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INSTITUTIONAL AND GOVERNANCE
CHALLENGES IN SOCIAL PROTECTION:
DESIGNING IMPLEMENTATION MODELS
FOR THE RIGHT TO WORK PROGRAMME
IN INDIA

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INSTITUTIONAL AND GOVERNANCE CHALLENGES IN SOCIAL PROTECTION: DESIGNING IMPLEMENTATION MODELS FOR THE RIGHT TO WORK PROGRAMME IN INDIA

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This paper outlines the genesis, evolution and core content of the National Rural Employment Guarantee Act (NREGA), while highlighting current experiences of implementation of the scheme. It argues that by identifying regional variations in the performance of NREGA and their underlying reasons, areas of concern and issues vis a vis implementation of NREGA in different parts of the country may be distilled, through a mapping of process diagnostics of the scheme. It is hypothesized that impact of different interventions (or lack thereof) in different areas will help in exposing specific, tailor made suggestions for assimilating NREGA into the local context, rather than evolving a national, one-size-fits-all model of the success of the scheme. It also focuses on the institutional and governance challenges which are identified as important in suggesting better implementation mechanisms for expanding outreach, and enhancing efficiency in delivery of the right to work.

SECTION 1

Background

The formulation and enactment of the National Rural Employment Guarantee Act (NREGA) has been seen as a significant legislation in the realm of social policy in India. Viewed from the vantage of ‘realpolitik’, it sought to counter two major political perceptions which held sway during 2004 parliamentary elections (Pankaj, 2007). One, NREGA has successfully steered through the ‘India Shining’ rhetoric (growth during 1998-2004 period) in an imaginative way and brought to the centre stage the agenda of the well being of the ‘Aam Aadmi’ (a catchy Hindi phrase for the common man). And two, it attempted to divert voter mobilization away from sectarian and religious issues which were perceived as divisive. Thus issues around implementation of NREGA assume analytical importance from the point of view of reshaping the development strategy as well as electoral politics.

As some commentators point out, it heralds a new deal for the poor of the country and provides a basis for inclusive development; which may not necessarily be embodied in inclusive growth as enunciated by the 11th Five Year Plan of India. Thus, limits to growth led development are sought to be corrected through distributive employment strategies like NREGA.

This paper is an attempt to highlight issues around implementation of NREGA and unpack the scope of studying the process dimensions of NREGA. We hypothesize that

explanations for varying degrees of success are to be sought in the way processes of implementation have been steered by the stakeholders. Institutions and governance play important roles in determining the contours of processes adopted by various stakeholders and to that extent, an attempt is made to analyze the functioning of NREGA from such a lens. This would mean identifying conditions of success (or failure) in the process dimensions and bring out lessons for addressing mid-course correction to the programme from the vintage of institutions and governance. The central questions are whether or not the processes adopted so far have led to intended outcomes, and what 'ought' to have taken place for better scheme performance.

The NREG Act provides for guaranteed employment at the statutory minimum wage to at least one adult per rural household who volunteers to do casual manual labour in rural areas. It is situated within a rights-based framework and demand driven approach, and is self targeting in its scope. NREGA came into force on February 2, 2006. In Phase I it was introduced in 200 of the most backward districts of the country, and an additional 130 districts were included in Phase II in 2007-2008. The Scheme was further extended to all the remaining rural districts of India from April 1, 2008.

Ever since it has been passed, the NREGA has generated heated debate on the desirability and feasibility of such a programme. Some have viewed it as a panacea for boosting the rural economy, some have seen the potential of it serving as a social protection programme, while still others are skeptical and see it as a mere subsidy and drain on the exchequer (IHD, 2009). These multiple views and perspectives have necessitated an analysis to understand the processes and outcomes based on the initial objectives of the programme.

The need has also been felt to review the genesis of NREGA and what it was intended to achieve, over and above the externalities it has generated after its operationalization. Moreover, additional focus on the institutional and governance challenges in extending this scheme effectively to the intended beneficiaries would also become important, so as to suggest better implementational mechanisms for expanding outreach, and enhancing efficiency of delivery of the right to work. It is from this perspective that the proposed study would analyse issues and problems vis à vis processes of implementation and governance challenges. This scoping paper outlines the context, current experience and need and scope of process diagnostics.

Following this introduction, in section 2 we briefly discuss the genesis, evolution and core content of NREGA. Section 3 presents a summary of some of the features of the programme. Section 4 brings out implementation experience and issues identified by scholars who have studied the programme in various parts of the country. And the final section identifies the scope of research proposed with some of the key research questions and generates a hypothesis.

SECTION 2

The Genesis

Past experiences of the Indian government show a leaning towards wage employment programmes in the poverty alleviation strategy, including the National Rural Employment Programme (NREP), Rural Labour Employment Guarantee Programme (RLEGP), Jawahar

Rojgar Yojana (JRY), Employment Assurance Scheme (EAS), Sampoorna Gramin Rojgar Yojana (SGRY) etc. There have been macro economic implications and rationale for all these employment programmes (Bhaduri, 2005).

The rationale for adopting wage employment programmes by the government for the last many decades has been that they provide steady opportunities for employment to those who are unemployed or underemployed.

Beneficiaries include those who have labour as the only asset under their control (owning neither capital nor skills), and are unable to take on even the minimal risks associated with self-employment. State assistance in the form of such wage employment then acts as a valuable safeguard in the light of risks and vulnerabilities. Other positive externalities envisaged due to the adoption of wage employment programmes include exerting of an upward pressure on market wages owing to the favourable higher wages granted through the programme, organizing of the rural poor into a collective, based on their organization into beneficiaries of the scheme and also downplaying of ascriptive identities of caste, religion etc which would be sidelined when all would equally be provided employment under one umbrella (Hirway, 2004).

Wage employment programmes have historically been subsumed under rural public works programme. Rural public works programmes, in turn, have allowed for two types of benefits:

Transfer benefits – consisting of direct benefits (gross wages) and indirect benefits (second round effects on income from the output of assets created) to the job seekers

Stabilization benefits – reduction in vulnerability of poor households, by making them less susceptible to risks

(ODI, 2006)

Further, public works programmes have been preferred largely as they offer cash for work, rather than merely inducing dependency on doles. They also take care of two issues simultaneously – investment in infrastructure and public expenditure – by creating employment opportunities. Targeting errors are also avoided as the condition of doing work attracts only those who are the most needful of employment, thereby automatically excluding the non-poor. Thus there is an inbuilt screening mechanism at work.

Rural public work programmes are particularly important in the context of India as even if land reform was instituted, there would not be sufficient land to be redistributed among all, thereby rendering only small unviable units for use. Insufficient income from land would create dependency on agriculture, which in turn is seasonal and allows for inconsistent means of income (ibid.).

However, it has been argued by some that rural public works programmes are able to more effectively address temporary poverty rather than chronic poverty, with little long term social protection impacts. This stems from the fact that the assets created have not shown potential for creating sustainable livelihoods. They have thus been seen to optimally function as short term social assistance programmes (McCord, 2005).

Weaknesses of past wage employment programmes include:

1. Limited impact in terms of generation of employment person-days per worker
2. Limited impact in terms of production of durable and good quality assets
3. Poor maintenance of assets and
4. Weak planning component in terms of selection and sequencing of assets and ensuring productive use of assets for generating sustainable employment in the main stream.

(Hirway, 2004)

Therefore, success of wage employment programmes is contingent upon

- ensuring adequate scale of employment opportunities so as to meet the demand of job seekers
- minimum wages being provided for a minimum period so that there be an appreciable increase in incomes
- employment being provided locally
- basic social security being woven into the programme (including security against injury, death, maternity etc)
- benefits from assets equitably accruing to all (and asset ownership by the workers)

(ibid.)

