Responding to People’s Protests about Poverty: Making and Implementation of the National Rural Employment Guarantee Act (NREGA) in India

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If landlessness has always been the focus of much social unrest among the rural poor, unemployment and insecurity of livelihood is a growing source of dissatisfaction and anger among youth, both in urban and rural areas.


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SCs and STs are the two groups that have truly taken advantage of the employment being offered under NREG. The SCs account for only 14 percent of the population, but their share that received employment under NREG in 2006/7 was 27 percent; the corresponding share for STs are 8 percent share in population but 32 percent in employment.

- Ibid, p.69.

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NREGA is undoubtedly the most important productive employment programme in independent India. It has acquired the much needed political legitimacy and appears to have secure a stable place in the Indian economic and social policy for many years to come. Under implementation for the past three years, the programme has demonstrated varying degrees of success across the country and has been able to substantially silence its skeptics.

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- Anand Kumar, Birendra Suna and Sanjay Pratap*

Introduction

Alleviation of poverty is a multidimensional process because poverty is a multifaceted issue. It has direct correlation with the process of economic growth unless there are definite plans and programmes for it. The drivers, maintainers, and interrupters of poverty process demand systematic attention (Mehta and Shepherd, 2006). It is well recognized that Indian economy has been on a path of sustainable economic growth since the early 1990s when economic reforms were introduced in the country. There has been an impressive rate of growth of GDP according to all the statistical evidences but it seems that the benefits of the growth have bypassed the overwhelming majority of the India’s poor.

According to the report of the National Commission for Enterprises in the Unorganized Sector (also known as Sengupta Committee Report), “Though the population suffering from extreme poverty and living below the so called official poverty line (approximately Rs.12 per day per capita consumption in 2004-05) came down significantly from 1993-94 onwards, they seem to have moved only marginally above the poverty line and about 77 percent of them were stuck below the expenditure on average of Rs.20 per day per capita”. These large groups of people are described as ‘poor and vulnerable’, as against the remaining 23 percent of Middle Class and Higher Income groups who seems to have received most of the benefits of the high income growth era. In social terms these poor and vulnerable groups are spread all over India in rural and urban areas. They contain about 88 percent of the Scheduled Castes and Scheduled Tribes, 80 percent of the Other Backward Classes and 85 percent of the Muslim population of the country. Furthermore, most of the population of these groups are also without primary education and often suffer from malnutrition. These groups emerge as a coalition of socially discriminated,

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educationally deprived, economically destitute and politically marginalized. From demographic perspective the share of the poor and vulnerable population in the period between 1993-94 and 2004-05 fall from 82 percent to 77 percent but their numbers increase from 733 million to 836 million. The other side of the picture was that the proportion of the Middle and High Income groups increased from 18-23 percent totally 254 million compared to 163 million in the early nineties (Sengupta, 2009).

According to Mahatma Gandhi “ Poverty is terrorism: both spread if not controlled, dehumanize people, turn them into enemy of society and themselves, make people lose their dignity and self-esteem”. Addressing to the members of the Lok Sabha on the Independence Day in 1947, Jawaharlal Nehru pointed that the task before India is ‘the ending of poverty and ignorance and disease and inequality of opportunity’ (see Bhanushali, 2007:preface). Gandhi and Nehru represented the national orientation of Indian political class about poverty and the expected responses of the state after independence in the context of the peoples protest for poverty alleviation. The experiences since independence show that India’s poverty alleviation strategy mostly leaned towards wage employment programmes. But there has been a change with the adoption of National Rural Employment Guarantee Act in 2005, as it is a step towards the fulfillment of the economic content of participatory democracy (Bhaduri, 2005). This programme for the rural poor is an endeavour to respond to the peoples protests about the era of jobless growth. It is culmination of the several mobilization about the need to modify the Liberalisation, Privatisation and Globalisation (LPG) paradigm by providing it a human face and following the path of inclusive growth (Kumar, 2010).

This paper presents an analytical view of the making and implementation of the Mahatma Gandhi National Rural Employment Guarantee Act in the context of the response of Indian state towards people’s protests about poverty. It is organized in the following sections. (I) Introduction (II) Poverty Eradication Programmes in India: From Independence to NREGA, (III) About NREGA, (IV) Impact of NREGA on Rural Poor, (V) The Gaps in NREGA and (VI) Conclusion.
II

Poverty Eradication Programmes in India: From Independence to NREGA

As the foundations of Indian freedom movement were built upon economic nationalism conceptualized around the correlation between colonization and pauperization of the Indian masses, it was obvious that the issues of mass poverty will find prominence in the planning for re-construction of Indian polity and economy after freedom (Bipin Chandra et al., 1988). The arguments of Dadabhai Naoroji (1901) about ‘Poverty and Un-British rule in India’ and R.C. Dutt (1904) about Indian economic decline in the Victorian age were part of the mindset of the policy makers after independence. The Gandhian vision of Hind Swaraj (1909) was an important basis of the approach of rural development movements spread in different parts of post-colonial India under the leadership of Vinoba Bhave under the umbrella of Sarvodaya. But very few interventions by the state were introduced for supplementing the livelihood system of the rural poor till 1960s. No national poverty eradication programme was announced till the Fourth Five Year Plan (1969-74).

