



# NREGA

---

## Opportunities and Challenges

Natural Resource Management and Livelihood Unit



CENTRE FOR SCIENCE AND ENVIRONMENT

---

NEW DELHI

# The National Rural Employment Guarantee Act (NREGA) Opportunities and Challenges

**Lead researchers:**

Richard Mahapatra, Neha Sakhuja, Sandip Das, Supriya Singh

**Special contributors:**

Ranjan K Panda, Shachi Chaturvedi

**CSE Media Fellows whose inputs went into this paper:**

K Venkateshwarlu, Ajeet Kumar Dwivedi, Rajesh Agrawal, Pankaj Jaiswal

Natural Resource Management and Livelihood Unit



CENTRE FOR SCIENCE AND ENVIRONMENT

NEW DELHI  
2008

# C o n t e n t s

Foreword:		
	<b>A tool for ecological regeneration</b>	2-3
-----		
Executive Summary:		
	<b>Spring of development</b>	4-8
-----		
Chapter 1:		
	<b>A regime of rights</b>	9-15
-----		
Chapter 2:		
	<b>So far, many hopes</b>	16-24
-----		
Chapter 3:		
	<b>Challenge of development in backward districts</b>	25-29
-----		
Chapter 4:		
	<b>Love of labour lost</b>	30-34
-----		
Chapter 5:		
	<b>A lost opportunity?</b>	35-46
-----		
Chapter 6:		
	<b>Bypassed?</b>	47-53
-----		
Chapter 7:		
	<b>The way ahead</b>	54-58
-----		
<b>References</b>		59
-----		
<b>Resources</b>		59

## Foreword

# A tool for ecological regeneration

NREGA: An opportunity to make jobs work for village development

Sunita Narain

It was the mid-1980s. Environmentalist Anil Agarwal was on a mission: track down the person who had conceptualized the employment guarantee scheme in Maharashtra. His search—I tagged along—led him to a dusty, file-filled office in the secretariat. There we met V S Page. I remember a diminutive, soft-spoken man who explained to us why in 1972, when the state was hit with crippling drought and mass migration, it worked on a scheme under which professionals working in cities would pay for employment in villages. This employment was guaranteed by law, which meant it provided an entitlement and put a floor to poverty. Since work was available locally, people did not have to flee to cities.

Anil was excited—by the fact of employment during acute stress, but also saw potential for ecological regeneration. We had just visited Ralegan Siddi village where Anna Hazare was overseeing work to dig trenches along contours of hills to hold water and to recharge groundwater. On our visit, we saw the first bumper onion crop because of increased irrigation. Page agreed to the scheme’s ecological potential, but explained that since the scheme was designed for employment during acute distress, the district administration looked for the easiest way out, in most cases breaking stones, building roads or public work construction.

In the next few years, the idea to use this same labour for natural asset creation gained ground in Maharashtra, emphasis changed to soil and water conservation—building check dams, bunding fields, trenching hills and even planting trees. The Central government employment programmes—clones of the Maharashtra scheme—followed suit, mandating in some cases the minimum percentage to be spent on planting trees for ecological regeneration.

This was also the time when the country was learning how to plant trees that survive; or build the tank that would not get silted next season. Bureaucrat N C Saxena worked out how many trees would there be in each Indian village if all the trees planted survived—a veritable forest, which existed only on paper. Anil wrote on how employment programmes had perfected the creation of perpetual unproductive employment—dig a hole, plant a sapling, the sapling is eaten or dies; next season dig the same hole again and plant again. Follow this procedure each year.

This lesson led to new understanding—village communities had to take ownership over fragile natural assets. People had to be involved in decisions and, most importantly, benefit directly from regenerated fodder grass, trees and water structures. Fractured bureaucracies—forest departments, agriculture departments or irrigation departments—did not lead to holistic planning at the village level. It was a time when development experimentation blossomed – states such as Madhya Pradesh created a single agency to work at village watersheds. This was also the period when research revealed the enormous economic

**I realized that in Delhi’s obsession to deal with inefficiency and corruption, the nature of the work was almost forgotten. Nobody could explain if the squares dug each day would add to a tank that functioned. Nobody cared if the channels that brought the water to the tank were desilted. Nobody even cared if the 100 days employment would lead to the work being completed**

gains for villages that better utilised their land and water resources.

Why am I recounting all this? Simple: the National Rural Employment Guarantee Act (NREGA) is built on the same premise. It even improves on past schemes by incorporating the need to invest in natural asset creation (soil and water conservation); by making village level planning mandatory; and by making the elected panchayat (not just fractured departments) responsible for public works. But two years after the scheme's launch, I must ask: do these improvements incorporate past lessons?

Travelling in Rajasthan in peak summer, I found women working on the village 100-day scheme (as it is known locally) in droves. Under a blistering sun they were digging the defunct village pond. The local engineer explained the scheme, formulated by the panchayat, was to desilt the structure and then build its wall. I saw each woman was digging what looked like a square. Why? The supervisor explained this was the requirement, based on a 'scientific' estimation of how much each person could dig daily—how many cubic feet of earth could be moved. The square the women were digging was this task rate, used then to calculate the amount of work done and so the wages. The women I spoke to explained this only meant they never knew how much they would be paid at the end of the week or fortnight, for the task done would be individually calculated.

I realized that in Delhi's obsession to deal with inefficiency and corruption, the nature of the work was almost forgotten. Nobody could explain if the squares dug each day would add to a tank that functioned. Nobody cared if the channels that brought the water to the tank were de-silted. Nobody even cared if the 100 days employment would lead to the work being completed.

In another village, located close to the Sunderban tiger reserve, I saw a rainwater channel built under NREGA; it had changed the village economy to the extent that people do not depend on illegal fishing any more. The water structure provided them with irrigation for an extra crop. This was the real potential of the scheme. Excited, I asked if the panchayat had planned the water structure. No, came the answer. "If we work under a panchayat-led programme, we do not get paid because the panchayat has to clear its payment with the district officials, who in turn require detailed proof that the work has been done." The procedures are complicated and, invariably, people are either not paid, or paid less. This development structure was implemented through the forest department, which has authority to plan and execute work.

The details, not the concept, of the NREGA need to be fixed. Urgently. For the God of ecological regeneration, too, is in the details.

**Fractured bureaucracies-  
forest department,  
agriculture department or  
irrigation department- did  
not lead to holistic planning  
at the village level.**

## Executive Summary

Around three per cent of India's population has worked under the NREGA.



More than 1,00,00 villages are implementing the NREGA. During 2006-07 each village spent at an average of Rs 9,00,000 for creating six productive assets like water conservation structures (only completed works till December 2007). In the last two years, each district has spent around Rs 44 crore.



Many villages are reaping the benefits of using NREGA money for productive purpose like water conservation. But there are many more villages which have not been able to do so.



Governments are approaching the NREGA as a purely wage employment programme thus negating the development potential of NREGA for a large portion of India's rural population.

## Spring of development

NREGA is catching up people's development imagination. Policy makers have to focus on the Act's development effectiveness.

**W**HAT is the development potential of a public wage programme like the NREGA? It is enormous, as we found in a village called Hiware Bazar in Maharashtra's drought-prone Ahmednagar district.

The village has used the state's Employment Guarantee Scheme (EGS), the only predecessor to NREGA, for the last 14 years to increase per capita income by 16 times. It has become a water surplus village from a scarce one. The village now witnesses reverse migration from urban areas for better economic opportunities. The village has 54 millionaire households out of 216. And, now there is no demand of work under the employment guarantee scheme. It is said that a public wage programme's best indicator of success is declining demand for it due to rise in mainstream economic opportunities. One way we can say this is a contemporary fairy tale.

Hiware Bazar has achieved this turn around by investing their labour and money under the EGS on water conservation. A strong village institution treated the EGS as a development opportunity. It decided to spend all available money on fixing the village's key problems of water scarcity and soil degradation.

Is the potential achievable for the 100,000-odd villages implementing the NREGA? Yes, if we use the NREGA as a development opportunity as the above village has done. There is not much difference between Hiware Bazar and a NREGA implementing village. So there should not be any reason why Hiware Bazar cannot be replicated using the NREGA. Hiware Bazar has spent at an average Rs. 300,000 a year on creation of 45 productive assets like water conservation structures. Under NREGA, each village spent around Rs. 900,000 a year on creation of around six productive assets like water conservation structures (only completed works till December 2007). It means NREGA has been able to provide more money to conserve water in a village. Like in Hiware Bazar, NREGA has codified the dominant roles of local communities through Panchayats. Then the question arises: Is NREGA able to usher in economic boom in villages in the last two years?

It is in this context CSE has focused its policy brief on the development potential of NREGA. It is more than two years since the Act was implemented in 200 backward districts to begin with. CSE researchers traveled to 12 districts spread over nine states to assess the development impacts of NREGA. Though it may be early to quantify the impacts, but studying the implementation process can surely hint about the future impacts. So the policy brief has studied the NREGA implementation on its focus on creation of productive assets, the involvement of communities in designing their local development using the NREGA and the stumbling blocks in unlocking the development potential of the Act.

**In 2006-07 alone NREGA has created more than half a million productive assets, mostly water and soil conservation structures. Each of them has potential to herd out poverty from villages. On the other hand, the Act has not been able to generate the kind of employment demand as expected. It has created an average 43 days of employment in 2006-07**

There is excitement as well as disappointment over the implementation of NREGA. Excitement for those who see the Act's development potential. And disappointments for those who treat it as just another wage creation programme. In 2006-07 alone NREGA has created more than half a million productive assets, mostly water and soil conservation structures. Each of them has potential to herd out poverty from villages. On the other hand, according to Union ministry of rural development data, the Act has not been able to generate the kind of employment demand as expected. It has created at an average 30 days of employment for a rural adult during 2006-07 in 200 districts. During 2007- 08 it is around 40 days for an adult member.

Our study finds that in Ranga Reddy district in AP or Tsunami-stricken Nagapattanam district in TN, village communities have been proactive in using the Act for local development. But at the state level, there have been very few states that give importance to creation of productive assets under the Act. Under NREGA, each district, on an average, has spent Rs. 44 crore, but the bulk of this has not been on water conservation. Despite the officially stated 'non-negotiable' focus on water and soil conservation, funds in most states are being spent on roads and buildings. Three states – AP, MP and Jharkhand – accounted

for 96 per cent of water conservation works under NREGA. This negates the development potential of the Act.

**There is a linkage between less focus on water conservation activities and the wage structure under the Act. Irrational wage calculation formula has made productive assets creation less lucrative to local communities in term of accessing minimum wage on time**

There is a linkage between less focus on water conservation activities and the wage structure under the Act. Irrational wage calculation formula has made productive assets creation less lucrative to local communities in term of accessing minimum wage on time. Under NREGA wage is paid on the basis of task rate i.e. minimum wage based on completion of a specified amount of work. As reports pour in on irregular and less than the basic minimum daily wage payment under the Act, Panchayats are asking for more road construction works where wage payment is irrespective of work completion. This means in future more and more road construction works will be covered bypassing water conservation works. The experience of Sidhi district in Madhya Pradesh is an indicator of that. Sidhi took up digging of wells extensively using NREGA. But the wage earning from well digging was much less than wage from road construction. This resulted in Panchayats asking for more road construction works. However, a recent revise in wage rate has made earning from both the activities at par.

As the focus on productive assets blurs, communities may not find the Act relevant to them in long term. The basic tenet of the Act is to hold the villagers by offering jobs at the village in short term while using their labour for building long term productive assets. The irregular wage is already a disincentive. Less focus on productive assets will further make the Act irrelevant. We found that once soil and water conservation works allowed in private lands of scheduled castes and tribes (SC/STs), demand for works went up. Because people found the Act productive in long term. The dipping demands of jobs under the Act may well be due to less focus on productive assets.

NREGA was not designed to be a government officials led programme. Learning from EGS, it made provisions for the communities to design and implement development programmes in villages using their own labour. Conceptually, decentralisation is part of the scheme. The village has to make a development plan; the projects have to be cleared by the Gram Sabha and implemented by the Panchayat.

In all the states we found that the Act is still being implemented as another wage employment programme. The design of development at village level has become a ritual. This is due to the larger problem of devolution of power to Panchayat in the country. Though there are efforts from Panchayats to draft village development plans, due to various reasons they are not being used for taking up works under



the NREGA. The provision for adopting National Food for Work Programme (NFFWP) plans for NREGA during interim period has resulted in bypassing new village plans. This in long term will discourage local participation in NREGA, as our studies point out. There are reports of less and less people participating in Gram Saha meetings on NREGA works.

It is evident that the potential is huge for poverty-stricken villages. But it needs a change in our thinking and approach to NREGA. This has to first come from our policy makers who put in place this Act. Instead of hyping or discounting the Act's success in terms of employment generation only, it will be prudent to rethink its development agenda.

# Chapter 1

In NREGA, for the first time, a public wage programme has given rural households the right to employment.



It comes at a time when there is a severe rural livelihood distress. The Act is supposed to fulfill the short-term need of casual employment while creating sustainable livelihoods in long-term.



The programme targets at raising the agricultural productivity of the rainfed areas in the country that account for 68 per cent of country's net sown area.



The Act aims at transforming a labour surplus economy to a labour using economy. It should use the labour demand to create village productive infrastructure.



Village communities are the drivers of the Act thus turning it into a major development instrument for rural India.

# A regime of rights

## NREGA makes regeneration of local ecology a right but does not link it to rights over ecology

**N**REGA is a significant legislation in many ways. Unlike earlier employment schemes, it is demand-driven. People who need jobs will demand them, which the government is legally bound to provide. In case of failure to do so, the government has to dole out unemployment allowance. For the first time, rural communities have been given not just a development programme, but also 'a regime of rights'. The Act was preceded by three decades of attempts to bring in such a legislation. The EGS of Maharashtra is the only precedent to the NREGA (See box: *From crisis to opportunity*). But in terms of programme design all rural wage employment programmes since early 1970s resemble NREGA.<sup>1</sup>

Given the rising demand for foodgrain in the future and irrigated areas having reached their plateau of productivity, development of rain-fed areas holds the key to future food security. But India's rainfed areas have been in the throes of an agrarian and unemployment crisis (See *Down To Earth* cover story on rainfed agriculture, July 31, 2007). That is the reason why the Act gives importance to raising agricultural productivity in rainfed areas (See box: *Is NREGA key to India's food security*).