Suggestions to ensure that public works programmes help in the overall objective of poverty alleviation include

- having sustained opportunities for employment throughout the year
- integrating public works programmes with other developmental objectives
- developing linkages with activities of micro finance and micro enterprises
- having piece-based measurement or other flexible modes of payment to allow for possibilities of combining such work with agricultural production
- building assets that allow for reaping of future benefits

(McCord, 2005)

Conception of NREGA

NREGA received inspiration from the Maharashtra Employment Guarantee Scheme (MEGS) before it, which attempted to ensure employment guarantee, primarily as a reaction to the drought of 1970-73 in Maharashtra, a state in western India. Under the MEGS, all adults were entitled to work following a registration process, and could claim an unemployment allowance if two weeks lapsed without their receiving work. The scheme was seen to be successful at tackling transient poverty during the lean season in agriculture. Its success in its initial years was attributed to political commitment of the existing bureaucracy and considerable organizational strength of the workers (Hirway, 2004; Bagchee, 2005). Certain sub schemes that were instituted under the MEGS were also seen to have done well such as the Jawahar Well

Scheme, horticulture scheme, watershed development programmes etc. However, experiences with the Maharashtra Employment Guarantee Scheme show the existence of significant leakages at the time of implementation, poor quality of asset creation and their maintenance, failure to include poor households (at the cost of non-poor households) and overall weak planning. Ideally, the need for such an employment guarantee programme should have reduced with time, but lack of long term perspective prevented this from occurring.

The Constitution of India and NREGA

The NREGA is visualized as a first step towards the realization of the economic right to work as envisioned in the Directive Principles of State Policy of the Constitution of India. It recognizes Article 39, which articulates that the State must ensure that "citizens, men and women equally, have the right to an adequate means to livelihood" and Article 41 whereby "the State, shall within the limits of its economic capacity and development, make effective provision for securing Right to Work..." (Dhavse, 2004). The Employment Guarantee Act based on the rights-based approach, was seen as a measure to ensure the larger fundamental right to live with dignity.

Politics of formulation of NREGA

The National Advisory Council of the Government, a body of eminent political, academic and social personalities of India, played a pivotal role in pushing for the NREGA Bill to become an Act, thereby providing it legal sanction and making it binding on the government. The rationale given for the right to work by those who were at the forefront of the employment guarantee movement was that it would engage the labour surplus in the rural economy, by providing basic income earning opportunities. Simultaneously, owing to the fact that the work involves creation of public assets, it would help in strengthening rural infrastructure, and alleviating the situation of acute poverty afflicting the hinterland. Thus a process of growth with redistribution factored in at the early stages itself was envisioned, as opposed to earlier trickle down attempts, seeking to use returns from growth to finance poverty eradication. It was observed that it was pivotal for the poor to secure access to goods and services, and so it was necessary not to increase incomes through a mere process of transfers but by increasing their purchasing power. The employment created was to act as an injection to the rural economy, with income earned through employment opportunities expanding purchasing power of beneficiaries and fuelling the domestic market. By ensuring regular work at minimum wages, the thrust was to be on "employment first, with growth as an outcome", rather than vice versa (Bhaduri, 2005). This path towards full employment alone can ensure the "economic content of participatory democracy", and allow for "development with dignity" (ibid.).

Some have questioned the very crux of the scheme, raising doubts about the actual potential to realize the right to employment for all, thereby questioning the viability of full employment (Basu, 2008). There have also been sections that have advocated the method of direct cash transfers to the poor as an effective anti-poverty strategy, rather than going

through bureaucratic mishandlings and corruption that centrally sponsored schemes have a tendency to be prone to. There have been suggestions by some to “simply drop the money by helicopter or gas balloon into rural areas”, instead of diverting valuable resources into employment guarantee schemes (Aiyar, S.A.S., 2004).

However, these claims have been countered on the basis that direct cash transfers in themselves fail to provide the solution. This can be highlighted by citing the example of the Indira Awas Yojana (IAY), a shelter related social protection scheme where money transfers are made to poor families for constructing houses. It was found that the money granted is not necessarily used for the earmarked purpose, being siphoned off for financing other pressing needs of the family (Shah, 2008). Further, the money in itself does not make available other housing inputs such as building materials etc. that are necessary for construction. Similarly, in the case of the Swaranjayanti Gram Swarojgar Yojana, where loans are granted to families for self employment ventures, minus the other start up capital that is needed for running an enterprise, the beneficiaries fail to make any headway and get further indebted (ibid). Thus there is need for a more holistic approach towards poverty alleviation, with the primary need being to establish the systems, institutions and processes that deliver the basic goods and services that are necessarily demanded by poor households.

Cash transfers (unless unconditional) additionally have other ambiguities such as identification of the most needy beneficiaries, and subsequent targeting errors stemming from inclusion and exclusion of beneficiaries. They do not streamline accessibility to goods and services, and unless they impose certain reciprocity obligations on their recipients, there is no accountability mechanism to see what use the money is put to. Fiscal sustainability of a programme of cash transfers is also a major consideration. Giving money as a direct handout further fails to allow for initiative and enterprise to be engendered, with the dole acting as a fall back income source.

Nevertheless, this has to be qualified by the success of social transfer programmes such as Mexico’s *Oportunidades-Progres*a - a system of conditional cash transfers to households wherein cash is distributed to ‘deserving’ recipients, contingent upon hospital visits by them and school attendance of their children. This in turn imposes obligations on human capital development. The scheme has allowed for both short and long term poverty alleviation. Further, South Africa has devised a system of means tested social assistance covering old age pension, disability and a child support grant (Samson et al, 2006). The NREGA, in comparison, aims to establish a social floor by ensuring all those in want of employment opportunities an entitlement to work, through the rights-based approach. Owing to the labour surplus available in the country, the NREGA espousing labour intensive works may well be the most suitable arrangement needed at the moment, to allow for growth along with redistribution.

SECTION 3

NREGA – Features and Provisions

The NREG Act contrasts with previous employment generation schemes with respect to the following:

The Act enables the workers the entitlement to work as a right

Universality eliminates errors of targeting and ensures only the most needy come forth and claim employment

The legal guarantee is binding on the State and this ensures the scheme is not ad hoc in its implementation (being less prone to phasing out or withdrawal from the Centre)

Time bound employment guarantee is provided, with work being guaranteed within 15 days of its demand

Incentive-disincentive structure exists, with the Centre financing the majority of the costs of employment generation and the States being liable to pay an unemployment allowance in case of non provision of employment

Accountability of implementation agency is ensured through social audit

Legal sanction is intended to have the effect of strengthening the confidence and bargaining capacity of the workers

(Dhavse, 2004; Mehrotra, 2008)

Salient features of the Act

Introduces a rights-based framework, with employment on demand

Provides at least one hundred days of guaranteed wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work

Wage payment within 15 days

Payment of unemployment allowance in case of non provision of employment within 15 days (unemployment allowance to be at least one fourth of the minimum wage for the first 30 days, and at least one half of the minimum wage thereafter)

Equal wages for men and women

Work within 5 kilometres of residence (if provided outside 5km, 10 % extra wage to meet additional transportation and living expenses)

Minimum wages to be paid by state governments

Priority for ensuring one-third of beneficiaries are women

Mandatory basic worksite facilities – drinking water, shade, medical aid and crèche if more than five children below age 6 are present

Ban on use of contractors and machinery and allocation of funds in 60:40 proportion for unskilled and skilled/material component of work ensuring the primacy of labour intensive nature of work

Devolution of powers to Panchayati Raj Institutions – the local self-governing bodies

Mechanisms of accountability and transparency

Creation of durable assets to strengthen the livelihood resource base of the rural poor

(MKSS, 2005; Drèze and Khera, 2005; Mehrotra, 2008)

The Scheme is to undertake the following works in their order of priority:

- water conservation and water harvesting;
- drought proofing (including afforestation and tree plantation);
- irrigation canals including micro and minor irrigation works;
- provision of irrigation facility, horticulture plantation and land development facilities on land owned by households belonging the SC and ST or to BPL families or to beneficiaries of land reforms or to the beneficiaries under the Indira Awas Yojana of the Government of India;
- renovation of traditional water bodies including de-silting of tanks;
- land development;
- flood control and protection works including drainage in water logged areas;
- rural connectivity to provide all-weather access; and
- any other work which may be notified by Central Government in consultation with the State Government

(The Gazette of India, 2005)

The Scheme on the ground is to be implemented in the following manner:

The Block – is the focal point of implementation of the scheme and the chief functionary at the Block level is the Programme Officer (responsible for sanctioning projects, receiving work applications and arranging payment of unemployment allowance)

Gram Panchayats – local village government bodies - have the main responsibility of implementation, executing and supervising works. This includes registering households interested in applying for employment under the scheme, issuing ‘job cards’ to each applicant etc.