The question of poverty was debated among the people’s representatives of India on the floor of the Parliament in a significant manner only in 1964 after the claim of socialist leader Dr. Rammanohar Lohia that a very large number of Indian people are victims of perpetual poverty even after nearly two decades of freedom and uninterrupted rule of Congress Party under Prime Ministership of Jawaharlal Nehru. He charged on the floor of the Parliament that more than 270 million people out of a total of 350 million were living with very low income. The government rejected the charge and asserted that there has been significant improvement in the income of the lower classes of India since independence (Pitti et al., 1979). This debate between Nehru and Lohia became more generalized in the next few years as there was deterioration of village economy due to long spell of drought between 1964 and 1966. There was scarcity of essential commodities and rise in prices of food items. It all got reflected in the growth of unrest among the rural and urban people and resulted into loss of power in several states for the Congress Party during the general elections of 1967. The study of poverty in India by Dandekar and Rath (1971) proved to be the turning point for study and analysis as they provided useful definition of poverty as well as meaningful details about the incidence and severity of poverty in rural and urban setting of India. It coincided with the call of eradicating poverty (Garibi Hatao) by Prime...
Minister Indira Gandhi during the historical mid-term general elections of 1971. It gave her grand success with clear mandate for the promise to fight poverty.

It was the first general election where the question of poverty was the central theme before the political parties as well as the national electorate (Chandra et al, 1999). This was culmination of the people’s unrest about poverty and resulted into change of direction of the state by making it a pro-active proponent of poverty eradication processes. In 1971-72, a set of programmes were inaugurated around the agenda of poverty alleviation. It included Crash Scheme for Rural employment (CRSE), Pilot Intensive Rural Employment Programme (PIREP), Small Farmers Development Agency (SFDA), and Marginal Farmers and Agricultural Labour Scheme (MFAL). These schemes were a drive under the supervision of bureaucracy to take economic resources to the poorest of the poor. But there were complaints of large scale corruption after the initial success reports. People began protesting about the increasing insensitivity of the government officials towards the poor and their resourcelessness. Thereupon, on 1st July 1975, a new set of Twenty Point Programme was initiated. It has been observed that the Twenty Points Programme provided, much needed safety net to the deprived and adversely affected population till 1986. The Twenty Point Programme has played a vital role in ensuring growth with equity and social justice. Under the umbrella of the Twenty Point Programmes, several poverty eradication and economic growth schemes were incorporated (Bhanushali, 2007:259).

On 2nd October 1980, this programme was further streamlined into the National Rural Employment Programme (NREP). The first national counterpart of the Employment Guarantee Scheme (EGS) was the Food for Work Programme launched in 1977. It later merged into a much bigger programme called the National Rural Employment Programme (NREP) at the start of the Sixth Plan. However, an official evaluation pointed out that small and medium farmers also reported for work under the EGS and NREP. This was one motivation for starting the Rural Landless Employment Guarantee Programme (RLEGP) in 1983. In order to monitor performance of infrastructure sector and Twenty Point Programme the Ministry of Programme Implementation (MPI) was created on 25th September 1985.
In 1989-90, the NREP and the RLEGP were brought under a single umbrella called the Jawahar Rozgar Yojana (JRY). The objective of JRY was to generate meaningful employment opportunities for the unemployed and underemployed in rural areas and thereby to create economic, community and social assets. The scheme of the JRY stipulated that 40 percent of fund should be utilised for material and 60 percent on wages. The Indira Awas Yojana (IAY) was initiated in the same year but it was made a separate programme in 1996. Up to the year 1998-1999, 73764.83 lakh man days of employment was generated with an average of 103 crore man days crated in 1993-1994 (Bhansushali, 2007:270). The JRY was merged with Jawahar Grameen Swarojgar Yojana (JGSY) in 1999-2000 and was made a rural infrastructure programme. From 1991-1992 till the JRY was merged into JGSY, a total amount of Rs.19535 crores was spent. As observed by Bhansushali (2007:270), over the period of Ninth Five Year Plan, employment generation has progressively declined partly due to lower central allocations and partly due to increasing cost of creating employment.

The JGSY, Employment Assurance Scheme (EAS) and Food for work programmes were merged with the Sampoorna Grameen Rozgar Yojana in 2001-02, because all the programmes were one way scheme.

The objectives of the Sampoorna Grameen Rozgaar Yojana (SGRY, 2001) were:

a) to generate wage employment,

b) to create durable economic infrastructure in rural areas, and

c) to provide food and nutrition security to the poor people.

Under this scheme, wage earners were paid five kilograms of grain and the rest was provided in cash. The allocation was shared by the central and state governments in the ratio of 75:25. Then in November 2004, the National Food for Work (NFFW) programme was launched in the 150 most backward districts to generate additional supplementary wage employment with food security. The focus of the scheme was (i) water conservation and drought proofing, (ii) tree plantation and aorestation, (iii) land development, (iv) flood control, and (v) rural connectivity in terms of all weather roads. With allocation of Rs.2020 crores and 20 lakh tonnes of food grains, it generated 7.85 crore persondays of employment in 2004-05.
This was also the period of nationwide mobilization for making an Act to ensure livelihood support to the very poor and most vulnerable sections of society. It was led by a coalition of like-minded economists, political activists, civil society organizations and a variety of pro-poor NGOs from different parts of India. Amartya Sen, Kamal Nayan Kabra, Aruna Roy and Jean Dreze were among the most influential supporters of this mobilization. It also received support from the left and democratic parties, trade unions and youth organisation as they have been demanding right to work since 1970s. Thus evolved the proposal for right to work which was presented and approved as National Rural Employment Guarantee Act, 2005. The scheme was renamed after the Father of the Nation Mahatma Gandhi as Mahatma Gandhi National Rural Employment Guarantee Act (NREGA) on 2nd October 2009. Box I summarized the long and complex narratives about NREGA.