### Labour-using economy

The NREGA guarantees employment for the poor in crisis. It is to trigger labour intensive growth for the economy in the second round through assets that generate mainstream employment. So it is not about creating a permanent army of unskilled workers. It is a tool for transmission of the economy from labour surplus economy to labour using economy.

It has two components: the cash transfer and the creation of productive assets relevant to local needs. The Act fills up the lean four non-agriculture months that average Indian rural habitant faces. The 100 days of guaranteed employment at a minimum wage of Rs 60/day aim at holding people to villages during this lean period. Though the Act doesn't limit the guarantee to any period, it is assumed that people will demand works only during the lean season.

Technically the Act transfers atleast Rs. 6000 a year to an individual, i.e. around one and half times of the annual poverty line figure of Rs. 4272 for rural areas.<sup>2</sup> So the scheme alone can push a person above the poverty line. At the current average of NREGA providing 30 days employment<sup>3</sup>, it has contributed at least Rs 1800/person.

But what is of prime importance is the creation of productive assets like irrigation facilities, which in turn will create further employment. In fact, creation of productive assets and infrastructure in villages is a right kind of indicator of the

### IS NREGA KEY TO INDIA'S FOOD SECURITY?

Raising the productivity of the rainfed areas of which the backward districts constitute 60 per cent is an imperative if we were to meet the goal of national food security in the coming years. Estimates show that even in the most optimistic scenario of further irrigation development in India, nearly 40 per cent of national demand for food in 2020 will have to be met through increasing the production of rainfed drylands agriculture. Nearly 65 per cent of the national unutilised irrigation potential is in the eastern parts of the country, comprising the medium to high rainfall regions of West Bengal, Bihar, Jharkhand, Orissa, Chhattisgarh, eastern Uttar Pradesh and northern AP, all NREGA areas.

These areas also form the chunk of India's degraded lands. India needs to treat 125 million Ha of land under soil and water conservation to make this potential a reality. At the current level of outlay this will take 75 years to do so under the watershed development programmes. For the government to complete this by 2020, it has to allocate Rs 10,000 crore every year for the next 15 years. The NREGA being a scheme with focus on rejuvenation of ecology can bear 50 per cent of the cost to make the attempt feasible.

(Source: Report of the Technical Committee on Watershed Programmes in India, Department of Land Resource, Ministry of Rural Development, January 2006).

Act's effectiveness as each of the structure has potential of creating further employment, and that also productive employment. For example, one Ha of irrigation created leads to additional employment creation for 2.5 persons.<sup>4</sup> Besides, it also raises the earning of the households through better agriculture and employment opportunities in allied activities (See box: *From crisis to opportunity*). The Act, this way, targets the creation of productive employment by rehabilitating people back in agriculture sector.

The Act has codified the types of works to be undertaken using the guaranteed employment. Out of nine preferred areas of works under the NREGA, seven focus on water and soil conservation. The attention of the scheme is on the following works in the order of priority<sup>5</sup>:

- Water conservation and water harvesting
- Drought proofing (including afforestation and tree plantation)
- Irrigation canals (including micro and minor irrigation works)
- Provision of irrigation facility to land owned by households belonging to Scheduled Castes and Scheduled Tribes or to land of beneficiaries of land reforms or that of the beneficiaries under the Indira Awas Yojana of the government of India.
- Renovation of traditional water bodies (including desilting of tanks)
- Land development
- Flood control and protection works (including drainage in water-logged areas)
- Rural connectivity to provide all-weather access

### FROM CRISIS TO OPPORTUNITY

Hiware Bazar, a village in Maharashtra's drought prone Ahmednagar district, is an example of how to use public wage programme to churn out greater common goods. The village has been highly successful in utilizing EGS in securing its future against drought by investing in soil and water conservation activities.

Back in the 1970s the village lost a crucial fight against ecological degradation. With just 400 mm of rainfall, the village slipped into an abyss of ecological degradation with deforestation in the surrounding hills and catchment areas. The runoff from the hills ruined the fields; agriculture became unrewarding resulting in crop failure. The village faced an acute water crisis and its traditional water storage systems were in ruins.

This crisis was turned into an opportunity by channelising all EGS money for creation of productive village assets like water conservation structures and reforestation. The first step taken by the village Gram Sabha was to regenerate the completely degraded 70 hectares of village forest and build contour trenches across the village hillocks to regenerate the catchments of the village wells. In 1994 the Gram Sabha approached 12 agencies to implement watershed works under EGS. The village prepared its own five-year plan for 1995- 2000 for ecological regeneration. The plan became the basis for EGS to be implemented. The state government spent Rs 42 lakhs under EGS in the village to treat 1000 hectares of land, at Rs 4,000 a hectare. 414 hectares of contour bunding stopped runoff and around 660 water- harvesting structures caught rainwater.

Hiware Bazar is now reaping the benefits of its investments. The little rainfall it receives is trapped and stored in the soil. The number of wells has increased from 97 to 217. Irrigated land has gone up from 120 hectares in 1996 to 260 hectares in 2006 (See table: *Intense cropping*). Grass production went up from 100 tonnes in the year 2000 to 6,000 tonnes in 2005.

With more grass available, milch livestock numbers have gone up from 20 in 1998 to 340 in 2003 as per the the government livestock census. Milk production increased from 150 litres per day in mid 1990s to 4000 litres presently. In 2005- 06, income from agriculture was nearly Rs2.48 crores. According to 1995 Below Poverty Line (BPL) survey, 168 families out of 180 were below the poverty line. This number fell to 53 in the BPL survey in 1998. Today only three households in Hiware Bazar are BPL. There has been a 73 per cent reduction on poverty, due to profits from dairying and cash crops. According to Popat Rao Pawar, Sarpanch of Hiware Bazar, the village residents are the greatest environment planners who understood the importance of watershed literacy.

<b>Intense cropping</b>			
<b>Land use</b>	<b>1996- 97</b>	<b>1998- 99</b>	<b>2002- 03</b>
Gross cropped area (ha)	821	1,007	1,125
Net cropped area (ha)	723	730	748
Multi cropped area	99	276	377
Cropping intensity	1.140	1.380	1.500
<i>Source: Talathi (village accountant) records</i>			

## ARGENTINA'S EMPLOYMENT GUARANTEE SCHEME

Argentina's employment guarantee scheme known as *Plan Jefes de Hogar* makes an interesting study on the role of institutional framework for success of public wage programme. After the country's economy collapsed in early 1990s leading to large-scale unemployment, the government started the *Jefes* programme to give employment to heads of households through a presidential decree in January 2002. Later it became a law. Most of the other employment generation programmes and safety net schemes were transferred to the *Jefes* scheme. The programme pays 150 pesos per month to a head of household for a minimum of 4 hours of work daily. Participants work in community services and small construction, agricultural, or maintenance activities, or are directed to training programmes. The household must contain children under age 18, persons with physical disabilities or a pregnant woman.

One of the most distinguishing features of the program's institutional design is its decentralised model of administration. The Argentina federal government provides the funding for salaries as well as a portion of equipment costs, general guidelines for the execution of work projects, and some auxiliary services for managing the program. The municipal governments primarily execute the actual administration of the program. The municipalities are responsible for assessing the pressing needs and available resources of their communities and for evaluating the projects proposed by the local non-profits or NGOs. A large majority of the projects are designed specifically to cater to community needs by directly providing goods and services. According to labour ministry data, 87 per cent of *Jefes* beneficiaries work in community projects. These include primary agricultural micro-enterprises and various social and community services. Improving sewer system and water drainage are two prime activities.

*(Sources: Employment Analysis and Research Unit, International Labour Office, Geneva, August 2007)*

- Any other work, which may be notified by the Central government in consultation with the state government

### Old letters, new spirits

NREGA practically follows the format of the Employment Assurance Scheme (EAS) and the National Food for Work Programme (NFFWP). These two programmes worked on the same principle of using labour to create productive assets. NREGA follows the guidelines of the National Food For Work Programme, which was launched in November 2004 in 150 of the poorest districts of the country (Read a background paper on NREGA <http://cseindia.org/programme/nrml/nrml-index.htm> and **See box: Rural wage employment programmes in India**). All districts under the NFFWP have been subsumed under the NREGA now. NFFWP guidelines focus on water conservation works, and the only addition in the Act is irrigation canals and micro- and minor irrigation. According to the guidelines, an expert agency will be hired for formulating village, intermediate and district plans. Panchayat representatives, local members of legislative assembly and members of parliament will be consulted by this agency in preparing the plans and the shelf of projects. The works recommended by gram panchayats will get priority over other works.

Under the Act each state is required to formulate a Rural Employment Guarantee Scheme within six months of its enactment. Broad features of the Act like preferred works are non-negotiable thus no state can change it under its state scheme. Till the time the state has not formulated the scheme and its guidelines, the annual or perspective plan under the NFFWP will work as action plan for NREGA implementation.

The state government formulates regulations to facilitate the overall implementation. It sets up the State Employment Guarantee Council to advise the government on implementation of the scheme, and to evaluate and monitor it. The council also takes decisions on the preferred works to be undertaken in the state. The central government's rural development ministry is the nodal ministry for implementation and fund disbursement. It also monitors and evaluates the scheme. Further it sets up the Central Employment Guarantee Council for advising it on various issues related to NREGA.

Broadly, the village and intermediary panchayats manage the implementation activities while coordination activities are done at the district panchayat level. Planning, supervision and monitoring take place at all levels. However, at every level the agencies concerned are accountable to the communities.

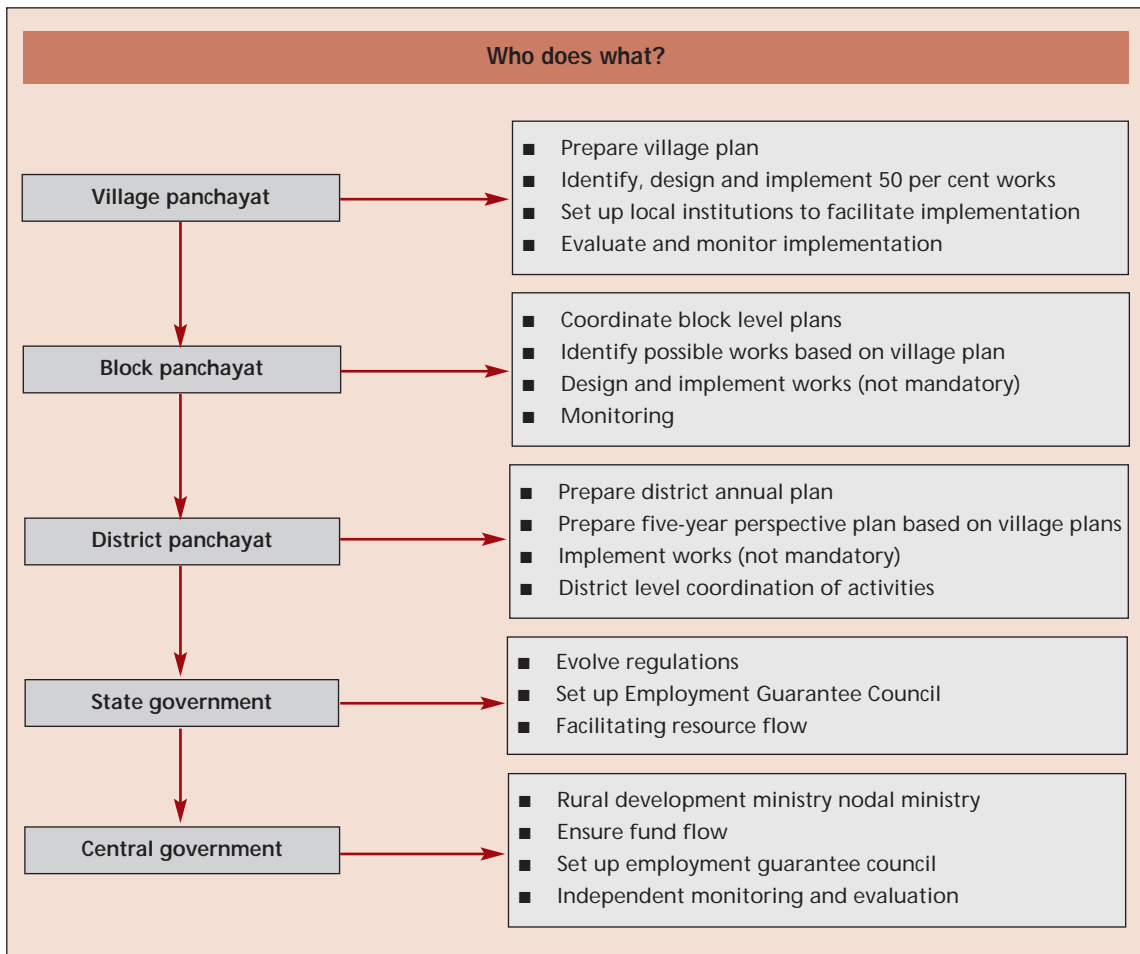
RURAL WAGE EMPLOYMENT PROGRAMMES IN INDIA			
<p><b>1980</b> National Rural Employment Programme (NREP) launched to use unemployed and underemployed workers to build community assets</p> <p><b>ALLOCATION</b> <b>6th plan</b> 1980-1985: Rs 980 crore</p> <p><b>7th plan</b> 1985-1990: Rs 1,682 crore</p>	<p><b>1983</b> Rural Landless Employment Guarantee (RLEG) launched to provide 100 days of guaranteed employment to one member from each rural, landless household</p> <p><b>ALLOCATION</b> <b>6th plan:</b> 1983-1985: Rs 500 crore</p> <p><b>7th plan</b> 1985-1989: Rs 2412 crore</p>	<p><b>1989</b> Jawahar Rozgar Yojana launched, combining NREP and RLEG</p> <p><b>ALLOCATION</b> <b>7th plan</b> 1985-1990: Rs 2,100 crore</p> <p><b>8th Plan</b> 1992-1993: Rs 2,546 crore 1993-1994: Rs 3,306 crore 1994-1995: Rs 3,855 crore 1995-1996: Rs 3,862 crore 1996-1997: Rs 1,865 crore</p>	<p><b>1993</b> Employment Assurance Scheme (EAS) launched to provide employment during the lean agricultural season</p> <p><b>ALLOCATION</b> <b>8th Plan</b> 1993-1994: Rs 600 crore 1994-1995: Rs 1,200 crore 1995-1996: Rs 1,570 crore 1996-1997: Rs 1,970 crore</p> <p><b>9th plan</b> 1997-1998: Rs 1,970 crore 1998-1999: Rs 1,990 crore 1999-2000: Rs 1,700 crore</p>
<p><b>1999</b> Jawahar Gram Samridhi Yojana (JGSY) launched; dedicated to development of demand driven rural infrastructure</p> <p><b>ALLOCATION</b> <b>9th plan</b> 1997-1998: Rs 2,077 crore 1998-1999: Rs 2,095 crore 1999-2000: Rs 2,095 crore</p>	<p><b>2001</b> Sampoorna Gramin Rozgar Yojana (SGRY) launched, merging EAS and JGSY</p> <p><b>ALLOCATION</b> <b>9th plan</b> 2000-2001: Rs 2,950 crore 2001-2002: Rs 3,250 crore</p> <p><b>10th plan</b> 2002-2003: Rs 4,440 crore 2003-2004: Rs 4,900 crore 2004-2005: Rs 5,100 crore 2005-2006: Rs 4,000 crore 2006-2007: Rs 3,000 crore</p>	<p><b>2004</b> Food for Work Programme (NFFWP) launched to generate additional supplementary wage employment and create assets</p> <p><b>ALLOCATION</b> <b>10th plan</b> 2005-2006: Rs 6,000 crore</p>	<p><b>2006</b> National Rural Employment Guarantee Scheme (NREGS) launched to provide 100 days of guaranteed employment to one member from each rural household and create community assets</p> <p><b>ALLOCATION</b> <b>10th plan</b> 2006-2007: Rs 11,300 crore</p>