Gram Sabhas (village assemblies) suggest village development plans and the shelf of works to be taken up and are responsible for conducting social audits

(Drèze and Khera, 2005; MKSS, 2005)

Some Novel features of the NREGA

Wage payment through post offices and banks. Use of biometric smart cards has been introduced in specific instances, to allow illiterate persons to participate in financial transactions. Financial inclusion has thus emerged as a major positive fallout of the scheme.

Extension of social security benefits to the NREGA beneficiaries by making them recipients of the Janashreee Bima Yojana by which insurance cover for NREGA workers has been provided. Families of the insured persons get Rs 75,000 in the event of death due to accident or permanent disability and Rs 30,000 for partial disability (Das, 2008). Directives have also been issued so that the NREGA beneficiaries may benefit from Rashtriya Swasthya Yojana – a health insurance scheme. Thus, the NREGA has enabled the identification of those who are most vulnerable, and this in turn has allowed for targeting for other social security schemes.

Decentralized framework has been further safeguarded with accountability and transparency safeguards. Pro-active disclosure of NREGA related documents for scrutiny by the public, inspection of muster rolls and use of the Right to Information Act has been allowed. Social audits conducted by the Gram Sabha serve as mechanisms to expose divergence in government stated expenditures and their translation on the ground. Jansunwais (public hearings) of testimonies of workers are found to be especially effective in spreading awareness about the scheme and booking the implementing agencies in case they default (Aiyar and Samji, 2008).

The Ministry of Rural Development has devised a web-enabled monitoring and information system www.nrega.nic.in, allowing for transparency of operational processes and information related to NREGA. Household level data pertaining to workers documents, status of completion of works, statistics of employment demanded and supplied and also fund utilization information are all available in the public domain

An NREGA helpline has been instituted for raising questions, submitting grievances and issuing complaints regarding the Act's implementation. This is supposed to serve as a grievance redressal mechanism, allowing for feedback, information dissemination in case of doubts pertaining to the Act's provisions and also for guidance regarding remedial action.

Appointment of special National Level Monitors to monitor the schemes and point out procedural flaws.

Rojgar Jagrukta Puraskar (an Employment Awareness Award) is to be awarded at the panchayat, block and district level for the contribution of those civil society organizations (CSOs) that have been instrumental in the effective implementation of the NREGA

It is important to recognize that various steps enunciated in the implementation of NREGA envisages processes to be followed by the implementing machinery. Some are sequential and some are parallel. Various autonomous actors like civil society agencies are also expected to provide information and awareness on the programme and its benefits and also facilitate enrollment of eligible members and engage in hand holding in order to ensure better implementation. Each step in operationalization has its logic and falls within overall perspective of the programme. While such detailed operational guidelines are useful, to what extent they are in sync with field realities in terms of institutions and governance structures at the field level remains an unanswered question. Questions on the capacities of the institutions have also been raised by several scholars who have studied the initial implementation of the programme. The following section reviews some of the field observations.

SECTION 4

Implementation Experience of the NREGA and Issues

Coverage

In terms of total number of days, NREGA has generated more employment than SGRY and the National Food for Work Programme (NFFWP) taken together. Among the states,

Madhya Pradesh, Assam, Rajasthan, Chattisgarh and Andhra Pradesh have shown good progress, while Bihar, Uttar Pradesh, West Bengal, Orissa, Gujarat, and Maharashtra have lagged behind (Mehrotra, 2008). The reasons for the relative success of the scheme in some regions, and failure in others, highlights the need to properly understand the reasons for inter and intra district and state variations and to replicate features of implementation of better performing states.

Table 1
State wise NREGA Implementation Status (cumulative)

<i>State</i>	<i>% of households provided employment to total rural households</i>	<i>% of households completed 100 days of employment to no. of provided employment (cumulative)</i>	<i>Person-days per rural household 2006-07</i>	<i>Person-days per rural household 2007-08</i>	<i>% of Wage Expenditure to total expenditure (cumulative)</i>	<i>Average wage expenditure per household provided with job (Rs.)</i>
Andhra Pradesh	43.2	5.7	10	19	73.7	2907
Assam	38.6	4.8	70	25	63.5	2753
Bihar	25.8	0.6	8	7	64.8	2027
Chattisgarh	53.4	5.6	34	43	64.3	3979
Gujarat	9.5	2.6	7	5	70.6	1408
Haryana	4.2	1.6	9	10	80.3	5279
Himachal Pradesh	36.5	5.4	20	17	62.3	3506
Jammu and Kashmir	9.6	1.7	13	7	57.4	2246
Jharkhand	35.6	3.0	14	20	52.8	3913
Karnataka	10.1	2.4	17	7	64.3	2001
Kerala	10.4	0.6	3	6	82.4	2209
Madhya Pradesh	55.7	8.0	56	52	60.6	3633
Maharashtra	5.3	3.1	4	3	88.6	3994
Orissa	12.4	1.8	21	8	61.2	2948
Punjab	3.4	0.4	7	2	59.8	2468
Rajasthan	84.2	20.7	77	68	71.3	5565
Tamil Nadu	35.2	8.6	9	21	95.7	2605
Uttar Pradesh	17.7	8.7	11	11	64.9	4310
Uttaranchal	15.3	1.4	20	16	64.2	2912
West Bengal	21.3	0.2	6	8	65.4	1617
Total*	27.8	7.4	17	16	68.0	3438

Note: *Including all the states and union territories

Sources: Ministry of Rural Development website – www.nrega.nic.in for Column 2 & 3. Total rural households taken from 2001 census for calculating Column 2. Dreze and Oldiges (2009) for Columns 4 & 5. Columns 6 & 7 calculated based on the data from the Ministry of Rural Development.

A snap-shot view of progress of NREGA presented in terms of critical indicators brings out sharp contrasts in terms of state wise performance. It can be seen that as far as per cent

of households having received 100 days of employment (7 per cent) is concerned, there is a long way to go. Further, there are variations observed in the number of person days employment provided per household. It varies from 68 in Rajasthan to 2 in Punjab in 2007-8 (Table 1). There is no set pattern observed, however poverty concentrated states like UP, Bihar, Jharkhand lag behind compared to others in terms of number of days. If one were to see the wage component of the programme, it can be concluded that NREGA has been able to transfer significant resources into the hands of the workers.

While the above table provides details regarding number of person-days employment created and the amount spent, several scholars have analyzed interesting features of functioning and progress of NREGA in terms of spatial and social variations based on the published data as well as field surveys.