**Box I: Milestones of the Indian Journey Towards NREGA (1960-2009)**

<table>
<thead>
<tr>
<th>Date</th>
<th>Main Provisions of Bills/Acts</th>
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<tbody>
<tr>
<td>1960-61</td>
<td>Rural Manpower (RMP)</td>
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<tr>
<td>1971-72</td>
<td>Crash Scheme for Rural employment (CRSE)</td>
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<tr>
<td>1972</td>
<td>Pilot Intensive Rural Employment Programme (PIREP)</td>
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<td>1973-76</td>
<td>Small Farmers Development Agency (SFDA), Marginal Farmers and Agricultural Labour Scheme (MFAL)</td>
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<td>1977</td>
<td>Food for Work Programme (FWP) and Antyodaya Programme</td>
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<td>1980</td>
<td>The National Rural Employment Programme (NREP).</td>
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<tr>
<td>1983</td>
<td>Rural Landless Employment Guarantee Programme (RLEGP).</td>
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<tr>
<td>1993-94</td>
<td>Jawahar Rozgar Yojana (JRY), Employment Assurance Scheme (EAS)</td>
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<td>1999-2000</td>
<td>The Jawahar Rozgar Yojana (JRY) was merged with JGSY was made a rural infrastructure programme</td>
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<tr>
<td>2001</td>
<td>The Sampoorna Grameen Rozgar Yojana (SGRY)</td>
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<td>2004</td>
<td>National Food for Work (NFFWP)</td>
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<tr>
<td>7th September 2005</td>
<td>Notification of NREGA</td>
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<tr>
<td>2nd February, 2006</td>
<td>NREGA introduced in 200 districts</td>
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<tr>
<td>2007</td>
<td>NREGA Phase II- Extended to additional 130 Districts.</td>
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<tr>
<td>1st April 2008</td>
<td>NREGA Phase III-Extended to cover all districts of India</td>
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<tr>
<td>2nd October 2009</td>
<td>NREGA renamed as Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA)</td>
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III

About National Rural Employment Guarantee Act, 2005

The National Rural Employment Guarantee Act was notified on 7th September, 2005 to create a right-based framework for wage employment. The Act came into force on 2nd February 2006. The aim of the National Rural Employment Guarantee Act (NREGA) was to enhance the livelihood security of people in rural areas by guaranteeing 100 days of wage-employment in a financial year to a rural household whose members volunteer to do unskilled manual work.

Before giving an account of the objectives, goals and features of this historical Act, it will be relevant to have a view of the rural scenario created by the political-economy of the LPG paradigm. It is true that the Indian shift towards market orientated economic reforms was motivated by the need of accelerating growth in all sectors of economy but in actual terms the agricultural sector experienced stagnation and decline (Kabra, 2006).

According to the government reports, the growth rate of agricultural Gross Domestic Product (GDP) decelerated from 3.08 percent per annum during 1980-81 and 1990-91 to 2.38 percent during 1992-93 to 2003-04. Similarly the growth rate of crop output declined from 3.19 percent per annum during the 1980s to only 1.18 percent per annum during the later period. The growth rate of food grains output decelerated to an all period low of 1.16 percent. This was lower than the growth of population at 1.95 percent per annum. Thus, there was a decline in the per capita availability during the post reform period.

This was happening in conjunction with two other significant trends of change in the rural society and economy-(i) increased in the proportion of agricultural labourers and (ii) increased in the proportion of the agricultural households. According to the Census of 2001, the proportion of agricultural labourers to agricultural workers increased from 37.8 percent in 1971 to 45.6 percent by 2001. In absolute terms, there was an increase from 47.5 million to 106.2 million. It is important to remember that there were 30 percent rural labour households in 1977-78 which got increased to nearly 40 percent in 1999-2000. In the meantime the proportion of agricultural households to total rural household had increased from 25.3 percent to 32.2 percent. The other
worrying phenomenon has been the increasing size of the marginal peasant households in the rural India. The percentage of marginal households among the cultivators has increased from 66.6 percent in 1982 to 79.6 percent in 2003. This rapid growth of agricultural labourers was mainly because the increased workforce in India was unable to find employment in non-agricultural sections in rural or urban areas (Bhalla, 2007). This declining trend of agricultural sector has been adversely affecting the poorer sections of all communities. But the crisis of survival was most aggravated for the landless labourers and marginal peasants who are mostly from the scheduled castes, scheduled tribes and female headed households. As mentioned in the very beginning of this essay, this crisis has proved to be an accelerator of indebtedness, forced migration, suicides, family breakdowns, rural unrests, social violence, and political radicalism (Government of India, 2008). So it should not come as a surprise that the main objective of the NREGA 2005 was to create durable assets and strengthen the livelihoods resource base for the rural poor.

Now we can look at the basic objectives, main goals, and major features of this historic Act in a synoptic manner:

The basic objectives of NREGA are:

(i) Providing wage employment opportunities,
(ii) Creating sustainable rural livelihoods through regeneration of the natural resource base i.e. augmenting productivity, and supporting creation of durable assets and
(iii) Strengthening rural governance through decentralization and processes of transparency and accountability.

NREGA Goals

(i) Strong social safety net for the vulnerable groups by providing a fall-back employment source, when other employment alternatives are scarce or inadequate.

(ii) Growth engine for sustainable development of agricultural economy. Through the process of providing employment on works that address causes of chronic poverty such as drought, deforestation and soil erosion. The Act seeks to strengthen the natural resource base of rural livelihoods and create durable assets in rural areas. Effectively implemented, NREGA has the potential to transform the geography of poverty

(iii) Empowerment of rural poor through the processes of a rights-based law

(iv) New ways of doing business, as a model of governance reform anchored on the principles of transparency and grass root democracy
But what mechanisms are these objectives and goals to be achieved in rural India? The Act has made the Panchayats as key players so that the village council gets the power and duty of monitoring all works and there are no contractors allowed in any manner. The Act has created scope and space for active citizenship at the village level. In the last five years the protest activities of a varieties of volunteer organization about the problem of poverty are getting re-oriented towards watch-dog role in the context of planning and implementation of NREGA as local level planning is given due weightage for creation of productive assets under the Act.