### National Act, local actions

Village panchayats are the nodal implementing bodies for the NREGA. Local bodies (*See chart: Who does what?*) will plan, design and execute the works to be taken up. This is a step towards making this Act a participatory process and empowering people at the grassroots level. At least 50 per cent of the works under the scheme will be implemented through village panchayats. Currently, according to the Union ministry of rural development, village panchayats are implementing close to 66 per cent of all works under the Act. The Act mandates the panchayats to prepare village-level plans based on local resources and needs. These plans are then implemented using the NREGA, which effectively insulates them from political whims and pressures.

The Gram Sabha is the statutorily mandated institutional mechanism for community participation. In addition, other methods of community participation could be instituted: local vigilance and monitoring committees, workers associations, local beneficiary committees, self-help groups, users groups and other grassroots structures. The village council takes the decision to formulate such user groups.

Implementation of the NREGA starts from the Gram Sabha. The Gram Sabha also takes charge of popularising the scheme for registration of people and also the procedures to demand works. The Act authorises the Gram Sabha to recommend works to be taken up under the scheme, to monitor and supervise these works, and to conduct social audits of the implementation.



The village panchayat is responsible for planning of works, registering households, issuing job cards and monitoring implementation of the scheme at the village level. The Act has provision for appointment of employment guarantee assistant in each panchayat for this purpose. The intermediary panchayat is responsible for planning at the block level, and for monitoring and supervision. This tier of panchayat is also given works for implementation from the 50 per cent works that are not to be implemented by the village panchayat. District panchayat is responsible for finalising the district plans for NREGA, which is a comprehensive plan of action for the scheme for the district. District panchayat can also implement works from the 50 per cent non-village panchayat pool.

**Evolved at the village**

NREGA is primarily implemented through two planning documents at district level called district perspective plan and annual plan. Though the district panchayat coordinates the planning process, the other two tiers of panchayat play crucial roles in the exercise. These two documents are designed as local five-year plans that take care of local needs. Based on these plans the panchayats identify works (See box: *Beneficial, if we plan*). The annual plan is basically a shelf of works to be taken up under the schemes and must be completed by December. The works are selected keeping in mind its impact on local development. The district perspective plan is intended to facilitate advance planning and to provide a development perspective for the district. This plan is prepared based on the linkages of assets to be created that will help in local development. This plan is usually for five years and based on village level inputs from panchayat.

.....

**Village panchayats are the nodal implementing bodies for the NREGA. Local bodies will plan, design and execute the works to be taken up. This is a step towards making this Act participatory and empowering people at the grassroots level**

.....

### BENEFICIAL, IF WE PLAN

Bhuanpada village of Madhekela gram panchayat in Orissa's Balangir district was lucky to effectively formulate its village plan unlike several other villages where the *Sarpanch* decides what works are to be implemented under the NREGA. Effective planning secured them the required water harvesting structures to ensure water availability for their crops during the dry months. *Pallisabhas* and *Gramsabhas* were conducted. The village needs were highlighted during the consultation process and their priority of works was set accordingly. As per their suggestion a new pond was excavated over a government land. "That government land was illegally encroached earlier," says Shankar Pradhan of Bhuanpada. Now that pond is successfully providing supplementary irrigation to about 12 acres of land. There is no clearly laid down procedure on how to maintain assets created under the scheme. Yet it is noticed that the community is involved in maintenance of assets from which they are individually benefiting more. "We get double benefits. We get wage employment first and now we have a permanent asset capable of fighting our drought vulnerabilities," Pradhan adds. This asset will keep benefiting for long hence they are more interested in maintaining such structures. B K Behera, Assistant Engineer of Gudvella block, said that all the works were carried out as per the perspective plan which was prepared for National Food For Works Programme. "Projects are identified first in the *Pallisabha*, and then sent to the *Gramsabha*."

A perspective plan will be prepared for each district indicating the works to be undertaken under the programme (See box: *The right perspective*). This listing, done each year for the coming five years, will present self-employment in persons and wage employment in the number of man-days, which will be divided by 100 to arrive at the number of persons figure. The village-level information on the missing infrastructure, its costs and the employment generated will be compiled in the block level plan, and the block wise information will be compiled in to the district plan. Based on these plans, a district perspective plan will be formulated, which will present, one yearly basis, the works and employment to be generated at the district level.



### THE RIGHT PERSPECTIVE

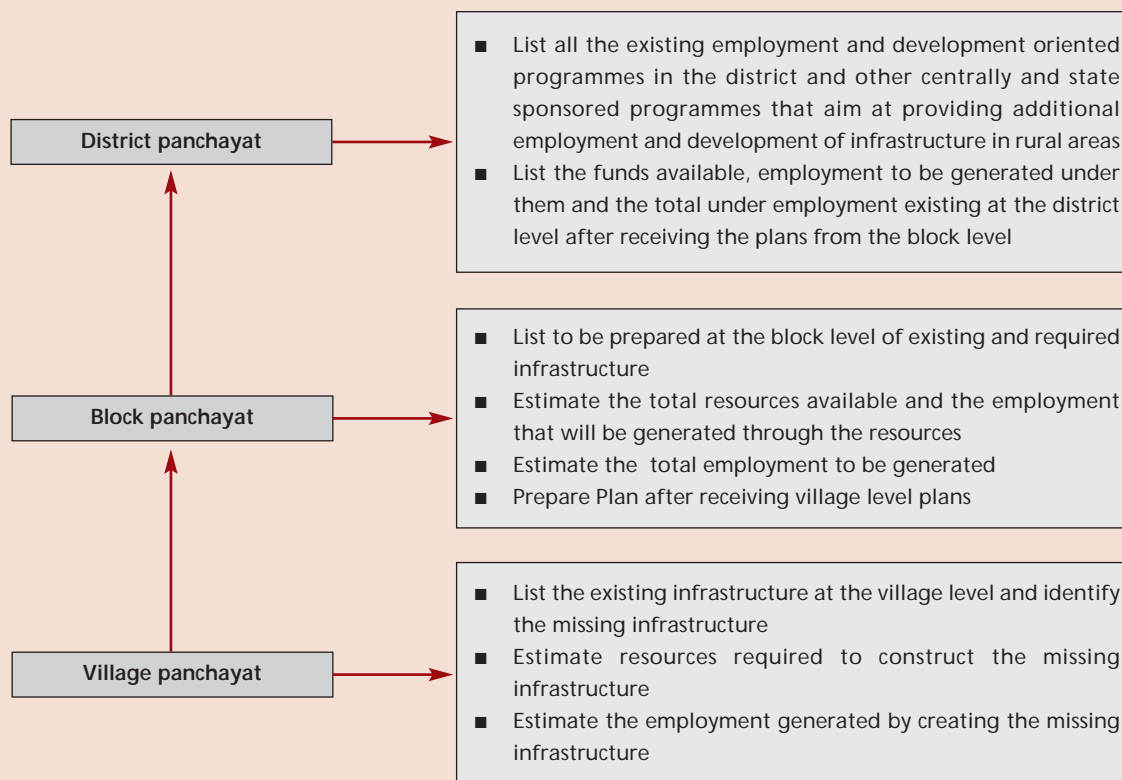
Rajasthan’s Dungarpur district like many other districts in the state adopted the District Perspective Plan prepared for the National Food for Work programme (NFFWP), 2006-07. But the process of preparing the plan in the district is community – driven thus reflects the local needs. The plan prepared by People’s Education and Development Organisation (PEDO), an NGO, includes mapping of the resources available in the district and lists the existing infrastructure and the needs of the people. The village level plans in the district have been derived from this plan. Majority of the works implemented on ground are in sync with the works planned in the village plan. “This encouraged ownership towards the assets amongst the village residents , as the process of formulating the plan was consultative to a large extent,” says the District collector, Neeraj K Pawan. Dungarpur’s district perspective Plan was instrumental in giving priority to water conservation works, says Pawan. Eighty per cent of the works implemented in the district are related to water conservation.

Dungarpur’s livelihood is dependent on agriculture and majority of the works undertaken in NREGA are directed towards addressing this need of livelihood security by building productive assets. According to the District Perspective Plan, the net irrigated area in the district has increased only by 20 per cent from 122,725 hectares in 1993-94 to 123,838 hectares in 2004-05. The net cropped area increased only by a mere one per cent. Dungarpur’s District Perspective Plan highlights the need to bridge this divide by increasing the cropping area from 31.38 per cent of the district area to 35.88 per cent at the end of the completion of the Five Year Plan period (2005-2010). The expected increase in groundwater levels due to intensive water conservation works according to the District Perspective Plan is estimated at an increase from 3 metres in 2005 to 2.70 metres in 2010.

The Plan also highlights the associated socio -economic impacts as a result of planned soil and water conservation works. With increased irrigated area in the district, and agriculture offering better prospects, the district aims to increase household income levels from Rs 2735 per capita to Rs 3500 per capita. The Plan’s target is to reduce the out migration by 16 per cent in 2010 from 36 per cent in 2005.

Source: Dungarpur’s District perspective Plan, prepared for NFFWP (2005- 2010), Government of Rajasthan.

#### Preparing the Perspective Plan



## Chapter 2

NREGA is in implementation since two years. There is excitement as well as disappointment over its state of implementation.



Demand for works under the Act is very low: around seven per cent participation from a casual workers population of 140 millions in the country.



States with maximum casual labours like Andhra Pradesh, Uttar Pradesh, Bihar, Jharkhand, Chhattisgarh, Orissa and Madhya Pradesh are reporting the minimum job demands under the NREGA during 2006-07. These are the states that account for around 100 districts out of 200 initially targeted for NREGA.



Few states have set up the mandatory institutional mechanism for implementation of the NREGA.



Whenever the local communities have been able to use the Act for development with direct impacts on local livelihoods, there is excitement. Disappointments are there where the local bureaucracy is calling the shots in NREGA implementation.

# So far, many hopes

**NREGA will attract wider participation if it is made relevant to local development**

**A** NJAMA, A 45-year-old farmer of Rangapur village in Andhra Pradesh's Rangareddy district, is jubilant. As she digs up a percolation tank in her village under the NREGA, she hopes to ensure one crop in her farm next year. It is for the first time in five years she has not migrated for jobs. But her way out of poverty has few challenges. The percolation tank is on private land and nobody is sure whether the residents can own or manage it in future. The 100 days of employment may not be sufficient to take her out of poverty. "But good agriculture and NREGA can together do that," she hopes. It is with this hope that she attends all Gram Sabha meetings on NREGA to push for water conservation works.

S. Timapa, a 55-year-old farmer from Hulikallu gram panchayat of Anantapur district has already planned his life around NREGA. He used to sow only groundnut in his less than one ha of rainfed land. In a normal monsoon scenario, Timapa earns a paltry Rs 10,000 per year from agriculture that sustains his family of six for only three months in year. Rest of the months, Timapa has been migrating to neighbouring cities such as Bangalore, Bellary and Tirupati in search of daily labour in the construction sites. Migrating to cities has been part of Timapa's routine for the last four years as Anantapur which gets an average annual rainfall of about 553 mm has been witnessing one of the driest spells of recent past.

Till June 2007, Timapa was not planning to migrate. Instead he was busy ploughing his land prior to the arrival of the monsoon in July. Thanks to the desilting and widening work initiated in the Indirama tank in the Hulikallu village under NREGA, Timapa already got works for 65 days during January and May 2007 and got Rs 80 per day as wage. "If it rains normally I will sow groundnut, if it does not then I will wait for the monsoon till December," said Timapa. The Rs 5,200 earned from NREGA would be just enough to survive till December. Timapa hoped to get more works under NREGA in the coming months.