Demand for Work

In a G B Pant Social Science Institute (GBPSSI) study of six North Indian states (2009) an overwhelming majority of 98% of the sample workers claimed that they desire to fully avail of the 100 days of employment provided under the scheme (Table 2). However, the same study revealed that in practice, very few workers had received their share of 100 days employment. For instance, proportion of sample workers who reported that their household had completed 100 days of work in the past 12 months was low - in Chhattisgarh (1%), Bihar (2%), Uttar Pradesh (4%), Jharkhand (9%), Madhya Pradesh (19%) and Rajasthan (36%) (Dreze, 2009). This gap is demonstrative of the massive potential for the scheme, and the pressing need to facilitate increase in person days of employment to meet the increasing demand.

Table 2
Demand for Work

Proportion (%) of sample workers who:	
Want at least 100 days of NREGA work over the year	98
Have worked for at least 100 days on NREGA in the last year	13

Source: Dreze & Khera (2009) based on GBPSSI study

Reaching the Labouring Poor – SCs, STs and Women

Given the nature of the programme and its intended objectives, one would be interested to assess whether NREGA is reaching the intended population, who are socially and economically deprived. Findings from the field studies on the participation of SC and ST households and women reflect the conclusion that NREGA is reaching its intended target groups of population.

The GBPSSI study (2009) showed that 81 per cent of sample households working under NREG live in kaccha houses, 61 per cent of them are illiterate and over 72 per cent of them do not have electricity at home (Dreze and Khera, 2009).

Further, a Centre for Economic and Social Studies (CESS) study (2009) of two districts of Andhra Pradesh points out that the proportion of landless agriculture labourers participating

in NREGA is higher than their share in the total households of the villages studied. It was also found that a vast majority of households participating in NREGA in the two districts of Andhra Pradesh are from 'below poverty line' category (Table 4). Additionally, it was observed that households who are self employed in non-agriculture activities have participated in a large proportion in NREGA.

Table 3
Sample Households' Participation Rates in NREGS by Farm size in
Andhra Pradesh (Number and Percent)

Farm Size	Mahaboobnagar District	Kadapa District
Landless	718	615
%	74.40	59.94
Marginal Farm	361	141
%	64.23	50.36
Small farm	122	22
%	33.06	37.93
Others	357	952
%	57.58	61.58
Total	1558	1730
%	61.92	59.45

Source: CESS, (2009)

Table 4
Households Participation Rates in NREGS by Poverty group in Andhra Pradesh
(Number and Percent)

Poverty Status	Mahaboobnagar District	Kadapa District
BPL NREG participant HH	1537	1675
% to the total BPL HH of the sample villages	65.16	61.18
APL NREG participant HH	21	55
% to the total APL HH of the sample villages	13.38	31.98
Total Participant HH	1558	1730
As % of total HH of sample villages	61.92	59.45

Source: CESS, (2009)

Participation of SCs and STs

Most of the NREGA workers belong to the most disadvantaged sections of the society. Macro data provided by the Ministry of Rural Development (Table 5) reveals the state wise picture of participation of households from SC and ST communities. At the all India level, SC and ST families together account for over 55 per cent of total person days of employment created. While there are annual variations in terms of participation of STs, there is a steady growth in the participation of SC families over the three year period.

Field studies also corroborate higher participation from SC and ST families. The GBPSSI study of six North Indian states (2009) found that 73 per cent of respondents belong to SC/ST families. The CESS study (2009) reported that majority of NREG beneficiaries came

from vulnerable social groups (SC, ST and BC), landless agriculture labour households and women. The same study found that participation of SCs and BCs is more than their respective share in the total households (ibid). Such conditions reflect the fact that NREGA workers face multiple deprivations and hence work becomes an important source for subsistence. Even in Bihar, benefits reached mostly to the target groups; the process was also found non-discriminatory (IHD, 2006).

Table 5
Per cent of Participation of SCs and STs in NREGA (Person Days)

<i>States</i>	<i>% SC Person Days to Total Person Days (2006-07)</i>	<i>% SC Person Days to Total Person Days (2007-08)</i>	<i>% SC Person Days to Total Person Days (2008-09)</i>	<i>% ST Person Days to Total Person Days (2006-07)</i>	<i>% ST Person Days to Total Person Days (2007-08)</i>	<i>% ST Person Days to Total Person Days (2008-09)</i>
Andhra Pradesh	29.82	27.72	26.14	13.01	12.79	12.95
Assam	8.65	7.60	10.41	46.26	39.12	34.45
Bihar	47.08	45.66	50.07	3.21	2.46	2.65
Chhattisgarh	12.01	14.91	16.41	45.55	41.39	41.32
Gujarat	7.04	5.92	12.67	64.26	65.92	50.56
Haryana	60.03	53.80	53.03	0.00	0.00	0
Himachal Pradesh	30.40	32.19	33.51	22.41	7.26	7.79
Jammu And Kashmir	5.42	9.85	8.46	23.22	24.34	27.43
Jharkhand	23.48	20.74	18.1	40.29	41.65	39.97
Karnataka	33.05	30.23	27.77	20.35	19.18	13.87
Kerala	20.12	16.87	19.47	12.40	16.89	9.26
Madhya Pradesh	15.87	17.87	17.82	48.64	48.76	46.81
Maharashtra	16.19	18.44	16.51	40.88	38.49	44.17
Orissa	23.65	24.33	20.24	49.27	39.65	35.81
Punjab	69.36	76.29	74.28	0.00	0.00	0
Rajasthan	15.97	19.24	28.79	64.36	46.39	23.24
Tamil Nadu	56.06	57.36	60.27	2.37	2.63	1.74
Uttar Pradesh	56.85	53.75	53.56	3.11	1.85	1.96
Uttarakhand	26.70	27.30	27.15	1.40	4.34	5.15
West Bengal	36.08	36.28	37.45	18.61	13.80	14.81
Total	25.36	27.42	29.29	36.45	29.33	25.43

Source: MORD data - NREGA Implementation Status – 2006-07, 2007-08, 2008-09 (accessed on October 10, 2009). Total includes NE states also. Data calculated from MoRD for 2006-07, 2007-08 and 2008-09 is inclusive of added districts in the subsequent phases. [Phase I - 200 districts (commenced on February 2, 2006), Phase II - 130 districts (commenced on April 1, 2007), Phase III - 285 districts (commenced on April 1, 2008)]

Women's Participation

One of the successes of the NREGS is the fact that on average, the participation of women in the programme is higher than the stipulated minimum requirement of 33% (Table 6). Women constituted about 48% of all persons working in 2008-09. However; there is wide

regional variation in the level of participation of women. States like Kerala, Tamil Nadu and Rajasthan, the participation rates for women are much higher than 50%. Similarly, in Rajasthan, the better performing northern state, Dungarpur district has reported 75-80% female beneficiaries (Ghosh, 2006). However, the same cannot be said for a lot of the other states. According to the GBPSSI study of six north Indian states, the statutory minimum of 33 per cent participation of women was found missing in states such as Chhattisgarh (25%), Jharkhand (18%), Bihar (13%) and Uttar Pradesh (5%) (Dreze, 2009).