The Act also re-structured the links and relationship patterns between the five layer of the agencies of governance starting from the Central government and going upto the Gram Panchayat which also includes the Panchayat Samiti, Zila Parisad and state government. Here the village council or Gram Panchayat is given responsibilities of preparing a village plan and setting up of local institutions to facilitate the monitoring and evaluation of the implementation process. The Panchayat Committee is assigned the role of coordination between the village plan and designing and implementing at the block level. The Zila Parisad or district board is assigned the responsibilities to prepare annual district plan and evolving a five years prospective plan on the basis of village plan. It is also responsible for implementation and coordination of the activities at the district level. The Act expects the state government to under take two major tasks for facilitating the village centric networking of employment guarantee processes. It has to set up Employment Guarantee Council (EGC) and facilitate the resource flow between the government and the Gram Panchayat. The Act assigns the role of nodal agency to the Ministry of Rural Development in the central government. It has to set up a National Council for Employment Guarantee (NCEG) related responsibilities. The council has been made responsible for monitoring as well as evaluation of all the programmes under taken at the village, district and state level.

The Implementation process since 2006

Initially, NREGA was implemented in 200 districts covering 1894 block Panchayats and 61763 Gram Panchayats (Administrative Reform Commission, 2006). What are the basic characteristics of these districts?

Widespread poverty was common feature of all of the 200 districts. Ninety-four of the districts were covered under Drought Prone Area Programme (DPAP) and 8 districts were covered under Desert Development Programme (DDP). Twenty-one districts were in Himalayan region and the north east which were completely mountainous. Besides, a number of districts in Jharkhand, Chhattisgarh, Maharashtra, Madhya Pradesh, Andhra Pradesh and Orissa have hilly terrain.
The socio-economic indicators of most of these districts were generally below the national average. Out of the 200 districts, 148 had lower literacy than the national average of 65.38 percent. Similarly, female literacy rate of 154 districts was lower than the national average of 54.16 percent. The proportion of SC/ST population in most of these districts was higher than other districts.

These districts were primarily agricultural. In 115 districts, the percentage of agricultural labourers in the total rural working population was higher than the national average of 33 percent that indicates the prevalence of large scale landlessness in these districts combined with lack of effective employment opportunities in the non-agricultural sector. This also resulted in lower incomes for a large section of the rural population and was major contributor towards the backwardness of these districts.

There were evidences that the delivery of basic public services, particularly those intended to benefit the poor and weaker sections has functioned relatively ineffectively in these backward districts even when funds have not been a constraints. It has therefore to be recognized that availability of funds, though necessary, is not sufficient for the successful delivery of basic public services. Delivery of basic public services in these backward districts has suffered due to weak administration, understaffing and lack of motivation and large scale leakages.

The 200 districts were selected as these were the most difficult districts to implement the programme due to weak governance structures, low organisational capacity, a variety of unrests among the people and highly stratified social and economic power structures. In addition, most of these districts were located in difficult terrain with poor accessibility and poor infrastructure. Sixty-nine districts were included in the Scheduled Areas and Tribal Areas. There were districts where Panchayat were non-existent and in many places, non-functional. There was also the problem of not having regular and dedicated functionaries for many of these Panchayats. These districts were also the most backward regions in term of connectivity and spread of banking and post office infrastructure.
It is important to underline that 64 of the 200 districts adopted for this programme were extremism affected. Here many of the poor people were found to be engaged in protest activities on the basis of support from a network of underground organisations believing in violent methods and getting support from the marginalized sections of the village communities. Some of these districts were also famous for increasing un-governability due to the rise of extra-constitutional forces who had created parallel system of authoritarian control. These forces had recruited young unemployed men and women mostly from the SCs and STs Communities from the rural areas.

The nature of local government varied considerably in these 200 districts. Panchayati Raj Institutions (PRIs) are the designated agencies for implementing NREGA. In the 200 districts, Panchayats do not exist, or are non-functional. The Gram Sabha’s which are required to choose the shelf of the projects and conduct social audit of the works done were dormant in some cases. The priority therefore was felt to activate the PRIs in these districts for effective implementation of NREGA. In most of these backward districts, the administrative functionaries in the PRIs were either not available in adequate numbers or do not function. For example, in Bhojpur district of Bihar, there were only 134 Panchayat Secretaries as against 228 Panchayats. This has resulted in overburdened Panchayat Secretaries looking after the work of two or more Panchayats.

In the first phase the Act has been implemented in 200 districts across the country. In the second phase the Act was notified in the financial year 2007-8 in an additional 130 districts, bringing the total of number of districts covered by NREGA to 330. However, in order to bring the whole nation under its safety net and keeping in view the demand, the scheme was extended in phase III to the remaining 274 rural districts of India from April 1, 2008.

IV

Impact of National Rural Employment Guarantee Act on Rural Poor

Any Act has three types of impact on the society-short term, medium term and the long term. It may also affect a given society at three levels-the value system, the institutions, and the processes. NREGA is one of the most recent Acts of India. We have very limited empirical
evidences to present any observation regarding the medium term and long term effects. We also have insufficient basis to discuss the nature of impact of this Act upon the values or institutions. But there are enough studies to help us in finding out the short term as well as the procession aspects of the impact this step by the Indian state in the context of empowerment of the rural poor particularly the more vulnerable sections like women, SCs and STs. The major dimensions of the impact of NREGA can be summarized as the following (see Box II).