Far away in UP, dreams of Gokul Punia, a 34-year-old farmer of Padri village in Hardoi district, crashed with implementation of NREGA. A marginal farmer without adequate irrigation like Anjama could have benefited from a water structure. Instead the panchayat built a road right in the middle of his land taking away a chunk of his livelihood. For the district with large number of farmers and less irrigation coverage could have benefited much from assets like water tanks and irrigation canals.

Desperation takes a different turn for Ladku Mera, a 52-year-old daily wage labourer from the Ragauli Bhatpura gram panchayat of Banda district in Uttar Pradesh. He was looking forward to get works under NREGA so that he did not have to migrate to cities for sustaining his family of six – parents, wife and two kids. He owns two *bighas* of land, which remains unproductive due to absence of irrigation facility and erratic monsoons. Instead he takes up daily wage work, which barely sustains his family for only six months.

As part of NREGA, only one work relating to construction of a earthen road between Ragauli Bhatpura and Maharajpur was taken up with an expenditure of Rs 1.78 lakh during November 2006-March 2007. Although 200 labourers got works during the construction of road, Ladku was not lucky to get work. The works under NREGA were taken up only in May 2006

**Two years after the launch of NREGA, few states have managed to use the Act towards providing livelihood to large number of poor people living in rural hinterlands, while many are yet to recognise the Act as an instrument of fighting hunger and distress migration through creation of assets at the village levels**

after the union government threatened to withhold rural development funds to Uttar Pradesh government. Elections to the Uttar Pradesh assembly held during May-June 2007 delayed the implementation of NREGA. "Although some works (under NREGA) were taken up, the previous government led by Mulayam Singh Yadav did not take up work vigorously because they thought it would accrue credits to central government in an election year," says Bhagwat Prasad, director, Akhil Bharatiya Samaj Seva Sanasthan (ABSSS), a NGO based in the Chitrakoot district of Uttar Pradesh. Not getting job on time Ladku had to migrate out.

Jagadamba Koti, a 55-year-old resident from Sadayunkadu hamlet of Vettailaranruppu gram panchayat in the Nagappattinam district of Tamil Nadu, has completed stipulated 100 days of works under NREGA during November 2006 – March 2007. Jagadamba along with 30 other women worked in digging of a pond in the village with an estimated cost of Rs 7 lakh. Jagadamba and her husband Kathamuthu are landless daily wage earner and now looking forward for the more works under NREGA. Jagdamba has been paid Rs 8000 (Rs 80 per day) for her 100 days of work. "Out of the NREGA wage, we repaid Rs 2300 towards loan for a goat and rest we spent on procuring rice and cereals for the year," says Jagadamba. With little money left out of the NREGA wage, Jagadamba and Kathamuthu are desperate for more work. They cannot wait till November 2007 when the agriculture activities start as Nagappattinam district, which gets most of its rains (960 mm) from the Northeastern monsoon.

### In state of confusion

The stories of Timapa, Jagadamba Koti and Ladku Mera also capture the varied state of NREGA implementation across the country. Two years after the launch of NREGA, few states have managed to use the act towards providing livelihood to large number of poor people living in rural hinterlands, on the other hand many states are yet to recognise the Act as an instrument of fighting hunger and distress migration through production of assets at the village levels (See box: *Restricted Entry*). NREGA has enabled creation of productive assets in many states. While others are still treating it as only

## RESTRICTED ENTRY

The Union ministry of environment and forestry has been demanding for at least 25 per cent of NREGA works to be devoted to forestry activities. In the 11<sup>th</sup> Five-Year Plan it has proposed to raise India's forest cover by 5 per cent using the NREGA as a vehicle<sup>6</sup>. One of the permissible works under the Act is tree plantation. But at village level the forest departments are trying their best to stop implementation of NREGA in forest villages. The experience of Imlidhoh forest village in MP's Betul district is an example. Primitive Koruku tribes inhabit the village and usually migrate for nine months a year in search for livelihoods as access to the forest around is restricted.

Under the NREGA the district authorities in consultation with the village panchayat disbursed Rs 3 lakh for construction of a road. But the forest department didn't give permission for the work. After two months of running to local forest ranger's office, the Gram Sabha sat in September 2007 and asked the forest department to give sanction as the panchayat has taken a decision under the NREGA. Along with the fresh request the village sent demands from 94 residents for work. It also put a condition: if the forest department was not giving permission it must give unemployment allowances to the 94 people. Finally the forest department gave the permission. But the residents remained jobless for close to three months.

Under EGS in Maharashtra also forest villages are facing same problems. In early February 2007, a large group of tribal from Melghat organised a *padayatra* and walked from Paratwada to Amravati to meet the district collector, Ravindra Jhadav, and demand work under EGS. All had a common complaint — their agricultural land is disputed and they rarely get work under EGS. Says Bhai Ranu Jamunka, a 75-year-old farmer from Keli village in Chikaldara taluka, "Out of 600 people in my village, only 18 own land and the rest work as labourers. Even the land of these 18 is under dispute... I am tilling my land for the last many decades but now the forest department says it is their land. What am I to do? In any case, in forests there is no source of income, no irrigation facility, nothing."

It is the same story for Sabulal from Biba village in Chikaldara taluka, "Forest department has recently cut a plot in my land and says it belongs to them. I do not have the record of rights to prove my ownership over the land." On being questioned about availability of EGS work, Sabulal said it takes one to two years to get that work. Since there are no irrigation facilities inside the forests, every year villagers make a temporary dam on a rivulet and divert some water to our fields. But the forest department says this is illegal. Every year residents have to fight with the forest department.

wage employment programme. There have been wide variations in the spending pattern amongst states (See box: *Unable to spend*).

Although NREGA was formally launched in February 2006, the first two months (February and March 2006) were used by the states mainly in activities such as registering applications for job cards, making and distribution of job cards and passage of confirmatory legislations by states. Effectively, only in May-June 2006 that all the 27 states could implement the NREGA. In 2006 and early 2007 the Union Rural Development Minister Raghuvansh Prasad Singh issued half a dozen circulars to states for fast implementation<sup>7</sup>.

In April 2007 the Union government further added 133 districts to the NREGA list. From April 2008 all districts in the country will be covered under the NREGA. For all practical purposes, NREGA is in preparation level in the 133 districts added in April 2007. The 200 districts are where the NREGA is being practically implemented.

### Low participation

Since August 2006 when the first figures on employment generation were released, the success of NREGA has been measured in terms of ratio of jobs demanded and provided. During 2006-2007, 21.2 million people demanded works while 21 million people were provided jobs under NREGA (around two per cent of India's population)<sup>8</sup>. Ministry of rural development has been claiming success of NREGA on the basis of this data that more than 90 per cent people who demanded jobs were provided with employment opportunities.

During 2006-07, NREGA created 9 million person days of employment<sup>9</sup>. This means that on an average 42.85 person days were generated for each family across the year covering 39 per cent of all rural households. This is around 60 per cent less than the promised 100 days employment guarantee under NREGA.

On the other hand this is around seven per cent participation from a casual worker population of 140 million in the country. It indicates that large number of people didn't demand job under the scheme. When NREGA was conceived government made an estimate that most of the 57 million rural households would ask for job under the scheme. Based on this assumption proponents of NREGA made an estimate of Rs. 40,000 crore expenditure for the Act's implementation.

Interestingly, the states with maximum casual labours like Andhra Pradesh, Uttar Pradesh, Bihar, Jharkhand, Chhattisgarh, Orissa and Madhya Pradesh are reporting the minimum job demands under the NREGA during 2006-07. These are the states that account for around 100 districts out of 200 initially targeted for NREGA for this reason. Twenty out of 27 states reported an average of less than 50 employment days per households. Only Rajasthan was able to generate more than 50 average persons days of employment against the guarantee of 100 days during 2006-07. States such as Andhra Pradesh (25.37 persons days), Uttar Pradesh (22.23 person days), Bihar (18.46 person days), Chhattisgarh (38.65 person days), Orissa (32.27 persons days) and Madhya Pradesh (39.9 persons days) are far behind from the target of providing 100 days of employment at the half way mark of the current fiscal.

During 2007-08 (till September 2007), according to latest data released by the Union Ministry of rural development, 16.6 million people have got works under NREGA against the demand from 17.1 million

### UNABLE TO SPEND?

The budgetary allocation to the National Rural Employment Guarantee Scheme, originally estimated to cost around Rs.40,000 crore per annum, has been relatively conservative, with an allocation of Rs.12,000 crore for covering 330 districts in the year 2007-08. The current budget of 2008-09 entails a mere Rs 4,000 crore increase in allocation despite its extension to all 596 districts<sup>10</sup>. The allocation forms 37.5 per cent of the total central plan outlay for rural development, and amounts to less than 0.3 per cent of the GDP at current price level. More than Rs 8,823 crore were spent in the implementation of NREGA across 200 districts during 2006-07 against an allocation of more than Rs 12,000 crore. As NREGA funds are non-lapsable, the unutilised funds to the tune of Rs 3250 crore during 2006-7 were added to NREGA kitty for the year 2007-2008. States, which are implementing NREGA, have already spent more than Rs 3938 crore till mid-August 2007. Given that works have started in all the new 130 districts, the central government expects to spend about Rs 10,000 crore in the current fiscal. With all the 596 districts under NREGA now, government is expected to spend around Rs 20,000 crore annually on the implementation of NREGA during 2008-2009.

Table: The NREGA -- Implementation status		
	2007-2008 *	2006-2007
No households demanded jobs (in million)	17.1	21.1
Jobs provided to no of households (in million)	16.6	21.0
Total persons days (in million)	46	90
Total works taken up (in million)	0.7	0.83
No of works completed (in million)	0.16	0.38
Incomplete / works in progress (in million)	0.61	0.45
<i>Note: * Till September 2007</i>		
<i>Source: Union ministry of rural development, September, 2007</i>		

people. Till September 2007, 460 million persons days have been generated. On an average 28.75 person days per household have been generated in 330 districts. "We expect a massive increase in NREGA works over the next few months, as agricultural works have been largely completed following the monsoon rains," says a Planning Commission official (See table: *NREGA implementation status*). During 2007-08 (till September) only Rajasthan and Tamil Nadu out of 27 states have provided average employment of 50 days and 52 days <sup>11</sup> (See table: *State indicators*).

This is a very low demand given that most of the states didn't implement the NREGA during the monsoon period. State governments of Andhra Pradesh, Karnataka, Chhattisgarh, Orissa and Jharkhand had stopped works under NREGA during June and July 2007 so that workers could take up agricultural activities prior to the onset of monsoons in these states. This means at the peak period of job scarcity, the NREGA couldn't solicit response. In Orissa, only 13 per cent households, who have been issued job cards, have sought for jobs in four months of this financial year. In 2006-07, 54 per cent of households demanded for job and less than 6 per cent of those households demanded work for full 100 days.

Low demand of job has the potential to make the NREGA redundant like other wage employment programmes of past. In the past most of the public work programmes failed miserably in their reach. Governments attribute the low participation to lack of spread and funds. In this context the low participation in NREGA, a demand driven programme, raises critical questions. Due to this NREGA's capacity to produce productive assets thus making an impact on local economy would also be strained. This, on the other hand, would defeat the Act's prime objective of raising agricultural productivity.

### Productive but for few

The effectiveness of the NREGA crucially depends on what types of works it gives priority to. Lack of focus on creation of productive assets has been a major reason for failure of wage employment programmes. In the first year of NREGA (February 2006 to March 2007), 7,65,132 works were taken up. Out of this, 3,15,743 were related to water conservation and renovation of traditional water bodies thus constituting around 41 per cent of the total works. Rural connectivity comprised of 1,82,900 works i.e. around 23 per cent of total works. During the current financial year (April 2007 till Jan 2008), 12, 99,025 works (both completed and ongoing) have been taken up. Out of this, 4,62,796 works are related to water conservation and renovation of water bodies i.e. around 35 per cent of total works. Rural connectivity in the same year accounted for 16 per cent (2, 18, 955) of total works. Land development works has also increased from 2 per cent in 2006- 07 to 14 per cent in 2007- 08.

What is startling is that the overall productive assets creation, particularly water conservation, hardly reflects the national trend. It is just a few states, already known or having implemented massive water conservation works, are giving priorities to water conservation. Except for five states, 22 other states have negligible allocation for water conservation<sup>12</sup>. During 2006-07, Andhra Pradesh alone accounted for 66.87 per cent of total water conservation works under NREGA in the country. It means a state with 19 NREGA districts spent the maximum on water conservation. Along with AP, Madhya Pradesh and

States	Average persons days generated (%)	Share of women in employment (in per cent)	Expenditure (Rs in crore) with number of districts in the bracket
Andhra Pradesh	25.37	56.77	696 (19)
Assam	20.8	21.75	109 (13)
Bihar	18.47	19.32	309 (37)
Chhattisgarh	38.65	40.45	454 (16)
Gujarat	27.32	36.42	42.72 (9)
Haryana	12.18	36.81	8.12 (4)
Himachal Pradesh	NA	27	19.59 (4)
Jammu & Kashmir	20.38	0.16	2.19 (5)
Jharkhand	26.60	27.79	353 (22)
Karnataka	31.5	50.4	69.18 (11)
Kerala	18.53	74.63	26.62 (4)
Madhya Pradesh	39.92	40.36	921 (31)
Maharashtra	44.69	41.24	3.79 (18)
Orissa	31.96	61.65	186 (24)
Punjab	29	1.84	0.46 (4)
Rajasthan	50.66	66.72	592 (12)
Tamil Nadu	52.71	83.25	293 (10)
Uttar Pradesh	21.4	9.12	61.09 (39)
Uttaranchal	22.74	39.78	16.59 (5)
West Bengal	11.05	17.24	172 (17)

Note: NA - not available  
Source: Union Ministry of Rural Development, September, 2007

Jharkhand together accounted for around 96 per cent of total conservation works. This meant that rest 24 states accounted for four per cent of total works (See table: Preferred works: Comparison between 2006-07 and 2007-08)

In 2006-07, UP, Orissa, HP, Assam and Bihar had more road connectivity works than water conservation. Similarly during 2007-08 (till August), the same trend continues with slight improvement. AP now accounts for around 44 per cent of water conservation works. AP along with MP and Orissa now account for 60.6 per cent of total water conservation works. In the current financial year going by state level data Bihar, UP and HP had more road connectivity works than water conservation works while Orissa, West Bengal, Jharkhand, Chhattisgarh and Karnataka had given same priority to water conservation and road connectivity.