Table 6
Participation of Women in NREGA (Person Days)

States	% Women Person Days to Total Person Days (2006-07)	% Women Person Days to Total Person Days (2007-08)	% Women Person Days to Total Person Days (2008-09)
Andhra Pradesh	54.79	57.75	58.15
Assam	31.67	30.85	27.16
Bihar	17.38	26.62	30.02
Chhattisgarh	39.32	42.05	47.43
Gujarat	50.20	46.55	42.82
Haryana	30.60	34.42	30.64
Himachal Pradesh	12.24	28.49	39.02
Jammu And Kashmir	4.46	1.08	5.76
Jharkhand	39.48	27.17	28.51
Karnataka	50.56	50.27	50.42
Kerala	65.63	71.39	85.01
Madhya Pradesh	43.24	41.67	43.28
Maharashtra	37.07	39.99	46.22
Orissa	35.60	36.39	37.58
Punjab	37.76	16.29	24.63
Rajasthan	67.14	69.00	67.11
Tamil Nadu	81.11	82.01	79.67
Uttar Pradesh	16.55	14.53	18.11
Uttarakhand	30.47	42.77	36.86
West Bengal	18.28	16.99	26.53
Total	40.65	42.56	47.88

Source: MORD data - NREGA Implementation Status – 2006-07, 2007-08, 2008-09 (accessed on October 10, 2009). Total includes NE states also. Data calculated from MoRD for 2006-07, 2007-08 and 2008-09 is inclusive of added districts in the subsequent phases. [Phase I - 200 districts (commenced on February 2, 2006), Phase II - 130 districts (commenced on April 1, 2007), Phase III - 285 districts (commenced on April 1, 2008)]

Further, the GBPSSI study (2009) revealed that a majority of women collected their own NREGA wages and in turn retained them. NREGA employment also served as the primary wage earning opportunity for a large section of women, with few women workers claiming to have had an alternative source of income in the past 3 months (Table 7).

Table 7
Indicators of Women's Empowerment

Proportion (%) of female sample workers who:	
Collect their own wages	79
Keep their own wages	68
Earned any cash income (other than NREGA wages) during the last 3 months	30

Source: Dreze & Khera (2009) based on GBPSSI study

Impact on Migration

The NREGA has thus far exhibited the potential to facilitate reduction in distress out migration caused by 'push' factors (Srivastava, 2006). Employment provided under the NREGA has served as an effective stop gap arrangement during the lean period in agriculture when there are few employment opportunities in rural areas, traditionally causing labourers to migrate in search of work. Costs to migrating labourers include transport costs, separation from their family, absorption into casual and often exploitative employment arrangements and living in poor conditions at the destination, exposed to health hazards. NREGA work on the other hand, in theory, allows for predictability of employment at source, guaranteeing work within 15 days of its demand (Khera, 2006). Sainath (2008) elaborates how in particular the reduction in migration caused by the prevalence of NREGA work can be gauged from the fall in number of bus services ferrying migrants from Mahbubnagar in Andhra Pradesh to Mumbai, from 42 to 45 buses a week to a mere 28 buses a week. The GBPSSI study (2009) revealed that 57 per cent of the respondents were of the view that overall out-migration from villages in search of employment had decreased. In turn, 57% of the workers admitted that with the onset of NREGA, their previous migration had been avoided (Dreze and Khera, 2009). These findings support the trend that workers prefer to work in and around their villages, rather than bear the social and other costs of migrating elsewhere in search of work.

However, there remain mixed experiences regarding migration. In certain instances, small scale of works, inability to meet employment opportunities demanded, poor awareness on the part of workers and lack of guarantee to certain minimum wages have been cited as reasons preventing reduction in migration (Hirway, 2008).

Valuable Source of Supplementary Income

The GBPSSI study (2009) found that wages earned through NREGA had helped workers in financing their food and health requirements (Dreze, 2009; Dreze and Khera, 2009) with 69 per cent of workers reporting that the wages earned were spent on food and 47 per cent reporting that they had spent on illness. Further, more than two thirds of respondents said that it had helped in sending children to school (37%), contributed in repaying debts (34%) and enabled them to avoid demeaning and hazardous work (Table 8). A majority (57%) of sample workers said that they had used their NREGA wages to buy medicines during the last 12 months. NREGA wages were also used to buy materials for school such as uniforms and notebooks.

Table 8
Perception of NREGA workers on the Programme (%)

Proportion (%) of sample workers who stated that:	
NREGA is “very important” to them	71
NREGA has helped them to avoid hunger	69
NREGA has helped them to avoid migration	57
NREGA has helped their family to cope with illness	47
NREGA has helped them to avoid demeaning or hazardous occupations	35

Source: Dreze & Khera (2009) based on GBPSSI study

Potential for NREGA

There are certain sections that have seen the NREGA as an important development intervention, having considerable potential for regeneration of the local economy. Rather than narrowly considering the scheme as another employment generation programme, the building of durable assets is thought to have a multiplier effect on the village economy (CSE, 2008). The assets created under the NREGA were thought to have productive value by 83% of the respondents in the GBPSSI study (Dreze and Khera, 2009).

Shah (2009) talks of the ‘multiplier accelerator’ synergy in the NREGA. The multiplier effect acts through the granting of NREGA wages, which increases the purchasing power of workers, increases their demand and consumption for commodities and in turn stimulates production. This provides impetus to the rural economy, and is especially significant as the marginal propensity to consume of the poor is the highest (as they spend most and save least). Simultaneously, as NREGA works allow for land development and asset creation, this has the effect of increasing the productivity of lands of small and marginal farmers, inducing them to invest and thereby reducing their dependency on NREGA in the long run. This is how the ‘accelerator’ effect kicks in. Shah (2009) further highlights the ‘transformational’ potential of the scheme – for ecological transformation, transformation of sustainable livelihoods, technological transformation and transformation of rural governance structures.

Employment with Dignity –

Establishing the Wage Norm and Improving Labour Standards

In previous wage employment programmes such as the National Food for Work Programme, while there was delay in wage payments for weeks or months, the GBPSSI study of six North Indian states shows that at 46 per cent worksites, respondents were now earning the minimum wage through NREGA (Table 9). The NREGA wage has raised the bar for the determination of wages in agriculture. This has the potential of improving the bargaining power of labour in the long run. Further, women in particular were seen to favour NREGA because of social dignity involved in government sponsored employment.

Table 9
Perception of NREGA workers on Minimum Wages for Work

Proportion (%) of sample workers who:	
Knew the minimum wage	48
Proportion (%) of sample worksites where	
All workers earned the minimum wage	46

Source: Dreze & Khera (2009) based on GBPSSI study

Additionally, there has also been a relative improvement in the conditions of work at worksites in comparison with the past. There is reportedly limited use of machines, and harassment of workers too is seen to have visibly reduced, most starkly visible in Rajasthan in the GBPSSI study (2009) (Table 10). Complete elimination of contractors from the worksite however has not occurred, with worksites in Jharkhand found to be leading in this trend, accentuated by the lack of proper implementing agencies in the state. The transition from contractor to non-contractor based worksites nevertheless marks an important shift with respect to improvement in labour standards and worker autonomy.

Table 10
Perception of NREGA Workers on Work-site Irregularities and exploitation

Proportion (%) of sample workers who reported that:		
	Rajasthan	Other States
Machines had been used at the worksite	2	8
A contractor was involved	0	35
Workers had faced harassment at the worksite	6	12

Source: Dreze & Khera (2009) based on GBPSSI study

Rights-based approach and Process-Based Evaluations

Though the programme is meant to be rights-based, this has been contested by many on the grounds that there has to be some minimum amount of basic social security which everyone can access. Otherwise, the feasibility of a rights approach is diminished, with many remaining disadvantaged owing to manipulations stemming from socio-economic backwardness (Kannan, 2008). The need to level out the playing field is thus imperative, before any notion of rights comes into the picture. Similarly, the rights-based approach has been contested on the grounds that rights have value only when they are realizable (Madhavi, 2008). Therefore theoretically, while a demand driven scheme based on rights may seem visionary, its translation on the ground is often hampered in light of innumerable inequalities. It was observed that the workers needed to be seen in light of their wider social dynamic and their capacity to ‘demand’ work, amidst the iniquitous social structure (Srivastava, Manoj 2008).