**Box II: Impact of NREGA on Rural Poor**

- Legitimacy to Rights based approach about challenge of poverty.
- Increased employment opportunities.
- Higher participation by SCs and STs poor
- Increased in average wages.
- Decline in outmigration of landless labour force.
- Reduction of hunger.
- Economic empowerment of poor women.
- Children in School.
- Accessing Medical facilities
- Relief from rural village moneylenders.
- Disengagement from hazardous work.
- Rural asset formation.
- Improvement in rural environment and sanitation.
- New interface between rural poor, state and civil society

NREGA has made a dent on poverty by increasing employment opportunities. During the first year of implementation (FY 2006-07) in 200 districts, 2.10 crore households were employed and 90.5 crore persondays were generated. In 2007-08, 3.39 crore households were provided employment and 143.59 crore persondays were generated in 330 districts. In 2008-09, 4.51 crore households have been provided employment and 216.32 crore persondays have been generated across the country.

At the national level, average wage paid under NREGA has increased from Rs. 65 (FY 2006-07) to Rs.88.48 in FY 2009-10. This has led to strengthening the livelihood resource base of the rural poor in India. In 2008-09, 67 percent of funds utilized (Rs.18200.02 crore as wage expenditure) were in the form of wages paid to the labourers. In 2009-10, 69 percent of the fund saved has been utilized in the form of wages (Rs.18806.39 crore as wage expenditure). Payment of wages
through banks and post offices have been statutory. In the year 2009-10, 8.57 crore banks and post offices accounts have been opened to disburse wages. NREGA workers have been identified as a category for Jana Shree Bima Yojana (JSBY) by Life Insurance Corporation of India (LIC).

The scheme got statutory status and the autonomous nature of its budget, which together with provisions regarding workers’ benefits; make this scheme administratively superior to any other programme. As on 2009, total agricultural labour households are 92.4 percent and total rural working household are 24.8 percent. About eight percent household completed hundred days employment. Total expenditure was Sixty-eight percent of which average wage expenditure per household was Rs.3438. Financial Year 2009-10, 45.1 million household were benefited with the scheme and as on February 2010, 619 districts were covered under the scheme on which 49.0 million households were benefited. Total persondays was created 2513 million, of which 737.9 million (30 percent) were Scheduled Castes, 540.3 million (22 percent) were Scheduled Tribes, 1210.5 million (49 percent) were women and 1224.8 (48 percent) were others. As on February 2010, total amount was released by Central Government Rs. 391 million, of which 335.07 was spent for the scheme and the average wage per day was Rs.90. As on February 2010, total work taken up 4.10 million, which 1.64 million was completed. The categories of work completed was water conservation 51 percent, provision of irrigation facility to land owned by SC/ST/BPL and IAY beneficiaries was 16 percent. Rural road connectivity was 17 percent, land development 14 percent and any other activities 2 percent (Agenda Notes on NREGA, Performance Review Committee, October 2008-2009, Ministry of Rural Development, Government of India).

According to studies of 10 districts of six states by G.B. Pant Social Science Institute under the coordination of Jean Dreze (2009) the implementation of the Act in the first three years has been able to reach the socially and economically deprived sections as reflected in their participation. This study also points out about a number of limitations which requires urgent attention to make the Act a genuine basis for the rights based approach in favor of the rural poor.

In an another study about the impact of NREGA where 20 out of 200 districts were selected and in every district 300 beneficiaries were targeted covering 6000 beneficiaries spreading throughout the country, it was observed that the beneficiaries were hailing from diverse
geography and social background distributed evenly within the selected districts. The data pertains to the year 2006-07 during which period this scheme was in the first phase in only 200 districts (Chauhan et al, 2009) Here, female-headed household participation in the works is very encouraging ranging from 12 to 52 percent. Though the scheme envisages at least one-third of the total person-days to be earmarked for women participants, it is too early to judge on this point since the effective time duration of the scheme in these 20 districts is uneven and in some cases the scheme hardly taken off. Most beneficiaries got their job cards through Gram Sabha (GS) meetings and the rest by steps taken by Gram Panchayat (GP). Majority of the rural households agreed that there is a transparent mechanism followed for issue of job cards. Enrollment and registration under the scheme is an open-ended one, however, fifteen percent of the respondents opined otherwise who experienced several visits to Gram Panchayat office for registration purpose. Verification of all the registrants is done by Gram Sabha as expressed by majority of the households. Besides, review of applications earlier rejected by the Gram Panchayat was also taken up by Gram Sabha in many districts. Gram Sabha meetings took place on quarterly basis rather than on monthly basis according to households. The migrant families could not register for job card due to their absence.

One-tenth of the people revealed that ten percent of the eligible adult members of the family are not included in job cards. The job cards are in the possession of Gram Panchayat officials in most of the districts of eastern region and only during the season of works, the job cards are handed over to the beneficiaries for their signature/thumb impression. Majority of the households agreed that the job card was issued within couple of days of registration. Majority of households expressed that they got their job cards without waiting for much time and without unnecessary visits to Gram Panchayat office. Though affixing of photograph of the households is mandatory, it is not followed in many districts, and in some places the beneficiaries paid for it. Job card was not designed to have sufficient space for all the entries in detail as was observed from many entries in the job cards.