### Basics are to be fixed

State governments seem to have faulted in not putting in place the basic minimum institutional infrastructure needed to implement the scheme. In October 2006 CSE made a situational analysis of state governments' efforts in establishing the necessary institutional set up. After a year and half, states are now moving in to set up the most basic institutional mechanism for the act to be implemented (See table: CAG: NREGA Implementation). With this the scheme lost not only time but also people's interests on it.

Types of work	No of works during 2006-07	No of works during 2007- 08*	% of total works 2006-07	% of total works 2007-08*
Water conservation / related works	327,007	287,233	39.27	40.18
Rural Connectivity	179875	102,934	21.60	14.4
Irrigation facilities (SC/ST land)	80754	89966	9.69	12.59
Drought proofing	77546	61700	9.31	8.63
Flood control & protection	17120	9762	2.05	1.36
Micro/minor irrigation works	27840	28,902	3.34	4.04
Land Development	88,929	87,522	10.68	12.24
Other works	33505	46,563	4.02	6.51
Total	83,2576	7,14,582		

Note: \* Till August 2007  
Source: Union ministry of rural development

After the passage of NREGA in Parliament, each state government was to formulate Rural Employment Guarantee Scheme under Section 4 of NREGA within six months (See table: *Status of basic institutional set up in select states*). The Act gave flexibility to state governments to formulate their own act according to their 'contextual requirements'. This is the same provision under the Panchayati Raj Act (1992) that allowed states the right to evolve their own decentralised governance structure. However, the NREGA makes it mandatory for the states to have their schemes within the 'legally non-negotiable parameters'. Essentially it implies that states must keep the objective of enhancing livelihood security in core of their respective schemes. All the 27 states have notified their schemes.

But on another important provision, most of the states have failed. Under the Act, all states are supposed to create a nodal advisory body called the State Employment Guarantee Council (SEGC). But many states have not yet set up the mandatory guidelines and advisory bodies. The formation of SEGCS has been skewed across states. The councils are crucial in making the Act relevant to local needs as they advise the respective governments on 'preferred works' to be undertaken under the NREGA.

Going by the implementation data of various states, during the first year only three states constituted this council. In the last six months, however, all the states have formed the council. While Rajasthan was proactive in setting up the SEGC just after formulation of state specific act in 2006, Jharkhand with one of the largest number of districts under NREGA, notified formation of SEGC in June 2007.

On the other hand states have constituted the SEGC in such a manner that the state bureaucracy remains in firm control of the NREGA. This defeats the very purpose of the Act. It designs the council as a pool of experts, panchayat members and minimal government officials. First, most of the state councils have government official in dominance contrary to the idea of getting non-government and panchayat representation. Secondly, councils are not meeting often to monitor and guide implementation.

In Madhya Pradesh and Chhattisgarh the state councils are packed with government officials with only token presence of NGOs and other independent observers. "In Madhya Pradesh and Chhattisgarh state governments have hijacked the independent functioning of the councils," says Yogesh Kumar, Director, Samarthan, a NGO based in Bhopal. Many members of the Jharkhand state employment guarantee council are not even aware about the provisions of NREGA and this has hampered implementation of several provisions of NREGA such as revised wage payments and analysis of time and motion study conducted in various districts. Without any peer guidance, the district collectors are calling the shots in NREGA implementation in the state (See box: *Monitoring the NREGA*).

The Orissa government only recently notified formation of employment guarantee council after more than one and half years after launch of NREGA. Bihar is yet to form the council mandatory under NREGA. Uttar



Table: **CAG: NREGA Implementation**

The recent CAG assessment of NREGA performance has been making headlines. Media coverage has mostly projected the CAG report as a failure of the NREGA. Instead, a closer analysis of the findings shows that the NREGA has performed badly due to absence of right implementation framework as well as obsessive focus on employment creation only.

Requirement	Status
<p><b>Employment Guarantee Councils</b></p> <ul style="list-style-type: none"> <li>States are expected to set up Rural Employment Guarantee scheme (REGS) and associated rules pertinent to its implementation, State Employment Guarantee Councils (SEGC's) and designate Employment Guarantee Commissioners (EGC's)</li> </ul>	<ul style="list-style-type: none"> <li>14 states did not formulate rules pertinent to implementation of the scheme.</li> <li>8 states did not designate State Rural Employment guratee Commissioners (ECGs)</li> <li>4 states did not constitute State Employment Guarantee Councils (SEGCs)</li> </ul>
<p><b>Resource Support</b></p> <ul style="list-style-type: none"> <li>Every State government is required to appoint a full time Program officer with necessary supporting staff.</li> <li>Gram Rozgar Sevak or Employment Guarantee Assistant in each gram panchayat for implementation of REGS.</li> <li>The State Governments should constitute panels of accredited engineers at the District and Block Levels for the purpose of assisting with the estimation and measurement of works for timely approval of projects.</li> <li>States should appoint a technical resource support group at the state and district level to assist in the planning, design, monitoring and evaluation and quality audit of the scheme.</li> </ul>	<ul style="list-style-type: none"> <li>19 states did not appoint a full time dedicated Program Officer in 89 blocks. Existing Block Development Officers were appointed as Program officers and given additional charge of the Scheme.</li> <li>18 states did not appoint Gram Rozgar Sevaks in 268 panchayts. Non-constitution of panels of accredited engineers in 20 states.</li> <li>23 states did not set up a Technical Resource Support Group at state or district level.</li> <li>The average block in 200 districts in NREGA Phase I have 20 gram panchayats and 56 villages, non-appointment of full time dedicated Program Officers, and giving additional charge to Block Development officers has severely affected the implementation of the scheme.</li> <li>Lack of technical staff and failure to specify time frames for processing and approval of different proposals was reflected in the poor progress in taking up of works in Annual Plans.</li> <li>Absence of GRAM Rozgar Sevaks severely affected the maintenance of basic records at the gram panchayat level, without which verification of employment demand and allocation of work for each household was difficult.</li> </ul>
<p><b>Planning</b></p> <ul style="list-style-type: none"> <li>Districts are expected to prepare a five year District Perspective Plan (DPP) to facilitate advance planning and provide a developmental perspective for the district.</li> <li>Every village must prepare an Annual Plan.</li> </ul>	<ul style="list-style-type: none"> <li>43 gram panchayats in 20 states did not prepare effective DPP's. 32 districts in 16 states continued to adopt the perspective plans made under the National Food for Work programme (NFFWP) and failed to revise them.</li> <li>168 gram panchayats in 14 states failed to document their village annual plans.</li> <li>Gram Sabhas in 91 gram panchayats in 12 states did not identify Works.</li> <li>The District Plans in 8 districts in 8 states did not ensure that 50 per cent of the works to be executed by the gram panchayats.</li> </ul>
<p><b>Works</b></p> <ul style="list-style-type: none"> <li>Projects in low wage areas, where demand for work at minimum wage is likely to be large, must be formulated on priority basis.</li> <li>Administrative and technical sanction should be obtained for all works in advance, by December previous year.</li> <li>Wage Material Ratio of 60: 40 or higher has to be maintained at district level.</li> </ul>	<ul style="list-style-type: none"> <li>Low wage areas were not identified in 53 districts in 22 states.</li> <li>Administrative and Technical sanction of works was not obtained in advance in 96 gram panchayats in 12 states.</li> <li>35 blocks in 15 districts in 6 states did not follow the mandated 60: 40 wage material ratio.</li> </ul>
<p><b>Employment and Wages</b></p> <ul style="list-style-type: none"> <li>Every person working under the Scheme is entitled to wages at the minimum wage rate fixed by the State Government for agricultural labourers. A district Schedule of Rates should be prepared for each district, and should be prepared for each district.</li> <li>State governments should undertake comprehensive work, time and motion studies for observing out turn and fixing wage rates, specific to ecological and geo morphological conditions.</li> </ul>	<ul style="list-style-type: none"> <li>District Schedule of Rates were not prepared in 23 states.</li> <li>46 districts in 21 states did not prepare the matrix of wage rates for the same kind of work based upon different ecological and geomorphological conditions.</li> <li>20 states did not undertake any time and motion studies to observe out turn of labour.</li> <li>90 gram panchayats in 11 states paid wage rates lesser than the minimum wage rate.</li> </ul>

Note: The CAG audit covered 513 gram panchayats in 128 blocks in 68 districts.

Source: Performance audit of implementation of National Rural Employment Guarantee Act, 2005 (NREGA)

Table: Status of basic institutional set up in select states		
States	Whether notified REGS	Status of state employment guarantee council
Andhra Pradesh	REGS notified	Formed the council and NGOs have presence in the council
Jharkhand	REGS notified	Packed with government officials and irregular meetings
Karnataka	REGS notified	Formed the councils, irregular meetings
Madhya Pradesh	REGS notified	Councils have been packed with government officials and meetings are irregular
Orissa	REGS notified	Notification issued / yet to be constituted
Rajasthan	REGS notified	Council formed and meetings held regularly / inputs provided by NGOs
Tamil Nadu	REGS notified	Council formed and meetings held regularly / Inputs by NGOs
Uttar Pradesh	REGS notified	Council formed but yet to meet
West Bengal	REGS notified	Council formed but hardly any NGOs representatives
<i>Source: Union ministry of rural development, September, 2007</i>		

Pradesh, with highest number of districts under NREGA, although notified the formation of the council in July 2007, but there is hardly representation of NGOs or independent observers in the council and the meeting of the council is yet to be convened. "Uttar Pradesh government is yet to wake up to the opportunities NREGA offers and the state government is still treating it as wage earning scheme," says Awanesh Kumar, Programme Officer, Shabhagi Sikshan Kendra, a Lucknow based NGO. Records of other states regarding the formation of councils have not been encouraging. Gujarat and Haryana have not yet notified formation of councils. R R Solanki, additional commissioner at Rural Development department of the Gujarat, says that the state government is in the process of setting up the council to monitor the scheme. With the elections to state assembly is scheduled for December 2007, the formation of council would be further delayed.

"Absence of council implies delays, slow progress and inefficient implementation of NREGS," says a national study conducted by Society for Participatory Research in Asia (PRIA), an NGO working on participatory governance, across 14 states on the implementation of NREGA. "State governments are not yet proactive in forming employment guarantee council for better monitoring of the implementation," says union rural development minister Raghuvansh Prasad Singh. Ministry of rural development besides sending periodic circulars urging those states to set up councils (who have not formed) also has urged the states to professionalise the functioning of the council.

Many states have not drafted guidelines to implement the scheme even though the NREGA is in implementation since long. Orissa, Uttaranchal and most northeastern states except Assam and Meghalaya have not finished drafting their state-specific guidelines. Jharkhand, Rajasthan and Uttaranchal have not issued state REG schemes till now. In the states, which have drafted their own guidelines, some of their aspects show a major drift from the national Act and might have negative implications on the implementation. Says Union rural development minister Raghuvansh Prasad Singh, "The initial problem has been in states not implementing the NREGA." In fact Raghuvansh Singh met the members of Parliament from backward districts to influence the state governments to take the scheme implementation seriously.

Under the act a new set of guidelines has to be drafted and the guidelines of NFFWP to be followed in the interim period. Most of the states are still managing with the latter option. This results in confusion over types of works to be taken up and also on the exact roles of various agencies like the panchayats. Because most of the NFFWP guidelines have pre-fixed list of works while the NREGA gives panchayats the right to select and identify works.

## Chapter 3

CSE studied 12 districts spread over nine states to gauge the development effectiveness of the NREGA. All the districts feature in India government's list of 200 poorest districts.



These districts are representatives of the poorest districts where NREGA was first implemented. All the districts are dominantly agrarian and are reeling under livelihood crisis.



We find that the poorest districts make NREGA both desirable and difficult to be implemented.



The policy paper has analysed the development impacts of the NREGA and also the potential to impact on local development.

# Challenge of development in backward districts

**NREGA needs to be evaluated on its development impacts, rather just on creation of employment**

**N**REGA has been in force for more than two years. The first cluster of 200 backward districts, where the Act is being implemented since February 2006, provides clear examples of the programme's potential as well as its problems. Its potential lies in the fact that it may result in uplifting close to 60 per cent of the population in these districts above the poverty line. Its problem: the challenge of implementing the Act as a development agenda instead of just a wage-earning scheme.

NREGA targets development in these districts using the huge demand for casual jobs. Its challenge is to turn the demand for casual jobs into productive employment. Thus, it is imperative to understand the complex socio-economic and governance challenges of these backward districts. It can be said that these districts hold the key to the overall success of the programme.

It is against this backdrop that CSE researchers chose 12 districts, spread across nine states, to study the implementation of NREGA (see [Map: Districts studied by CSE](#)) in terms of its development effectiveness. With respect to ecological and economical conditions, these 12 districts are eminently representative of the 200 backward districts implementing NREGA in the country. CSE's researchers toured these districts extensively, and this policy paper is the result of what they found.