While referring to similar power dynamics inimical to the guarantee of work under the Maharashtra Employment Guarantee Scheme, it has been observed that

“Most literature on the ‘right to employment’ neglects the ‘sociology of rights’ (Dandekar, 1991), i.e., a perspective of rights based on real practices rather than on more declaratory aspects. The sociology of rights is very relevant in developing countries where labour is not fully commodified (Gough, 2004). This vacuum between declaratory rights and contrary practices, allows local elites and political leaders to influence the legal provisions through the prevailing political economy. Thus, elites reap benefits even while the state’s legitimacy remains intact since all legal provisions have been fulfilled”

(Pellissery, 2006)

Thus in the case of NREGS, process evaluations become more meaningful than outcome evaluations. This is because there is often a gap between the *de jure* rights (legally mandated) and the *de facto* rights (in practice).

Another argument against judging the scheme by outcome evaluations is that there is uncertainty about the desirable outcome metrics necessary for achieving success under the scheme. While there is a tendency to consider those states to be good performers that have increased employment under NREGA work, this may not be a valid parameter to judge the scenario, as in instances like Kerala where market wages for rural male labour are higher than the minimum wages offered under NREGA, the demand for such work is lower. The low demand for NREGA employment should not be confused with the failure to provide employment (Drèze and Oldiges, 2007). Some clarity is thus needed in assessing local conditions and their context specific demand for NREGA work.

Moreover, the number of days of employment received should be viewed as a function of the number of days of employment demanded, which in turn needs to be contextualized against the backdrop of state-wise demand for employment. In fact, the extension of the NREGA Act to all the districts of the country has been disputed. Some have questioned the imposition of the scheme as a blanket arrangement nationwide, even where agriculture is doing well, or where there is low demand for manual, unskilled labour (Hirway, 2004).

Further, prevalence of certain ‘good’ indicators such as increased person days of employment generated should not preclude the existence of loopholes in the scheme in other provisions. Even in Rajasthan, one of the so called better performing states with high person day employment figures, there has been evidence of wage payment below the minimum wages, a major gap in ensuring right to employment (Drèze and Odiges, 2007).

Character of the scheme

There is considerable confusion regarding the character of the NREGA, with the programme being differently labeled as a scheme of

- income transfers for the poor with employment as a screening mechanism
- a programme of investment (in productive assets)
- social safety net for the poor
- a poverty alleviation measure
- or merely an employment generation programme providing supplemental livelihood opportunities in the lean agricultural season

Some have viewed it to be a strategy to address rural poverty (CSE, 2008), while others have cautioned against overburdening the scheme with multiple objectives (Kannan 2008).

Terms of employment

Concerns have also been raised about what kind of jobs are being created under the NREGA and to what extent the assets are pro-poor in nature. Provisions for basic safety, sanitation and health at the worksite and neglect of issues of childcare have emerged prominent. The manual unskilled nature of work provided under the scheme has also been attacked, as the

wages paid in accordance with the scheme of piece rates are far less than the replacement cost of the body (Saith, 2008). Basu (2008) also contends that since employment is being provided for a minimum wage, it compels the workers to apply themselves wholly to this, whereas if cash handouts were given, better paying and more productive work might have simultaneously been pursued. Also, while the scheme has proven valuable for women by creating primary bread-winning opportunities for paid work, it is still premature to see if it has caused 'empowerment', and perhaps this aspect of change in gender relations post NREGA needs further examination (Kelkar, 2008).

Saith (2008) contends that the NREGA represents a mode of primitive accumulation wherein there is accumulation without ownership and with predation. As a result, while engagement of workers during the construction phase of public works persists, they do not gain from further downstream benefits that may have accrued to them from asset ownership. This is observed to be a variant of the 'poor subsidizing the rich' model, with the investment made on asset creation ultimately accruing as a windfall to land owners on whose land assets are created. Predation through siphoning of money by local vested interests, fudging of muster rolls etc. is prevalent. By giving the intended beneficiaries a stake in the asset ownership process, they too can become shareholders of national capital, and subsequently derive greater value addition from their contribution to work.

Sustainability

The long term impact of the scheme on poverty also remains to be seen. Concern about the sustainability of the programme has emerged, in terms of fiscal considerations and also from the viewpoint of expansion in workers' skills. There is some skepticism and the feeling that unless there are attempts at convergence with other schemes and dovetailing with other development programmes, the NREGA will merely create a permanent army of unskilled labourers (Hirway, 2004). Suggestions have been made by K.P. Kannan that work activities offered under the NREGA can be coupled with provision of social services, channelling labour supply into activities such as preparing meals for the Mid Day Meal Scheme, and housekeeping services for primary health centres etc (Sjoblom and Farrington, 2008). Exit opportunities for employment after the scheme remain ambiguous (Islam, 2008).

Operational Issues and Concerns Related to NREGA

Definition of household

Some studies have pointed out the discrepancy in the number of beneficiaries that can avail of the scheme per household. While that Act mentions the beneficiaries as adult members of households (defined as members of a family residing together and sharing meals), the Operational Guidelines define the household as a nuclear family (Menon, 2008). On the ground however, work is given according to the definition in the Act (i.e. per household), and this has allowed for exclusion from the scheme of widows and married sons within a household. In Anantapur in Andhra Pradesh, it was observed that work was being allotted to groups of 2-3 families as units, in order to ensure higher output and productivity, in which case single women were overlooked (Sainath, 2007).

100 days of work

The clause limiting work to 100 days that is offered under NREGA has also been contested. This upper limit was initially imposed so as to allow for employment in primarily the lean seasons in agriculture, without causing a decrease in supply of labour to agriculture work. However, this cap has since been questioned, with suggestions put forth for dropping this clause in those areas where the demand for work is high and more than 50% of the beneficiaries belong to the SC/ST communities (IHD, 2009).

Poor Awareness Levels

Poor awareness levels of workers regarding the scheme and its entitlements can also be cited as a reason for its inability to take off in some regions. In the GBPSSI study of six states, Rajasthan emerges favourably in this regard, with 90% of workers knowing about the provision of 100 days of work, and more than half of the respondents being aware of minimum wages and the 15 day period within which wage payment should occur (Table 11). This can be attributed, as previously mentioned, to an active tradition of public mobilisation in the state, state initiated awareness drives and presence of workers organisations such as the MKSS. In comparison, the remaining five states where the survey was conducted, less than 50% workers exhibited knowledge of the most basic provision of the scheme of employment for 100 days. Further, the demand based nature through which employment is made available under NREGS has still got a long way to go in terms of being operationalised, with 71 per cent of the respondents in the study not being aware that an application had to be provided in order to gain work

Table 11
Awareness Levels

Proportion (%) of sample workers who are aware of their entitlement to:		
	Rajasthan	Other States
One hundred days work	90	42
Minimum wages	67	43
Payment within 15 days	74	54

Source: Dreze & Khera (2009) based on GBPSSI study

Governance

Another critical factor that has emerged is the need to find an alternative implementation agency to undertake the processes of NREGA, other than the bureaucracy. A need for overhauling of the governance structure has been felt, with the common opinion being that if the NREGA is to differ in its impact from past rural development programmes, it needs a revamped implementation structure (Shah, 2008). Shah points out the importance of the NREGA in regenerating the local rural economy, and while urging that this reality may be realizable, it is cautioned that the existing governance mechanisms are too overburdened from past commitments to devote their energy to the optimum translation of the provisions of the scheme. The appointment of full fledged 'barefoot professionals' dedicated to the

NREGA has been advised, as also a greater role for links between civil society organizations and Panchayati Raj institutions, spanning both implementation processes and social audits (ibid).

Some have even advocated for an autonomous NREG agency to be set up, which would solely be responsible for implementation, being given adequate powers and funds to undertake the same (Sastry, 2006).