Eighty percent of the households expressed that they did not get the work within the stipulated 15 days time of demand for work in writing, neither were they paid any unemployment allowance. Further enquiry with Gram Panchayat officials on this point revealed that they are struggling with teething problems of this kind of gigantic scheme and it takes some time to
comply with such mandatory guidelines. As far as publicity of the scheme and dissemination of information related to the scheme is concerned all locally available communication modes are utilized to spread the awareness and information about the scheme. On the utility of maximum number of days of works, only small fraction of Households could utilize more than 35 days of work, remaining still lagging behind. The reason for non-utilisation of maximum permissible 100 days is late starting of the scheme. NREG Scheme stipulates at least one-third of the wage allocation i.e., person-days to women beneficiaries. It was found that only in 42 percent households, the women could share the one-third of the allocated person-days (wage days). However, in 22 percent of the households, the women folk did utilize more than one-third of the utilized person-days in the household. In most of the work sites, except crèche all the other facilities like shed, drinking water are provided.

Payment for the wages earned is paid in cash either at the worksite or at Gram Panchayat office at a later date. Fourteen percent of households did not agree that the names of workers, number of days and the amount is read out at the worksite by the mate of the worksite as stipulated in the guidelines of the Act.

An enquiry is also made to assess the impact of the scheme on the overall quality of life of the beneficiaries. Due to the income generation through this scheme, the number of beneficiaries at the low earning level was reduced to nearly half in size resulting in the rise of households with marginally higher income. It was found that more than half of the beneficiaries are agricultural and unskilled workers. There is also shift in the beneficiaries’ expenditure pattern on food and non-food items. The survey revealed that the number of families spending less on food has come down drastically where as there is a rise of families who are spending more on food and non-food items.

Only two percent of the households opened bank account among the surveyed beneficiaries. More than half of the households revealed that they purchased livestock like sheep/goat etc. during the year. Four-fifths of the households do not have any outstanding loan. In the western region, nearly 60 percent of the households have an outstanding loan either from bank or local money lender. 3.3 percent of the beneficiaries bought a bicycle for the first time, 1.5 percent of
the beneficiaries did buy electric fan, or other appliance, 3.2 percent of the households purchased steel utensils etc. with the income generated from the scheme.

One of the significant objectives of the NREGA is to arrest out-migration of unskilled, landless labour force from the rural areas to urban areas by ensuring up to 100 days of wage employment within their native jurisdiction so that these 100 days guaranteed wage employment can be judiciously and rationally utilized by the landless peasants during lean and distress seasons. One-fourth of the families surveyed opined that there is migration from their respective village to towns/cities in search of job. Almost fifty percent of the households in western region expressed that migration is taking place from their villages. In the north eastern region, in the district of North Lakhimpur, everyone agreed that there is migration from their villages. There is migration taking places from districts such as South Garo Hills (Meghalaya), Medak (AP), and Dahod (Maharashtra) in addition to almost all the districts from the eastern region. In some of these districts, the out-migration is to the extent of 40 percent.

Contrary to the general perception of better wages upon migration, 70 percent of the beneficiaries revealed that the migration is only for just wages and not for any better wages. This implies that there is a distress migration for just minimum wages to eke out the livelihood and for survival rather than for better wages. Notable among the responses is that 82 and 67 percent of the households interviewed in the eastern and northern region respectively expressed that the out-migration is in search of work and meager wages rather than for better earnings which can be viewed as a distress migration. They preferred to stay in their native village if there is enough wage employment available locally.

It is disappointing to note that 38 percent of the households did not agree with the measures taken by Gram Panchayat to check out-migration. They expressed that the Gram Panchayat did not take any measures to create sustainable assets to generate wage employment within the village. Only 40 percent agreed that Gram Panchayat is taking appropriate steps to create wage employment. Rest of the beneficiaries did not give their opinion at all about the capacity of Gram Panchayat. Most notable fact is that the eastern region beneficiaries to the extent of 46 percent did not express any confidence in their respective village Gram Panchayat about their efforts of checking out-migration.
For large numbers of women, NREGA is a unique employment opportunity. About 51 percent of the sample women said that, had they not been employed on NREGA, they would have been most likely to work at home or remain unemployed. Most cases in Sitapur district of UP women workers names were missing from the job cards. A large majority (79 percent) of women workers collects their own wages, and generally they keep their wages. In fact, interestingly, the proportion of workers who keep their own wages is higher for female workers (69 percent) than for male workers (52 percent). One of the successes of the NREGA is that on average, the participation of women in the programme is higher than the stipulated minimum requirements of 30 per cent. Women constituted 46 per cent of the beneficiaries in 2007-2008. However, there are wide regional variations in the level of participation of women. States like Kerala and Rajasthan, the participation rate for women was much higher than 50 percent. Dreze and Oldiges (2007) found that in Tamil Nadu share of women participation in NREGA employment was 81 percent. The study by GBPSSI (2009) found that the statutory minimum requirement of 33 percent participation by women was not met in Chhattisgarh (25 percent), Jharkhand (18 percent), Bihar (13 percent) and Uttar Pradesh (5 percent). (quoted in Sengupta, 2009:219). Majority of the NREGA workers belong to the most disadvantaged sections of the society. At the all India level, SC and ST families together account for over 55 percent of the total employment-days created. While there are annual variations interns of participation of STs. There is a steady growth in the participation of SC families over the three year period (Sengupta, 2009:219).