The objectives of this study are:

- To investigate whether NREGA is being used for productive assets creation
- To gauge the development potential of the Act
- To examine the village planning process crucial to the Act's success

**The NREGA targets development in backward districts using the huge demand for casual jobs. Its challenge is to turn the demand for casual job into productive employment. Thus it is imperative to understand the complex socio-economic and governance challenges of these districts**

The districts studied for this policy brief are primarily agrarian and dominantly rain-fed, and represent different agro-ecological zones, ranging from the central drylands to the Deccan plateau. All the districts have biomass-based economies, with agriculture and forests contributing close to 80 per cent of their rural livelihoods (see [Tables: Agriculture land use and forest cover in select districts of the NREGA states](#)). At the same time, all of them are also witnessing large-scale environmental fallouts like land degradation and deforestation. Naturally, distress migration and livelihood crisis are rampant in these districts, and they feature prominently in the Planning Commission's list of most backward districts (see [Map: Districts studied by CSE](#)).

These districts, thus, offer ideal conditions for gauging whether NREGA has made any development impacts. As this policy brief focuses on ecological regeneration and management in the village, CSE has deliberately chosen districts with a history of public wage programmes like the National Food for Work Programme (NFFWP) that have focused on creation of productive assets. All the 12 districts have, on an average, about 25 years of experience in implementing public wage programmes.

Map: Districts studied by CSE

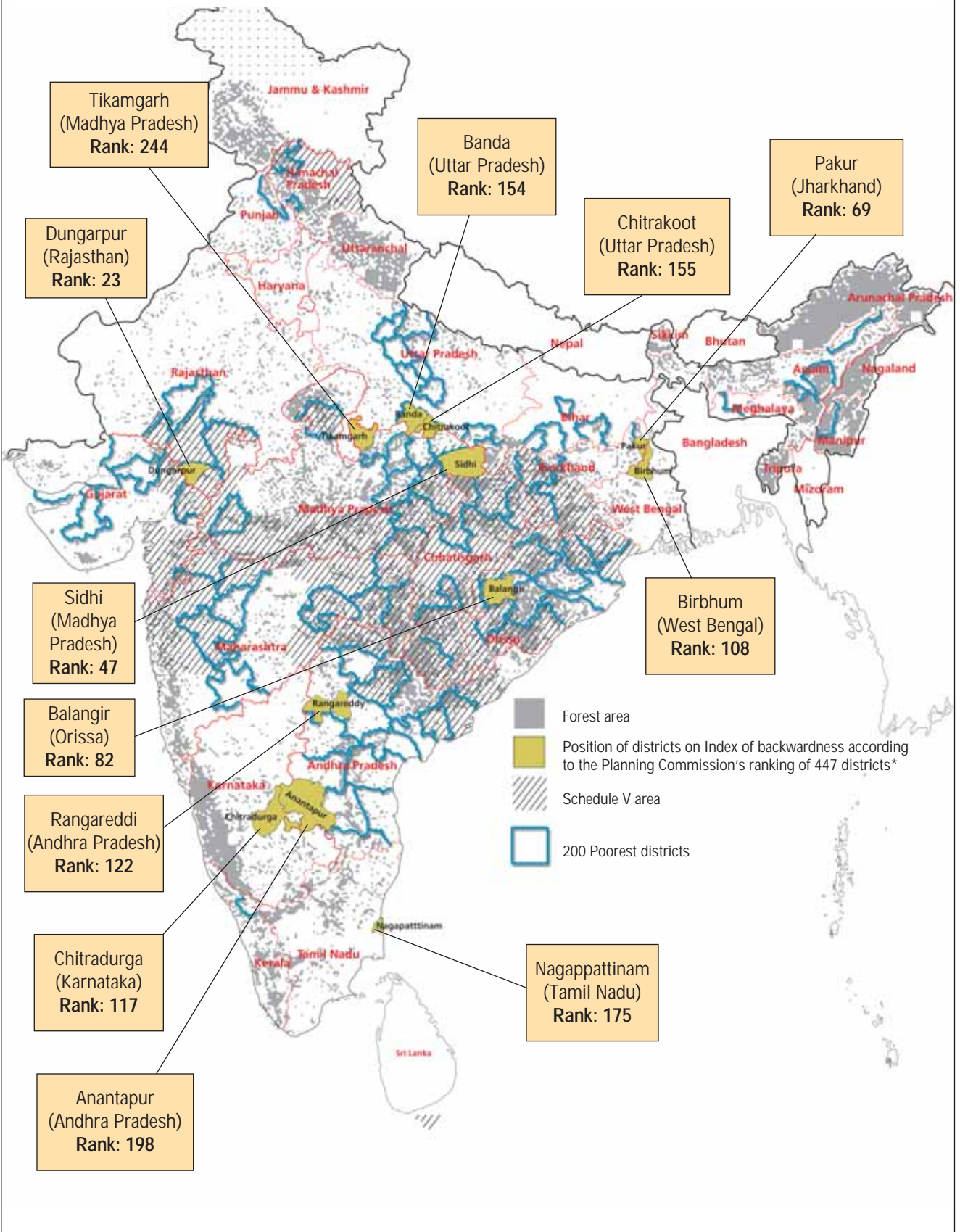


Table: Agriculture land and its use in districts studied for this policy brief					
Name of State	Name of District	Geographical Area	Cultivable Area (%)	Net Area Sown (%)	Net Irrigated area (%)
Andhra Pradesh		14,189,936	56.08	39.10	13.39
	Ananthpur	1,934,888	63.70	52.52	6.80
	Ranga Reddy	756,372	59.79	37.28	9.78
Jharkhand		7,209,332	45.60	27.47	3.35
	Pakur	172,961	43.23	26.46	3.40
Karnataka		4,488,311	75.18	64.66	6.80
	Chitradurga	808,709	67.97	49.47	9.50
Madhya Pradesh		11,613,831	52.30	45.10	10.11
	Sidhi	639,884	63.53	54.67	7.70
	Tikamgarh	463,884	60.62	51.76	36.50
Orissa		8,145,787	49.10	40.00	7.52
	Balangir	538,418	69.30	56.80	7.50
Rajasthan		3,869,625	49.61	40.80	8.44
	Dungarpur	382,648	40.63	30.62	3.25
Tamil Nadu		2,640,608	68.80	47.70	20.08
	Nagappattinam	228,056	69.52	53.60	33.71
Uttar Pradesh		9,389,391	75.82	65.80	36.70
	Banda	386,518	84.02	77.52	13.13
	Chitrakoot	210,941	69.98	63.79	11.20
West Bengal		6,208,825	60.90	46.76	15.24
	Birbhum	454,293	72.84	56.51	26.64

Source: Union Ministry of Water Resources, New Delhi

### Rich lands, poor people

India's 200 backward districts are resource-rich, but their people are reeling under abject poverty. In fact, the country's tribal areas, forested regions and mineral-rich lands overlap on its NREGA – read backward areas. According to the Second Administrative Reforms Committee, the 200 NREGA districts occupy 38 per cent of India's area; they also hold close to 44.8 per cent of its forests and 85 per cent of its mineral resources.<sup>13</sup> These districts also account for 35 per cent of India's cultivable areas (see Table: Agriculture land and its use in districts studied for this policy brief). Agriculture and forests sustain close to 87 per cent of the population in these districts.

They are also the least developed areas of the country, inhabited mostly by marginal farmers and forest dwellers. These districts hold 70 per cent of India's poor. An analysis of their human development reports indicates that all the NREGA districts hog the bottom positions in the per capita income list. A large number of these districts are located in arid and semi-arid regions: 94 of these are covered under the Drought-prone Areas Programme (DPAP) and eight under the Desert Development Programme (DDP). Close to 80 per cent of India's rain-fed areas are in these districts.<sup>14</sup>

These districts account for 39 per cent of India's total rural workforce. In 115 of them, the percentage of agricultural labourers in the total rural working population is higher than the national average of 33 per cent, indicating the large-scale landlessness in these districts combined with the lack of effective employment opportunities in the non-agricultural sector. The Union ministry of agriculture's sowing data indicates that around 135 of these districts manage to cultivate only one crop. Absence of assured irrigation is the single most cause of agrarian distress in these districts (assured irrigation, most farmers can cultivate a second crop). The result: lower incomes for a large section of the rural population, contributing towards the backwardness of these districts.

A 'Situation Assessment of Farmers', done by the National Sample Survey Organisation in 2002, points to rampant indebtedness of farmers in NREGA states in general, and in the NREGA districts in particular. In 19 out of the 27 NREGA states, close to 49 per cent of the farmers are indebted – up from 26 per cent in 1991. Significantly, the two key causes for taking loans were found to be for productive purposes: capital expenditure and current expenditure in agriculture. Out of every Rs 1,000 taken as loan, Rs 584 had been borrowed for these two purposes.

Given that the NREGA covers most of India's forested areas, the contribution of this sector to local economy has been substantial. The NREGA districts cover close to 40 per cent of India's very dense forests and 47 per cent of its moderately dense forests (see Table: Forest cover in select districts of the NREGA states). Dependence of local people on forests for survival in these districts is very high. Studies in Orissa, Madhya Pradesh, Chhattisgarh and Jharkhand indicate that over 80 per cent of forest dwellers depend entirely on minor forest produce; 17 per cent of landless people depend on the daily wage labour of collecting forest produce; and 39 per cent of people are involved in minor forest produce collection as subsidiary occupation. However, forest degradation and restrictive forest laws are stripping this vital source of livelihood. Out of 27 states under NREGA, 13 have reported forest loss. This means 138 districts out of the 200 are reporting deforestation.

Given these socio-economic characteristics of India's backward districts, NREGA holds immense potential for their long-term development. The 'permissible works' under the Act have the capacity to address the poorest districts' key problems like land degradation and water scarcity. Thus, for the poorest districts, the NREGA is more of a development opportunity than just creation of few daily wage jobs.

Name of State	Name of District	Geographical Area Sq. km	Total Forest Cover Sq. km	Change in Total Forest Cover (2001-2003) Sq. km	% of Total Forest Cover to State's Geographic Area
Andhra Pradesh		171,044	28,956	-140	12.93
	Ananthpur	19,130	413	-98	2
	Ranga Reddy	7,710	392	11	5
Jharkhand		67,328	18,803	-19	27.93
	Pakur	1,571	282	-12	18
Karnataka		42,863	1,703	-244	3.97
	Chitradurga	8,440	445	11	5
Madhya Pradesh		132,307	38,414	-858	29.03
	Sidhi	10,526	4,013	-81	38
	Tikamgarh	5048	325	-29	6.44
Orissa		107,556	38,571	-47	35.85
	Balangir	6,575	952	-40	14
Rajasthan		33,581	4,990	132	14.86
	Dungarpur	3,770	250	10	7
Tamil Nadu		28,893	4,979	299	17.23
	Nagappattinam	2,140	53	-25	2
Uttar Pradesh		95,722	7,403	287	44.63
	Banda	4,532	103	-80	2
	Chitakoot	3,206	36	1	0.55
West Bengal		56,504	7,270	1,312	12.87
	Birbhum	4,545	59	0	1.30

Source: State of Forest Report, Ministry of Environment and Forest, New Delhi

## Chapter 4

The low demand for works under NREGA is mostly due to less focus on creation of productive village assets. Government has not been able to implement the programme as a long-term development programme. This has brought down people's interests on the programme.



Complex wage calculation makes creation of productive village assets difficult. Working on productive assets like water harvesting structures doesn't fetch good wage to people. So Panchayats are now asking for more road construction works. This may lead NREGA to meet the fate of earlier wage programmes.



Wage calculation must be rationalised so that all works fetch the same wage, or the basic minimum wage.



Road construction must be kept out of the NREGA, as there are dedicated programmes for rural connectivity.



# Love of labour lost

**Irrational wage formula makes creation of productive assets difficult, thus making the programme less relevant to local needs**

**C**SE's analysis of the programme in nine states attributes the low demand for jobs under NREGA to the government's inability to articulate it as more of a development programme rather than just a wage employment one.

This state of affairs, of course, could have been rectified if governments would have made the effort to hardsell the larger benefits of the Act: productive assets creation at the village level. However, local officials and ill-informed Panchayat members failed to do so. In fact, CSE's analysis shows that the demand for employment under NREGA went up in many districts where Panchayats were proactive in taking up productive assets creation (like tank digging and soil conservation). Looking at the number of works under NREGA in the current fiscal, it is clear that the demand for work has gone up since the government allowed soil and water conservation works on private lands of scheduled tribe and scheduled caste (SC/ST) households. According to the Union rural development ministry, the percentage of works done on private lands of SC/ST communities has gone up from 10.68 per cent in 2006-07 to 12.24 per cent in 2007-08.

The situation, therefore, has turned into a vicious cycle. Lack of awareness, less focus on productive assets and a low and insecure wage scheme leads to low demand for work under NREGA. This forces Panchayats to give priority to road and other construction works, which in turn makes the programme less lucrative in the long term for local communities – and lowers the demand for work under it.

## Wage woes

There have been widespread reports of below minimum and delayed wage payment under NREGA. The CSE analysis found this to be the case in all the states that the Centre studied, except in Tamil Nadu.

While government agencies admit the problems with wage payment, what has not been clearly brought out is their impact on the types of works undertaken. The CSE analysis establishes that due to the erratic wage rates based on an archaic public works department formula, Panchayats are increasingly demanding more road and other construction works — because road construction gets them the minimum wage and sometimes even more than that. The

### THEY DON'T NEED NREGA

Despite the implementation of NREGA, why do people still migrate out of Bihar's Muzaffarpur district? A study of the district's five Panchayats shows that NREGA has not been able to replace the job demands of local people, mostly casual agricultural labourers.

NREGA guarantees 100 days of works; that, too, is irregular. Under NREGA, the district has initiated several small works such as road repair or building of water harvesting structures in a staggered manner. On the other hand, most of the casual workers get around 300 to 325 days of regular work in urban areas. Under NREGA, a worker gets Rs 115, Rs 100 and Rs 75 a day for skilled, semi-skilled and unskilled works, respectively. In private construction work in urban areas, a skilled labourer gets Rs 150 a day. So, the migration continues and demand for work under NREGA has dipped.

