

No state government worth its salt has missed the golden opportunity of reaching out to the rural voter through its own rural-oriented schemes. Many states have been using Central funds for financing local schemes. Chhattisgarh is an ideal example. Having launched the Rs 3-a-kg rice scheme for around 37 lakh poor families in the 2008 budget and is now offering Rs 1-per-kg and Rs 2-per-kg rice in the 2009-10 state budget.

The Raman Singh government in Chhattisgarh had returned to power in November 2008 assembly poll on the strength of welfare schemes like providing 2 kg of salt every month to each poor family at just 25 paise (it will now be offered for free); supplying free power for SC/ST families to run irrigation pumps up to 5 horsepower; free electricity for poor households with one light connection (the benefit has been widened houses having 3 bulbs in 2009-10), 3% interest on farm loans; distribution of 900-square ft plots to 88,000 poor families and offering built houses on EMIs for Rs 2-2.5 lakh to LIG; hike in wages of tendu leaf collectors who were also distributed 12 lakh pairs of footwear; and free education for girls up to high-school level in evening schools .

Not only this, the states have, over the last five years, successfully hijacked Central schemes like NREGS and are, by virtue of being the implementation agency for these schemes, taking credit for their successful run in their respective territories. Even the NREGS job cards feature the photograph of the chief minister in many states, which is a clever ploy to deprive the Congress of any credit.

That the voter shares the perception of state governments deserving the credit for successful run of Centrally-sponsored schemes is obvious from the comeback of non-Congress chief ministers in states like Gujarat, Chhattisgarh and Madhya Pradesh in recent assembly polls. Be it Raman Singh, Narendra Modi or Shivraj Singh Chouhan, they have extended their lease of power by another term riding high on the "feel-good" generated by implementation of the rural development schemes.

Unfortunately, the Congress troubles do not end at hijacking of its pet themes by the chief ministers. The implementation of Central-sponsored schemes has in general been not up to the mark. The CAG performance audit report on NREGS implementation had categorically criticised dilution of the scheme due to poor maintenance of records, delayed payment of wages and non-payment of unemployment allowance. In its report, CAG noted that of the Rs 12,074 crore funds, including the states' share of Rs 813 crore up to March 2007, the state governments could utilise only Rs 8,823 crore. According to the report: "While there was inadequate assurance that all demands for work were being captured, there were also instances of non-payment of unemployment allowance which became due to employment-seekers even where the records indicated that employment was not provided within 15 days from date of demand. However, no one was fined for violation of the Act."

It noted that poor record maintenance further diluted the purpose of the Act, systems for financial management and tracking were deficient, as monthly squaring and reconciliation of accounts at different levels to maintain financial accountability and transparency were not being done.

### **Naxal situation improves in AP**

#### **Category "**

**Posted On Saturday, March 07, 2009**

Situation has improved in naxalite-infested areas in Andhra Pradesh courtesy strong action against naxals and successful implementation of the National Rural Employment Guarantee Scheme (NREGS).

No major incident has taken place in Karimnagar and Warrangal districts in Telangana in the past five years. This was revealed during interaction between local people, sarpanchs and government officials in naxal-infested districts and mediapersons from Madhya Pradesh visiting Andhra Pradesh as a part of tour organised by the Press Information Bureau.

According to official information, one lakh accounts have been opened in the present financial year for making payments to the beneficiaries under the NREGS. Besides, naxal activities had been reduced to negligible in Adilabad, Nazirabad, Medak, Nalgunda, Mehboobnagar, Ranga Reddy and Khammam districts. Andhra Pradesh borders naxal-affected Chhattisgarh, Maharashtra, Madhya Pradesh, Orissa, Jharkhand and Bihar.

Deputy Director (Rural Development) K Manohar Acharya said people were terrified to venture into rural areas in these districts due to naxal terror about ten years back. However, situation has

changed due to implementation of the NREGS. Financial help was being provided to SCs, STs and poor farmers as per the rules.

Various programmes related to overall land development, digging of ponds and horticulture were being run. Financial help was being provided for cultivation of jatropha, oranges and Baiganpalli mangoes. Education was being provided under the Sarva Shiksha Abhiyan. Under the Sarva Shiksha Abhiyan, special hostels had been started in nine villages, including Mirzapur, in Husnabad division for education of girls leaving schools. Karimnagar's Ramavaram village panchayat sarpanch and Telangana Rashtra Samiti (TRS) leader Lingala Sayna said 15 people, including four policemen, were killed in a blast in 1992. Besides, a sarpanch was killed in 1990.

However, no such incident has taken place in the past three-four years. Jangaon division's Assistant Project Officer Prasan Kumar said naxals had killed Satyanarain Reddy ten years back. His wife Narsamma has been provided job. No naxal incident has taken place in the past five years. More than 1,800 people have been provided employment under various schemes. Similarly, 200 houses had been built for poor under the Indira Amma Idlu scheme at Chinnaraman Cherla village.