A valuable lesson can be learnt from the experience of Kudumbashree – a women oriented community-based poverty alleviation programme implemented in Kerala by the State Government – Kerala, where Panchayati Raj institutions source NREGA implementation work to local people's groups. Under Kudumbashree, grass root level neighbourhood groups consisting of 15-40 families, each represented by a woman, are federated into Area Development Societies (ADS) at the ward level, and these in turn are federated into Community Development Societies (CDS). The Area Development Society also provides a Volunteer who helps in organizing NREGA work - ensuring proper maintenance of muster rolls, attending to worksite facilities and overseeing the measurement of work, thereby acting as a substitute for the contractor. The ADS women volunteers are thus given a pivotal role in labour mobilization and work execution (Vijaykumar, 2008). Sharing the responsibility of the implementation of NREGS with other groups eg. women's groups, has thus been suggested. SEWA, in particular, has suggested women be at the helm of implementing employment programmes, coming from its long standing association with work with women (Pandya and Nanvati, 2004).

Table 12
Functioning of NREGA in Pati Block of Madhya Pradesh

	Pati Block	Other sample blocks
Average days of NREGA work in the past 12 months	85	41
Proportion (%) of sample workers who:		
Worked for 100 days during the last 12 months	47	11
Got employed in response to a written application	92	19
Proportion (%) of sample workers who were aware of their entitlement to:		
One hundred days work	88	50
Minimum wages	67	47
Payment within 15 days	76	55

Source: Dreze & Khera (2009) based on GBPSSI study

Similarly, mobilizing of people through an agency of networks and co-operatives using populism has been suggested as an effective driver of the scheme, as this might help in stemming systemic rent-seeking tendencies that are associated with bureaucratic hurdles (Kannan, 2008). Grassroot organizations of the poor should be involved in the process of implementation, including village development committees, self help groups (SHGs), cooperatives, associations etc. Part of the success of the NREGA in Rajasthan, has been attributed to a long standing tradition of healthy labour activism, spearheaded by the Mazdoor Kisan Shakti Sangathan ((MKSS) a grassroot organization of farmers), culminating in the Right to Information Act which now reinforces transparency and accountability mechanisms of

the employment guarantee. Similarly the experience of the initiative taken by Jagrut Adivasi Dalit Sangathan ((JADS) an organization of oppressed castes and tribals) in Pati block in Madhya Pradesh in spreading awareness of rights among workers is testament to the levels of success of the NREGS can achieve through popular participation (Khera, 2008). It bears testament to how public action from below has been successful in inculcating the habit of work on demand through application, demanding dated receipts at the time of submission of applications and ensuring the payment of unemployment allowance if necessary (ibid.) (Table 12).

In the tribal dominated and backward district of Pakur in Jharkhand, customized information, education and communication (IEC) activities had a large role to play in awareness generation about the NREGA (IHD, 2009). Social audit conducted as a part of “NREGA Watch” of National Institute of Rural Development revealed absence of contractors and machines, kutchra muster rolls, presence of first aid facilities at stone quarries and mines, payment of wages through bank accounts (119,000 labour families had opened accounts in Banks/Post offices after NREGA), convergence with health and aanganwadi schemes, better quality of governance and better attendance at gram sabhas (270 out of 284 individuals attended the Gram-Sabha in 2008) (ibid).

Unemployment allowance

There has also been a failure to pay unemployment allowance in most states. Loopholes in the scheme have already been exploited, with attempts at evading payment of unemployment allowance being observed. As Khera explains from her experiences in Pati in Madhya Pradesh (2008), some work is given to the workers within the stipulated 15 days, thereby disqualifying them from claiming unemployment allowance. However, this work lasts for a period of 10-15 days only, after which it is suspended. This allows the local authorities to escape granting unemployment allowance, even though the desired volume of employment demanded is denied and the workers are rendered idle for the most part. The need to ensure prompt payment of wages is a major tenet of the employment guarantee, with right to work remaining hollow without right to income from work.

NREGA and Agriculture

The impact of NREGA on agriculture has been controversial. There have been projections that with the coming of NREGA work, there will be a shortage of labour supply afflicting agriculture. It has been reported that Andhra Pradesh and Punjab are considering offering incentives for farm mechanization, in order to prepare for the siphoning away of labourers from agriculture (Sukumar, 2008). An employment calendar has been devised in Andhra Pradesh to ensure livelihood opportunities throughout the year, by earmarking employment days dedicated to agriculture and NREGA, thereby preventing a clash of interests (Murali, A. 2008). In other regions, there have been attempts to tailor the scheme, adjusting it to peak and lean seasons in agriculture.

Corruption

A recent Transparency International India – Centre for Media Studies (TII-CMS) Corruption Study 2007 reveals that across the country, around 7 per cent (0.96 million) of rural BPL households paid bribes to avail the benefits of the NREG Scheme. Similarly, there have been some controversial studies undertaken by the Centre for Environment and Food Security, claiming an outrageous Rs 21 billion scam in the Madhya Pradesh rural employment guarantee scheme, and 75% of funds being pocketed in Orissa by government officials. Instances of fudging of muster rolls through fictitious names, fake thumbprints and inflated figures of beneficiaries and wage amounts paid have been reported in Surguja district, Chattisgarh. Maintenance of kuchcha (draft) muster rolls at some worksites elaborating wages paid and separate pakka (final) muster rolls quoting higher amounts of funds released has also been a malpractice allowing for appropriation of funds (Drèze, 2005). The deaths of Lalit Mehta and Kameshwar Yadav, both NREGA activists, have been cause for considerable alarm. These incidents bear testament to the fact that NREGA indeed has immense implications for class relations in the countryside (Ghosh, 2008).

Grievance Redressal Mechanisms

The exact mechanism of ensuring justiciability of the Act has also not evolved, whereby workers may move their demand to work to courts in case of denial of their right. There is an urgent need to institute mechanisms for checking violation of entitlements stemming from disregard of procedures, processes and guidelines. Drèze (2008) notes that in the absence of a grievance redressal body, those who commit fraud continue to do so without being booked for it, thereby remaining protected. Allowing those who grossly violate the Act's provisions to be let off without punishment further emboldens them to do the same in the future. Recent suggestions have included appointment of a district ombudsman, who people can report to in light of violations and who in turn can issue suitable corrective measures to stem the irregularities. The newly instituted NREGA helpline has been another effort in this direction. An Employment Guarantee Mission or an empowered external authority for addressing complaints has also been proposed (Drèze, 2008). Further it has been observed that it is necessary that the system not turn against the whistleblowers.

Assets

It has further been suggested that completion and maintenance of works be made compulsory (CSE, 2008). Quality of assets too has emerged as a concern, and possibilities for increased material component have been suggested, to ensure minimum standards during asset creation. Also, it has been suggested, as before, that ownership of assets be in the name of the rural beneficiaries.

Though considerable freedom has been given to the states to tailor and adapt the scheme to their local contexts, this has not occurred optimally. The State Employment Guarantee Councils which are meant to serve as the apex body for REGS implementation are not even constituted in most states. There are resultantly few innovations in the types of works

adopted, with works being selected according to the list as given under the National Food For Work programme in the past. The shelf of projects is rarely suggested by the members of the Gram Sabha. Lack of mapping of village resources and failure to incorporate need-specific works into village planning remains a lacuna of the scheme.

The scope for expansion in the list of works undertaken remains, with recommendations being made for incorporation of opportunities for skill driven work (Pandya and Nanavati, 2007). Based on commonly undertaken rural livelihood activities, SEWA has suggested inclusion of alternate income generation activities to constitute NREGA work. It has been emphasized that that asset creation involving unskilled operations do not have year-round demand. Suggestions have been made to extend works, linking them to agro-processing (flour mills), food processing (spices, papad making), and watershed development. Artisanal work such as weaving, printing, leatherwork, carpentry, plumbing, stitching, embroidery etc, can be encouraged. Services such as training, health care, child care, old age care and environmental activities may additionally be included.