The G.B. Pant Social Science Institute (GBPSSI, 2009) study of six north Indian states found that 73 percent of respondents belong to Scheduled Caste/Scheduled Tribe families. The CESS (2009) study reported that majority of NREGA beneficiaries came from the vulnerable social groups (SCs, STs, and OBCs), landless agricultural laborers and women. The same study found that participation of Scheduled Castes and Other Backward Classes is more than their respective shares in the total households. Such conditions reflect the fact that the workers face multiple deprivations and hence NREGA work becomes an important source for sustaining them at the subsistence level. Even in Bihar, benefits reached mostly the target groups and the process was also found non-discriminatory (Sengupta, 2009:219).
What has been the impact of NREGA upon the protests activities of the poor people? Of course NREGA has been received with mixed response in the political community. The experiences of the previous antipoverty programmes are used as the basis of scepticism by the critiques and other disbelievers. The social audits by civil society organisation as well as the Ministry of Rural Development (2008), of NREGA implementation have given good reasons for these sections to continue with their doubts about the sustainability of such a pro-poor and rights based approach in an environment of marginalization of the poorer sections. Therefore, there is a new chapter in the protest activities of organizations and communities engaged about the problem of poverty as they have become involved in observing the NREGA implementation process with critical eyes. Reports about protests against the problems of NREGA are gradually becoming more frequent than the news about anti-poverty mobilizations in rural areas. At the same time this Act and its rapid expansion all over rural India has resulted into the making of a national consensus in favour of constructive cooperation about it. It has been observed that in several areas even the Maoists are not offering any resistance to government activities related with NREGA. There is acknowledgment of the value of NREGA across the political parties and all state governments have come forward for its implementation in spite of ideological and political diversities. NREGA also cited as an example of efficacy of the civil society in the context of pro-poor activities because there has been all round acceptance of the contribution of civil society groups in the making and implementation of NREGA. Thus, NREGA has become a source of optimism for democratic activism about the problem of poverty in more constructive manner than before. It is not suggests that NREGA has created decline in extremist or radical political activities since 2005. We are asking to have a look at the trends in protest activities about poverty as they are more constructive due to the creation of a new space for critical engagement between the rural poor, their sympathizers and the state at local, provincial and national level around the process of NREGA implementation.

V

The Gaps in National Rural Employment Guarantee Act

The institutional strength of administration determines the probability of success of any major initiative for change and development. It is contingent upon the institutions, the level of
commitment of the political class and degree of awareness among the citizens. As Indian society is facing deficit on all the three fronts (the institution, the level of commitment of political parties and people's awareness) for quite sometimes. It is not unexpected that a historical Act like NREGA is also getting subjective to some of the pre-existing challenges of implementation since 2005. Corruption is one of the major hurdles in any scheme for the poor and weaker sections of society in most of the post colonial countries. Greed for money has eroded business ethics, social values and political principles. It is not only mounting corruption that has deprived poor of their rights but social and psychological corruption has devoid them of the basics that are not denied to any human being (Bhanushali, 2007:254-255). This section is presenting the emerging pattern of gaps between the objectives of NREGA and its implementation status. It will end with underlining a set of suggestions which have emerged out of major studies about NREGA in the last 5 years. (see Box III).

According to Gopal (2009), despite all round optimism, one must note that even as an instrument for providing employment, the NREGA has several limitations. It would be unwise to create great expectations among people about the NREGA given the way it is currently understood, directed and implemented. It was found in his study that in Tanakallu mandal, the local NGO, Jana Jagruti, took the information and pasted it on village walls. It was a revelation to the villagers. Many discrepancies and indications of further swindling by officials, came to their notice. For instance, in Vepalapally village, Sivanna died two years back but someone was drawing money in his name, even afterwards. In Ratan Nayak thanda, Seetharam Naik died eight years back but Rs. 12,000 was drawn in his name. In Sadum village, Rs. 11,500 was drawn in the name of Chinna Dawood Khan and Rs. 3,200 in the name of Pedda Dawood Khan, though both of them had expired.

It was not just the dead who were being swindled. An amount of Rs. 25,000 was drawn in the name of Ramana of Thammisettyvaripally, and he had no knowledge of this, nor had he worked at NREGA worksites. If one were to go by the details provided by officials, then some families had worked for 325 days in the year! Over 300 wage seekers from different villages staged a protest at the office of the Mandal Parishad Development Officer (MPDO), on their monthly grievance-hearing day. The records showed one Srinivasulu, of Eguva Thotlipally village, had
received Rs. 2,000, while G. Lakshmidevi had apparently earned Rs. 4,000, and Anjanappa received Rs. 7,000. These beneficiaries had not received even half of the amounts shown.

In this village, Gopal Reddy and his wife did not go for work under NREGA but the records showed they had been paid Rs. 8,000. In Ratan Naik thanda, Sankar Nayak received only Rs. 3,000 but the records showed that he got Rs. 43,000. After this inquiry, some of the Field Assistants were sacked and show-cause notices served on other officials. In light of the serious failures, the district authorities offered to give a copy of the payslips to the NGO, so that these could be displayed in the villages. However, they are yet to deliver on their promise.

Khera (2007) found in her study in Rajasthan that, Anadi a worker clearly remembers that he was paid twice only (Rs. 1000 the first time and then Rs. 1600). The amounts reported roughly match the first three muster rolls (Rs. 1082 and Rs. 1628). He denied being paid a third time (Rs. 420), as would be the case if the fourth MR (where his name appears) were authentic. Several cases, fake signature were found against the name of the worker in the muster rolls. In many cases of job card distribution workers fake names were being discovered. Because of mismanagement of NREGA funds officer were suspended.

Vanaik et al (2007) pointed out that the fundamental attraction of the use of bank accounts for NREGA wage payments in Orissa is twofold. First, as mentioned earlier, it separates the payment agency from the implementing agency, thus making corruption far more difficult. Second, it ensures that money sanctioned for wage payments can be received only by the labourer listed on the muster rolls. It eliminates the possibility of any intermediaries – whether a contractor or a government official – getting their hands on the money without the knowledge of the labourer. In order to control corruption, bank accounts have been opened in a variety of banks - rural banks, cooperative banks, nationalized banks and, in a few cases, post offices in the name of the worker. One of the criteria of the bank that it should be very close to the Gram Panchayats. The effort has been to open accounts in institutions that are as close as possible to the village where work is being carried out.