<http://www.centralchronicle.com/viewnews.asp?articleID=1876>

### **33% more funds likely for rural jobs**

NEW DELHI: The government is likely to spend more on creating rural jobs than originally budgeted for in fiscal 2009-10 as layoffs in the construction sector have fuelled rural joblessness, government officials said.

The Centre is looking at increasing the outlay of Rs 30,100 crore initially earmarked for creating rural jobs by 33%. The increased outlay is based on utilisation of money by gram panchayats so far.

"Since jobs are guaranteed under the National Rural Employment Guarantee Act (NREGA) to every rural household whose adult members volunteer to work, the government has to ensure the promise is fulfilled," an official involved in executing the scheme said.

Going by the response to the scheme, the government feels allocation for the scheme should be raised by another Rs 10,000 crore when the full Budget is presented after the Union elections later this year. The official said the job cuts in the construction sector have led to more people demanding unskilled work under the largest rural job creation project in the world.

In the interim budget for 2009-10, the government allocated funds for rural jobs marginally higher than the Rs 30,000 crore provided for the current fiscal year. To assess the precise requirement for the next fiscal, the ministry of rural development has started preparing a labour budget with inputs from over two lakh gram panchayats in the country.

The ministry is getting details of the infrastructure projects that gram panchayats want to undertake next year. It will assess the requirement of workers assuming that a part of the project cost, say 60%, would go to labour. The ministry expects to complete the labour budget in the first week of April.

The problem before the government in scaling up infrastructure development work in rural areas is the limited availability of projects that would lead to productive assets in small gram panchayats where 8,000 people dwell on an average.

<http://economictimes.indiatimes.com/>

## **Migration to urban areas is good, says World Bank**

**BS Reporter / New Delhi March 13, 2009, 1:03 IST**

Taking a dig at India and other countries that believe economic activities must be spread geographically to benefit the poor, a new World Bank report has called for concentration of production, mobility of people and economic integration to lift rural people out of poverty. Population shift from villages to cities is natural and should be encouraged, it said.

This contradicts India's policy of countering migration by setting up industries in backward areas and offering temporary employment through schemes like the National Rural Employment Guarantee Programme.

"The world's most geographically disadvantaged people know all too well that growth does not come to every place at once," said Indermit S Gill, director of the World Development Report (WDR) and chief economist, Europe and Central Asia. "Markets favour some places over others. To fight this concentration is tantamount to fighting prosperity," Gill added.

Giving India's example, where more than 60 per cent of the nation's poor live in the economically backward states, the report calls for policies that promote mobility of people, products and ideas. Instead of worrying about the size of metropolises, the report calls for policymakers to focus on improving the basic infrastructure to make sure these places work well like Tokyo or New York.

Giving example of Mumbai, the report says despite its attempts to discourage inflows of people, who were attracted to economic opportunities, Mumbai has twice as many people as in 1980s. Half of the city's population lives in slums as the government has not created the requisite infrastructure.

The standard practice in cities with limited land is to raise the permitted Floor Space Index (FSI) over time to accommodate urban growth, as in Manhattan, Singapore, Hong Kong and Shanghai. However, the Municipal Corporation of Greater Mumbai went the

other way by lowering the permitted FSI, which has resulted in a vicious circle of supply shortages and high land prices.

The report lays special importance on 3Ds - density (of population closer to economic activity), distance (reducing transport cost) and divisions (less divisions or barriers to trade) - to make economic hubs.

In India, new economic activity in the industry and services is now concentrated along India's metropolises and coastal cities, increasing the central region's economic distance from density. While people want to move closer to opportunities, mobility has not been helped by ethnic and linguistic divisions, coupled with policies that seek to revive growth in lagging areas through subsidised finance and preferential industrial licensing.

Instead, the government should provide improved education, health and other social services across the country to prepare quality human resource which can migrate to economic hubs for better opportunities, Gill said.

The report criticised India's special economic zones (SEZs), which are not as well located as in China. China has located its SEZs in coastal areas and has promoted migration of its people to these areas as well as foreign investment, and leading to greater connectivity to foreign markets.

<http://www.business-standard.com/india/>

## **NREGA barrier to economic development : World Bank 15 Mar 2009**

NEW DELHI: The World Bank has described the much-acclaimed National Rural Employment Guarantee (NREGA) scheme of the UPA government as a policy barrier hurting economic development and poverty alleviation.

Various schemes of the Indian government like NREGA, watershed programmes and schemes for development of small and medium towns are acting as "policy barriers to internal mobility", the bank said in its 'World Development Report' 2009. The internal mobility, the report argued, is necessary as "lifting people out of poverty requires shifting populations from villages to cities". The process of migration should be encouraged, the bank said.

"Negative attitudes held by (the) government and ignorance of the benefits of population mobility have caused migration to be overlooked as a force in economic development," it said.

The report said economic benefits of migration are not always recognised by policy makers and, in fact, two forms of policy have been attempted in India to counter migration.

"The first response has been to increase rural employment, in an attempt to stem movement out of rural areas ... These measures include the recently introduced National Rural Employment Guarantee Programme," it said.

<http://timesofindia.indiatimes.com>