In fact, there is a serious shortage of skilled workers now. Panchayats hardly get any skilled workers for works like construction of roads and concrete dams. This, in turn, forces Panchayats to take up works that only require unskilled workers.

*Source: Based on reports from Ajeet Kumar Dwivedi, CSE Media Fellow, 2007*

nexus of local government officials and contractors is also a major reason for giving priority to road construction and building works. It is just a convenient coincidence that it sometimes helps people get more wages.

Lakhroopi Pahariya, a landless resident of Jenagadiya village in Pakur district of Jharkhand, was hopeful that NREGA would be able to mitigate the acute water scarcity in his village by building *pokhars* (traditional water harvesting structures). However, the village *Gram Sabha* recommended road construction — there is a perception that digging *pokhars* would fetch about 40 per cent less money than the stipulated daily wage of Rs 76.68. The story repeats itself in several villages across Pakur, one of the poorest in the country. The district follows the piece rate method of payment for wages; this gives rise to the apprehension that villagers engaged in digging work will not be paid complete wages.

**Debate on wages continues to haunt effective implementation of NREGA. A labourer in Rajasthan had to dig 61 cubic feet to earn a minimum wage of Rs 73 compared to a labourer in Andhra Pradesh who had to dig only 44 cubic feet to earn a minimum wage of Rs 80**

Take the case of Sakhi Soren, 46, a daily wage worker of Surma village of Pakur. He worked on the digging of a pond for 13 days, and is yet to receive his full wages of Rs 76.68 per day. As per the minimum wage, Soren should have received Rs 996.84; instead, he got only Rs 750. Soren says that he was told that the payment was done according to the amount of earth he dug, which was less than the stipulated 100 cubic feet (cu ft) per day. Going by the wage calculation, he would have got the basic minimum wage constructing a road as road construction has a different wage rate based on per day wage payment without any conditionalities of task rate.

It is no wonder that in Pakur, of the total works, road construction works have been completed the fastest – 40 per cent of all connectivity works have been completed, while only 26 per cent of the water conservation works are complete.

In Dungarpur district of Rajasthan, much-celebrated for near perfect implementation of NREGA, not a single case of full wage payment has come to light. The highest wage received per day is around Rs 65 vis-à-vis the minimum state wage of Rs 73<sup>15</sup>. Clearly, there is a mismatch between the amount of work to be completed in order to earn a day’s wage and the measurement of that work. The junior engineer in charge of Valota village in

Dungarpur, Ganesh Lal Raut, defends low wage payment by saying that the work completed in a day does not match the expected volume of the work to be done. District collector Neeraj K Pawan’s explanation about low wage payment is also quite interesting. “NREGA guarantees employment and not wages. The wages are low as people do not complete the stipulated amount of work for a day,” says Pawan.

According to a senior official with the rural development department of Andhra Pradesh, a labourer in Rajasthan has to dig 61 cu feet to earn a minimum wage of Rs 73, compared to a labourer in Andhra Pradesh who digs only 44 cubic feet to earn a minimum wage of Rs 80. The New Delhi based Church’s Auxiliary for Social Action (CASA), in a study conducted in 113 districts across 14 states, says that works are assigned at the group level, measurements are also done at the group level, but payments of wages are made at individual levels. The report also hints that this makes certain works more lucrative than others (see *Table: Variations in wage payment*).

**An archaic formula**

At the core of the problem is the task rate wage payment. Under this system, a worker gets paid based on a task completed, or the standard scheduled rate in government parlance. The government fixes a certain amount of works to be completed every day for the labourer to get the basic minimum wage. This means a labour will be paid the minimum daily wage only if he or she has completed the stipulated amount of work. Over the years, the standard schedule of rates (SSR) for wage payment has evolved around contractors and machines but the NREGA doesn’t allow the use of contractors and machines. The NREGA offers employment to persons capable of undertaking hard manual labour often in difficult field conditions with wages based on this system.

While the system of task rate wage payment is permitted by the Act as well as the guidelines, there are two important riders to it that have to be kept in mind while fixing norms. The first is that the wages paid should not be less than the minimum wages prevalent in the state. And the second, under no circumstances should the wage rate under the task rate system lead to workers getting less than the daily wage rate for workers working seven hours a day.

The Union ministry of rural development has suggested that states should carry out time-and-motion studies and compute 'realistic' rates. Only three states – Andhra Pradesh, Gujarat and Tamil Nadu — have done it. Karnataka has adopted the time-and-motion study conducted by Andhra Pradesh.

The Hyderabad-based Centre for Environment Concerns (CEC) has conducted time-motion-and-work studies using average workers in varying field conditions and a combination of sexes and age groups; the studies, done in Medak district of Andhra Pradesh across 15 works (including desiltation, jungle clearance, watering of plants, and spreading silt on fields), led to major changes in the scheduled standard rate of wages (see Table: *Time-and-motion studies – Medak*). The studies found that the labourers had to work three times more under the standard schedule rate to get the basic minimum wage. "The study helped to recognise the tasks done by women, who constitute the bulk of the NREGA workforce, to get wage entitlement, as earlier their work was invisible as outturn measurements were based on the tasks done by men," says K S Gopal, director, CEC. Based on the work, time and motion studies, the Andhra Pradesh government issued orders in April 2007, modifying the wages earned by workers under various works taken up under NREGA.

Table: Variations in wage payment		
States	Stipulated daily minimum wage	Average NREGA wage actually paid
Andhra Pradesh	Rs 80	Rs 80
Chhattisgarh	Rs 67	Rs 62.63
Jharkhand	Rs 76.68	Rs 68
Karnataka	Rs 74	Rs 68
Madhya Pradesh	Rs 61.37	Rs 50
Orissa	Rs 70	Rs 65
Rajasthan	Rs 73	Rs 65
Tamil Nadu	Rs 80	Rs 80
Uttar Pradesh	Rs 100	Rs 60
West Bengal	Rs 68	Rs 68

*Source: Union ministry of rural development, field visit information provided by NREGA workers and officials.*

For rationalising productivity standards and to fix wages for rural people employed under NREGA, the Gujarat government has now brought out a single schedule of rates for rural areas. The rates were arrived at following a time-and-motion study done by the Ahmedabad-based Centre for Environmental and Planning Technology (CEPT), which estimated the normal productivity of unskilled adults in various activities so that they could earn minimum wages as indicated under NREGA.

The CEPT's findings reveal that rural unskilled labour productivity is about 30-40 per cent of the new scheduled rate for rural areas. For example, the rates for excavation in 'soft rock' (with a depth of 4.5 to 6 meter) as per the rates of the irrigation department, was Rs 68 per cubic meter. For decades, wages in Gujarat had been decided based on wage rates of various departments, depending on the nature of the work, which created confusion. However, the CEPT recommended a rate of Rs 317.32 per cubic meter. The state government has now adopted a single rate based on the CEPT recommendations for efficient disbursal of wages.

**Table: Time-and-motion study – Medak**  
**This study brings out the difference between the wage promised and wage received by the labourer under the task rate formula. At an average, each labour gets 50 per cent less than a day’s promised wage in normal conditions.**

Work	Work Days	Total No. of hours worked	Units	Work output	Work output per person per day	Present SSR (Rs per Unit)	Wages per day Realised(Rs)
Venkatapur – Desilting – Ordinary# – lead 22 meters and lift 2.8 to 3.9 meters.	36	204	Cum	16.00	0.55	50	27.50
Venkatapur – Desilting – Ordinary soil – lead 41 meters and lift 3.2 to 3.8 meters	36	204	Cum	14.57	0.50	61	30.50
Venkatapur - Desilting – Ordinary soil – lead 61 meters and lift 5.1 to 6.1 meters	57	318	Cum	19.31	0.43	71	30.53
Nancharpalli - Hard soil – lead 23 meters and lift 2.3 to 3.3 meters	29	176	Cum	15.67	0.62	50	31.00
Nancharpalli - Desilting – Hard soil – lead 44 meters and lift 4.3 to 5.1 meters	42	252	Cum	22.09	0.61	61	37.21
Nancharpalli - Hard soil – lead 61 meters and lift 5.3 to 6 meters	50	297	Cum	22.80	0.54	71	38.34
Venkatapur - Jungle clearance – Thin (Munubothu Katta)	12	70	Sqm	552	55.20	1.75	96.60
Venkatapur - Jungle clearance – Besharam (near road)	12	72	Sqm	344	32.47	1.50	48.70
Prashant Nagar – Jungle clearance	4	24	Sqm	60	17.5	4.00	70.00
Venkatapur - Watering of plants – bore with hand pump.	4	21	No.	124	41	0.40	16.40
Venkatapur - Watering of plants – from water sump, at a distance of 30 meters	4	20	No.	150	53	0.40	21.20
Venkatapur – Watering of plants – percolation tank, at a distance of 50 meters	4	24	No	107	31	0.40	12.40

*Source: Centre for Environment Concerns (CEC), Hyderabad, March 2007*  
*Working day is taken as 7 hours*  
*# Venkatapur tank desiltation was taken up under ordinary soil category. But as work progressed it proved to be hard soil.*

## Chapter 5

Despite national implementation status pointing at focus on creation of village productive assets, very few states are indeed giving priority to productive assets like water harvesting structures. This takes away the NREGA's huge development potential for villages.



Except for five states, 22 other states have negligible allocation for water conservation. During 2006-07, Andhra Pradesh alone accounted for 66.87 per cent of total water conservation works under NREGA in the country. It means a state with 19 NREGA districts spent the maximum. Along with AP, Madhya Pradesh and Jharkhand accounted for around 96 per cent of total conservation works.



Most of the water harvesting works has not been completed for various reasons. The main reason is absence of technical assistance for Panchayat. This puts the structures into disuse.



There is no compulsion on government to complete a work. Thus it has opened up thousands of works but is not completing many of them. In the long term these assets become useless.

# A lost opportunity?

**Few states are giving priority to water conservation. Even there, most of the water harvesting structures created is being put to disuse due to lack of maintenance. In the long run this negates the NREGA's development impacts**

**T**HE Bundelkhand region, comprising of 13 districts of Madhya Pradesh (MP) and Uttar Pradesh (UP), is arguably the most suitable place to gauge the NREGA's development agenda. Eight out of these 13 districts have been implementing the programme since 2006. The region is reeling under its fifth consecutive drought, crop production has come down by around 60 per cent and there is a growing demand for daily wage jobs. The region also has close to four decades of public works experience<sup>16</sup>. The situation fits the stated objectives of NREGA: create employment, use it for water conservation and diminish survival distress. But the picture on the ground has many imperfections – and, thus, lessons for NREGA.

An analysis of works initiated under NREGA in the region shows that only 22 per cent pertain to water conservation; around 24 per cent of the works are for renovating water bodies and 18 per cent relate to drought proofing. Around 30 per cent of the projects are meant for construction of roads. Out of the Rs 100 crore spent under NREGA, Rs 40 crore has gone on road construction alone. Six of the seven districts in the UP part of Bundelkhand are covered under NREGA. But even here, water conservation has not received priority and a large number of projects remain incomplete<sup>17</sup>.

**Except for five states, 22 other states have negligible allocation for water conservation. During 2006-07, Andhra Pradesh alone accounted for 66.87 per cent of total water conservation works under NREGA in the country.**

Banda district, worst affected in the current spell of drought, is an example of how the development potential of NREGA has not been exploited. Take the cases of two villages, Paduee and Madhopur, which stand testimony to how mismanagement is playing havoc with irrigation in the district. "The Ken river flows into a canal that comes from the Manipur branch of the Bariyarpur dam, some 80 km from the villages. Twenty years ago, this used to irrigate 500 hectare (ha) of lands in both the villages. Now, this water flows back into the Ken without touching the villages," says Phool Singh, a resident of Paduee. An overhead concrete water channel collapsed 20 years ago and the irrigation department has not bothered to repair it. The channel used to flow into the canal, which in turn serviced the two villages.

Rajendra Singh, leader of a local farmers' association, says: "NREGA could give employment to local people, who in turn could have repaired the canal. The road to prosperity was that simple." But the villages have been waiting for the programme to begin; repeated requests from local Panchayats have fallen on deaf ears.

Belharka *Gram Panchayat* in Banda consists of four villages – Ranipur, Bherpur, Boardepurwa and Beduaurpurwa. Here, the water table has plummeted to 200 feet in the last decade. Most farmers in Belharka depend on one crop, which sustains them for about five to six months in a year; for the rest of the time, farmers migrate to bigger cities. NREGA was seen as a scheme that would help the village take up water conservation works. But "although Banda district gets close to 800 mm rains annually, in the absence of any strategy to conserve rainwater, the region remains water-starved," says Awadesh Gautam, secretary, Panchayat Adhyan Sandharv Kendra, an NGO based in Banda.

Under NREGA, only two projects relating to tree plantation in four *bigha* of private land and a *kuchcha* road construction work have been undertaken in Belharka during 2006-07. The tree plantation work was

initiated in September-November 2006 at an expenditure of Rs 48,708 on the land of Phul Singh, a former *pradhan*. “While the village needs renovation of existing water tanks for conserving rainwater, NREGA money is being spent in works like roadside tree plantation and road construction,” says Raja Bhaiya, director, Vidya Dham Samiti, a local NGO. In Banda, only 49 of the 923 NREGA projects pertain to water conservation; 201 are road construction projects. Out of the 49 water conservation works, only five have been completed<sup>2</sup>.

In adjoining Chitrakoot district of Uttar Pradesh, out of 701 works initiated under NREGA, only 18 pertain to water conservation, while there are 157 road construction projects. The remaining 526 works are related to drought proofing and renovation of traditional water harvesting structures. But most of these works are still incomplete or as many district officials say, have been abandoned. An example is the work on repairing and desilting of Mancharia tank in Jaganathapuram Panchayat. It was started with an estimate of Rs 12 lakh and could have been of immense use to local farmers, but the work was abandoned mid-way due to “lack of funds”. Similarly, in adjoining Tekeria Panchayat, work on a massive tank, meant to irrigate 25 ha of land, was abandoned after spending close to Rs 4 lakh.