Schedule of Rates

The schedule of rates needs urgent revision as it has been found unfavourable to the aged and women. As per the NREGA, after working for 7 hours a day, a worker is entitled to minimum daily wages. However, usually wage payment is undertaken according to piece rates used at the time of measurement of work, with minimum wages being granted subject to completion of a pre-specified quantum of work. The poor scale of pay accorded by NREGA work has proved unfavourable to certain groups such as weavers who do not find it worth their while to engage in such work. Not being accustomed to the rigours of manual unskilled work, they are unable to undertake the volume of work that will give them the equivalent of the daily wage as per the Schedule of Rates. There has also been talk of devising a gender-specific Schedule of Rates. Further, it is unclear in which states the Public Works Department's (PWD) schedule of rates is being used and in which states the schedule of rates has been adapted from time and motion studies.

Further, group measurement of NREGA tasks has exposed the phenomenon of free riding. Ordinarily, at NREGA worksites, collective measurement of work occurs, which means that all labourers get the same wage based on measurement of total output as per their joint effort. This serves as a disincentive, as it allows for some inefficient labourers benefiting from others' hard work. In an experiment conducted in the Jalore district of Rajasthan, group formation (of about 5 workers) and group measurement of work has revealed that worksites headed by a training 'mate' or worksite supervisor allowed for increased productivity of workers, through better clarity of tasks to be undertaken by smaller groups (Khera, 2008). While group formation had allowed for better worksite supervision through peer monitoring, and hauling up of work shirkers, group measurement was seen to have not taken off. The measurement of work output of the smaller group on a daily basis by the mate was intended to allow for higher work incentives, labour productivity and wages, but this had not been realized as yet. This experiment suggests an alternate to the existing system of work measurement that can perhaps be replicated in case of prolonged success.

There is some uncertainty regarding the methodology to be followed at the time of evaluation of the scheme. This is evident in the differences in measurement of the beneficiaries. The CAG (Comptroller and Auditor General of India) report took registered households as the reference group, whereas the Ministry of Rural Development considered only those households who had subsequently gained employment following registration. The discrepancy allowed for inflated figures in the case of the CAG reports, as it is not always necessary that following the registration of a household for the NREGA it will, in fact, be allotted work (Siddhartha and Vanaik, 2008)

Absence of Gram Panchayats in Jharkhand has led to a situation where there is no implementation authority to carry out the provisions of the NREGA, leaving the scheme's management prone to capture by contractors, and thereby almost guaranteeing corruption (Drèze and Bhatia, 2006).

SECTION 5

Scoping of Process Diagnostics of NREGA

As discussed earlier, characterizing NREG assumes importance to understand the processes followed. How the objectives and purpose percolate down to the implementation machinery, community facilitators, political leadership and community assumes importance. Multiple objectives and goals that it 'ought' to fulfill would mean interpreting and implementing provisions and processes in a way that would accordingly fulfill the objectives and lead to desired outcomes.

Varying degrees of success and experiences described elsewhere point to the fact that institutional mechanisms and governance structures play an important role and they are instrumental in determining the trajectory of scheme success. While policy documents do provide a very elaborate articulation of the implementation process and institutional structures that are to be put in place, in a large country like India, one does not assume a monolithic approach to implementation, as the institutions (both formal and informal) vary in texture and functioning, largely determined by historical conditions as well as socio-economic contexts. Hence a comparative analysis, which has not been attempted so far, to draw out lessons, would be a valuable contribution towards policy and practice.

Explanations would be needed about how and why varying degrees of performance are seen for a programme which has relatively uniform objectives at the national level. Similarly, to what extent conditions of political, administrative, bureaucratic dynamics/inertia contribute to the positive or negative outcomes of NREGA also needs to be answered. One would also be interested to know diverse processes and innovations adopted by various civil society agencies in facilitating effective realization of the goals of the NREGS at the field level and what lessons can be drawn from such experiences (e.g. the process of social audits etc). These would be of analytical interest to inform policy.

Hypotheses

As pointed out earlier, since the NREGS has only been in existence for three years, there are only a limited number of quick studies which have come out as implementation process

assessments and social audits. Based on a quick analysis of these studies, it can be concluded that the programme has created differential impacts across the country, though it is implemented based on the guidelines which are universalistic in nature. Hence the critical premise would be that the differential impacts witnessed have to be explained by a critical examination of processes followed and the implementation mechanisms that were put in place by authorities at the local level. The following tentative hypotheses could be considered:

There are pronounced regional variations in the level of implementation and outcomes across various states in the initial stage of the NREGA which are contingent upon the mechanisms of implementation evolved by local bureaucracy, their preparedness and institutional capacities, political leadership as well as mobilization efforts of other actors like civil society agencies.

The NREGA is flexible and envisages a universal self-selection process for creating entitlements and hence the process accommodates inclusion. The processes followed by the local implementers and facilitators become critical for greater inclusion of the most needy population into the programme.

NREGA has space for innovations at the local level and the differential impacts can be traced to such innovations at the field level. Hence, a mapping of innovations and results can be attempted in order to distill learnings and identify typologies of implementation. Institutional (eg. muster roll maintenance) and technical innovations (eg. geomatics in planning, implementation and evaluation) are critical in better implementation. Innovative methods in verification of muster rolls, random sample checks and social audit will improve implementation as well as impact. Similarly, separation of payment agencies (like paying through post offices) from implementing agencies (Gram Panchayats) reduce the scope for misappropriation.

Timing of public works and matching peak periods of work provision with lean periods of labour market demand are difficult but critical for implementation. Often, the peak agriculture period is mismatched with the peak public works and the lean labour market period with the lean public works in monsoon period.

Lack of administrative/institutional ability to identify and design projects may result in rationing the demand and consequent reduced achievement of targeted employment creation.

The field study to address the above hypotheses would be qualitative in nature, factoring in local processes, local innovations, seasonal calibration and administrative capacity of the three study locations, selected in keeping with the attempt to highlight differences in scheme performance according to local response. While household surveys of beneficiaries would enable us to establish a linkage between objectives and outcomes, we propose to engage and deliberate with field functionaries and the implementation machinery through focus group discussions so as to understand their perception and perspective on the processes followed.

While at one level, communities who are the recipients of the programme, are concerned with their work and receipt of money, several processes are envisaged to enable transparency

and accountability on the part of implementing authorities, which also become important from the point of view of impact on social policy. Mediation of policy through various implementation structures would mean either of two outcomes – one, weakening of the central objectives or two, overloading the programme with multiple objectives. Thus it becomes necessary to establish a linkage between objectives and outcomes through processes, and whether they are efficient, effective and desirable from the point of view of multiple stakeholders. We hypothesize that such a consensus building would enable developing more robust processes. The proposed study is aimed to fulfill this goal.

Conclusions

It is expected that through the study, the impact of different interventions (or lack thereof) in different areas will help in exposing specific, tailor made suggestions for assimilating NREGA into the local context, rather than evolving a national, one-size-fits-all model of scheme success. It is assumed that by identifying regional variations in the performance of NREGA and their underlying reasons, areas of concern and issues vis a vis implementation of NREGA in different parts of the country may be distilled. Further, the study seeks to map the due processes of scheme implementation and roles and responsibilities of implementation agencies, by examining them on paper, and then comparing this with their performance on the ground, so as to identify points of departure from the intended vision of NREGA and the subsequent outputs and outcomes that have emerged. This will help in keying in on stages of faulty scheme design, and aid in refining procedures, by smoothening complications arising from possible unnecessary and redundant scheme formalities.

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