In their major findings Drèze et al (2007), noticed that the NREGA records in Orissa are virtually unverifiable. The verification of muster rolls for the 30 sample worksites shows that
only 60 percent of the days of employment recorded in the muster rolls were confirmed by the concerned labourers. The corresponding discrepancies in wage payments may be even larger. Corruption is so rampant that it threatens to NREGA’s potentiality in Orissa (especially in economically backward areas such as the sample Districts).

The Ministry of Rural Development has been also underlining the problem of several gaps in the context of NREGA implementation. It has not sidestayed in pointing out that several states have not formulated the rules for carrying out the provision of the Act as of March 2007. They have failed to prescribed the time frame for each level i.e. Gram Panchayat, Block and district levels for purposing, scrutinizing and approving the NREGA related work. It is significant that several states have responded positively by initiating steps about these gaps after being criticize in central audit report. Similarly the issue of creating State Employment Guarantee Councils (SEGCs) and an appointing Employment Guarantee Commissioners (EGCs) was taken up in the audit report and received satisfactory response from the defaulter states. A large number of states (20 states) were found to ignore the need of appointing full time dedicated Programme Officers for NREGA. They had given this task as additional charge to the existing Block Development Officers (BDOs). Eleven states had no provision of Technical Assistants and most of the states (22 states) did not set up a technical resource support group at state/district level. In a significant number of states (18 states) there were no panels of Accredited Engineers for the purpose of estimation and measurement of work. The provision of appointing dedicated Gram Rajgar Sevaks was not fulfilled in most of the states.

The NREGA operational guidelines included the preparation of a five year Districts Perspective Plan to facilitate advance planning perspective for the development work at the district level. It is accepted to function as the basis identify the priorities in selecting task under NREGA in the district and the potential linkages between it and long term employment generation and sustainable development. According to the Central Government Audit report more than 65 percent districts in 17 states did not have such District perspective plans. Similarly, the Annual plans were in an incomplete stage during the audits in all the site checked in all major states in 2006-2007. In several states there was no definite information about the physical assets created nor any clarity about the enduring outcomes of the NREGA based scheme.
It is important to underline that the Gram Sabha (village council) is assumed to be the key point of introduction of NREGA in the villages of India. No Gram Sabha meetings were to be founded conducted in large number of states (12 states). In 20 states it was reported that no survey were conducted in several Gram Panachayat to identify persons willing to register for NREGA based employment. The problem of job cards related irregularities was most common defect in many Gram Panchayats in several states. The works carried out under NREGA needed unique identity number, administrative approval, technical sanctions and worksite facilities at village level. These provisions were missing in several Gram Panchayats in a many significant states.

In brief, the process of implementation of NREGA is found to be suffering from significant missing links and gaps in the context of physical and financial performance. This task is further complicated because of lack of attention towards the need of coordination at the state level and planning at the district level. In several states, it is unable to create a new chapter in terms of participation of people, initiative by the GPs, and quality control of works. There is more of continuity and less of change in spite of acknowledgment that NREGA is based upon the commitment to make a paradigm shift from the previous wage programmes as it is constructed within a rights based framework and demand driven approach. Some of these problems are highlighted in the report of Comptroller and Auditor General (2007) also which covered the 200 district included by the first phase of NREGA since 2006. The CAG study records relating to the period between February 2006 to March 2007 from 68 districts in 26 states. The CAG report has recommended better staffing, more transparency, quality of work, and strictness about the provision of employment wages and unemployment allowance. A constructive reading of the CAG report and other similar evaluations of NREGA underlines the need of including the process of extensive consultation and planning for success of the programme (Siddhartha and Vanaik, 2008). Otherwise the present gap in NREGA will not allow it to be made a significant vehicle for strengthening decentralization and deepening democracy in village India.
Box III: Major Recommendations for Improvement of NREGA

- Expand the list of assets and vest them with poor
- Expand the limit to employment days
- Improve convergence with other departments and programmes
- Strengthen capacity building of workers and institutions
- Strengthen national support structures
- Enhance administrative expenditure limits
- Focus on awareness generation
- Improve worksite management practices
- Strengthen transparency safeguards
- Improve bank payment modalities
- Set up an independent grievance redressal systems
- Improve administrative wherewithal
- Improve gender sensitive implementation
- Review of entire record keeping systems
- Separate funds for persons with disabilities
- Employment on the daily wage basis for people with disabilities, old age, illness, pregnancy etc.
- Professional technical support team at block and district level
- Introduction of national minimum wage
- Improvement of payment of unemployment allowance


VI

Conclusion

This narrative about responding to people’s protest about poverty through introduction of a right based approach for poverty alleviation in the form of provision of rural employment guarantee in the constitutional system of India suggests that the NREGA has inaugurated a remarkable process for the empowerment of the poor. The Act is particularly a tool of empowerment for the most vulnerable sections of the village communities as they are also victims of social exclusion and political marginalization. Secondly, it has stimulated mobilization of the poor for livelihood within the legitimate frame work of governance. Thirdly, NREGA has made a dent on poverty by both-increasing employment opportunities and raising the wage rate. And fourthly, it has strengthened the process of participatory democracy through economic decentralization and by giving significant roles to the Panchayati Raj Institutions (PRIs), the rural poor classes, communities and the civil society groups.
But it is also obvious that these conclusions are based upon a very short period of the implementation of the scheme. We have to have more details from many more districts in the near future for a clearer picture of the multi-dimensionality of NREGA and its impact upon the rural poor, their unrest against institutions and processes, and the orientation of the Indian state towards the challenge of facilitating livelihood with dignity for the people in chronic poverty.
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