Official data indicates that across Uttar Pradesh, only about 16 per cent of the works were related to water conservation, while rural connectivity cornered 55 per cent. In the state’s Hardoi district, close to 85 per cent of the works undertaken under NREGA during 2006-07 have been related to rural connectivity, while only 12 per cent have been on water conservation. About 39 per cent of the cultivable land (2,97,394 ha) does not have irrigation coverage; the districts mostly marginal farmers depend on rains for water<sup>3</sup>. Rice and wheat are the staple crops; farmers who have access to irrigation facilities also grow sugarcane. Hardoi is also plagued by rampant soil degradation.

This has led to very low agricultural outputs in the district; in fact, agriculture is fast declining as a viable source of livelihood. According to the data available in the district statistical office out of the total rural work force of 9,84,659 in the district, only 20.20 per cent are engaged in agriculture. Marginal farmers migrate to cities for close to six months to supplement their earnings from agriculture.

Hardoi was brought under NREGA to help regenerate its agriculture through water conservation. But two years after, disgruntlement has crept in. Gokul Punia, a marginal farmer with less than one hectare of cultivable land in Padri village, is cursing the programme. When the Act was implemented in his district, he had believed his fate would take a turn for the better: employment for 100 days, lots of water harvesting works to ensure irrigation and freedom from annual migration to unknown places for jobs. Six months later, he was poorer.

Driven by the nexus of local state government officials and contractors, Hardoi’s district authorities decided to construct only roads under NREGA — in complete violation of the Act’s ‘non-negotiable’ focus on water conservation.

Out of the 85 works in Sandli block under the scheme, 82 were on road construction. According to the Union ministry of rural development, 85.63 per cent of the works undertaken under NREGA in Hardoi relates to rural connectivity, while only 11.85 per cent is on water conservation. Naturally, the Pari *Gram Panchayat* followed the district trends. But several villages in the district did not have sufficient land for so many road construction projects! The result: marginal farmers like Gokul had to give up parts of their farmlands to make space for roads.

The 900-metre-long road built in Padri has become a ‘road to despair’ for the village’s marginal farmers. “We heard so much about the scheme — instead of bringing benefits, it has taken away our land,” rues Gokul. Though he got 25 days of daily wage jobs, his loss of land made him poorer. Besides the 11 farmers who lost parts of their lands for the road, six others lost the crucial topsoil from their lands for constructing

.....

**Driven by the nexus of local state government officials and contractors, Hardoi’s district authorities decided to construct only roads under NREGA — in complete violation of the Act’s ‘non-negotiable’ focus on water conservation. Out of the 85 works in Sandli block under the scheme, 82 were on road construction**

.....

**Creation of productive assets in 12 districts studied by CSE under NREGA 2006-07**

Districts	Status	Water Conservation and Water Harvesting	Drought Proofing	Micro Irrigation Works	Provision of Irrigation facility to Land Owned by	Renovation of Traditional Water bodies	Land Development	Flood Control and Protection	Rural Connectivity	Any Other activity Approved by MRD	Total	%age of water conservation
		No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	
Pakur	Completed	321	5	2	0	2	1	4	401	391	1127	47.11
	On Going	319	67	3	286	16	0	1	281	78	1051	
	Total	640	72	5	286	18	1	5	682	469	2178	
Birbhum	Completed	1130	501	751	53	787	266	390	1925	305	6108	59.84
	On Going	742	456	160	10	684	213	94	1126	30	3515	
	Total	1872	957	911	63	1471	479	484	3051	335	9623	
Nagappattinam	Completed	4	0	0	0	134	0	4	63	0	205	76.07
	On Going	8	0	0	0	411	0	8	116	0	543	
	Total	12	0	0	0	545	0	12	179	0	748	
Dungarpur	Completed	1400	147	21	0	1257	1	29	81	0	2936	93.62
	On Going	585	209	93	0	212	0	25	189	0	1313	
	Total	1985	356	114	0	1469	1	54	270	0	4249	
Sidhi	Completed	7805	2732	54	92	536	3995	24	2644	0	17882	59.01
	On Going	4346	1081	71	41	353	3165	0	2098	0	11155	
	Total	12151	3813	125	133	889	7160	24	4742	0	29037	
Bolangir	Completed	0	0	0	0	262	0	3	480	100	845	40.14
	On Going	38	0	0	0	657	11	7	677	174	1564	
	Total	38	0	0	0	919	11	10	1157	274	2409	
Chitradurga	Completed	1379	191	133	119	100	117	116	954	0	3109	66.75
	On Going	1161	177	57	58	54	67	54	655	0	2283	
	Total	2540	368	190	177	154	184	170	1609	0	5392	
Tikamgarh	Completed	418	40	1	589	31	486	14	586	0	2165	54.7
	On Going	594	629	1	990	13	1205	29	497	0	3958	
	Total	1012	669	2	1579	44	1691	43	1083	0	6123	
Anantpur	Completed	4105	217	50	2	32	2261	0	0	0	6667	82.46
	On Going	13764	7033	209	8	395	3231	0	0	0	24640	
	Total	17869	7250	259	10	427	5492	0	0	0	31307	
Rangareddi	Completed	908	103	4	0	2	1209	0	0	0	2226	62.79
	On Going	1885	1275	21	0	113	1346	0	0	0	4640	
	Total	2793	1378	25	0	115	2555	0	0	0	6866	
Banda	Completed	18	330	7	0	80	21	16	152	20	644	63.54
	On Going	52	13	0	0	244	0	26	178	80	593	
	Total	70	343	7	0	324	21	42	330	100	1237	
Chittrakoot	Completed	8	212	16	0	21	23	0	42	0	322	63.34



## Creation of productive assets in 12 districts studied by CSE under NREGA 2007-08

Districts	Status	Water Conservation and Water Harvesting		Drought Proofing		Micro Irrigation Works		Provision of Irrigation facility to Land Owned by		Renovation of Traditional Water bodies		Land Development		Flood Control and Protection		Rural Connectivity		Any Other activity Approved by MRD		Total		%age of water conservation
		No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	
Pakur	Completed	261	17	0	84	13	0	0	0	0	331	0	0	706	91.87							
	On Going	7044	145	17	325	14	0	1	0	1	370	0	0	7916								
	Total	7305	162	17	409	27	0	1	0	1	701	0	0	8622								
Birbhum	Completed	934	213	250	23	850	136	226	0	226	1212	0	0	3844	66.52							
	On Going	742	1202	209	26	602	201	142	0	142	1179	0	0	4303								
	Total	1676	1415	459	49	1452	337	368	0	368	2391	0	0	8147								
Nagappattinam	Completed	4	0	0	0	490	0	15	0	15	75	0	0	584	86.09							
	On Going	27	0	56	0	909	0	22	0	22	171	0	0	1185								
	Total	31	0	56	0	1399	0	37	0	37	246	0	0	1769								
Dungarpur	Completed	1442	177	53	0	506	0	11	0	11	114	0	0	2303	86.78							
	On Going	839	203	101	108	386	39	20	0	20	433	0	0	2129								
	Total	2281	380	154	108	892	39	31	0	31	547	0	0	4432								
Sidhi	Completed	3654	2040	61	3027	211	5444	6	0	6	504	0	0	14947	55.89							
	On Going	909	207	20	1400	324	2026	0	0	0	1384	0	0	6270								
	Total	4563	2247	81	4427	535	7470	6	0	6	1888	0	0	21217								
Bolangir	Completed	5	0	0	0	98	0	0	0	0	191	0	0	295	71.71							
	On Going	953	78	6	0	412	10	7	0	7	364	49	0	1879								
	Total	958	78	6	0	510	10	7	0	7	555	50	0	2174								
Chitradurga	Completed	1506	1309	105	80	86	859	82	0	82	526	0	0	4553	68.04							
	On Going	96	84	1	23	12	39	1	0	1	166	0	0	422								
	Total	1602	1393	106	103	98	898	83	0	83	692	0	0	4975								
Tikangarh	Completed	152	57	0	194	100	27	2	0	2	127	0	0	659	76.38							
	On Going	525	343	1	1597	129	271	4	0	4	535	0	0	3405								
	Total	677	400	1	1791	229	298	6	0	6	662	0	0	4064								
Anantpur	Completed	3077	607	33	8	57	2518	0	0	0	0	0	0	6300	75.83							
	On Going	23316	7615	409	1052	1275	9395	5	0	5	23	0	0	43090								
	Total	26393	8222	442	1060	1332	11913	5	0	5	23	0	0	49390								
Rangareddi	Completed	1168	541	75	283	30	1349	8	0	8	0	0	0	3454	65.7							
	On Going	2201	1181	116	748	390	2226	108	0	108	0	0	0	6970								
	Total	3369	1722	191	1031	420	3575	116	0	116	0	0	0	10424								
Banda	Completed	15	150	0	0	500	5	0	0	0	321	38	0	1029	75.41							
	On Going	91	160	2	0	620	5	38	0	38	94	51	0	1061								
	Total	106	310	2	0	1120	10	38	0	38	415	89	0	2090								
Chitirkoot	Completed	20	12	21	0	796	171	0	0	46	0	0	1066	48.47								

the road. This rendered parts of cultivable land unfit for agriculture. Natha Kuru, a farmer with half a Ha of land, says: "The *pradhan* told us that there was not enough *Gram Sabha* land available in our village, and therefore we needed to give up a bit of our land." Another affected farmer, Sardar Kunti, pointed out: "The scheme has been a curse for us. Instead of providing benefits, it adversely affected whatever little livelihood options we had."

There are, however, signs of authorities finally waking up to the problem. Ved Prakash, chief development officer of Hardoi, has asked all Panchayats not to take up any more road construction activities, and focus instead on works relating to land and water conservation and plantation.

Under the Act, the Panchayat is the nodal agency for selecting the works and for preparing the village development plans; this is to ensure that the works undertaken can help in solving local problems. For example, the Panchayat in Gokul's village should have planned water conservation works to address the crisis in local agriculture. However, says Sohan Lal, *pradhan* of Tiloya Khurd Panchayat: "We are not aware of the provisions of the scheme, and there was no direction from officials against taking up road-building."

Contrast Bundelkhand to another crisis-ridden location – tsunami-ravaged Nagapattinam district in Tamil Nadu. Here, around .2 million ha of agricultural land have been rendered unproductive due to inundation of seawater. NREGA has come as a boon for the displaced farmers. "Due to the introduction of NREGA, there has been an increase in agricultural wages in the region," says G Umashankar, joint director of the Centre for World Solidarity, a Hyderabad-based NGO involved in tsunami relief and rehabilitation. The daily agricultural wage has gone up from Rs 80 to Rs 100. In many villages, most families have work for 100 days. Using the NREGA as an opportunity, the district — in a desperate fight to bring normalcy back into the agricultural professions — has taken up 1,172 works relating to desilting of tanks, ponds and channels; the total number of sanctioned works in the district is 1,406. The district has already spent close to Rs 40 crore on these desilting works. "Through NREGA, we want to revive the water-holding capacity of the tanks, ponds and channels," says R Singaperumal, assistant project officer, District Rural Development Agency (DRDA), Nagapattinam.

Similarly, Ahmednagar district in Maharashtra is an example of how a public wage programme can be used for local development. The district has been implementing the state's Employment Guarantee Scheme (EGS), the inspiration behind NREGA. And it has spent most of its EGS money on water conservation.

.....

**Nagapattinam has already spent close to Rs 40 crore on desilting works. "Through NREGA, we want to revive the water-holding capacity of the tanks, ponds and channels," says R Singaperumal, assistant project officer, District Rural Development Agency**

.....

Ahmednagar lies in the Maharashtra plateau, with flat agricultural land on undulating terrain. In most seasons, its hills are bare and dry. Rainfall is variable, and averages at around 400-500 mm; in several of the past 15 years, the rains have failed — even when they have been bountiful, water has been scarce. Farmers survive mainly on groundwater, whose levels are declining. Drought and distress have been the order of the day.

But this year, there is a new confidence. "We can cope with less than normal rainfall because we have invested during the drought in soil and water conservation," explains Vikas Patil, director of the district's Department of Agriculture.

In Ahmednagar, there has been a clear correlation between the intensity of the drought and EGS spending on watershed work and soil conservation. In 2003-04, the critical drought year, spending shot up to almost Rs 106 crore, a big chunk of the total of Rs 338 crore spent between 1995-96 and 2006-07. This Rs 106 crore went towards making 201 farm ponds, doing 20,000 ha of continuous contour trenching, another 3,400 ha of compartment bunding and building over 1,000 check dam-like structures in different streams and drains to improve water harvesting. In this period, the district built over 70,000 water harvesting structures. In addition, it treated 1,90,000 ha through trenching and field bunding. Of the district's area of just over 1.7 million ha, roughly 11 per

cent was worked upon for soil conservation. "We have, in these years of scarcity, used funds to plan for relief against drought," says Patil.

The impact is tangible, say officials, citing three indicators. First, there has been a drastic decline in the demand for employment in the last few average and high rainfall years. In 2006, the district spent as little as Rs 7 crore on building water structures. "No one is ready to work on our public employment programmes. This is because agriculture is booming and labour is short," says Uttam Rao Karpe, the chief executive officer of the district's *Zilla Parishad*. This year, he says, nearly Rs 50 crore of the funds for soil and water conservation lies unspent. A look at the employment demand statistics shows that in April-December, 2007, only 7,000 households demanded work, compared to about 30,000 in 2006-07.

Secondly, the area under crops has increased; farmers have moved to cash crops and yields have risen. "Agriculture has become productive and lucrative," says Karpe. The best indicator is that while during drought there was a desperate shortage of fodder and farmers preferred not to sell sugarcane but use it as fodder, now there is excess sugarcane in the district, say officials.

Third, there is marked improvement in the water table of the district because of soil and water conservation. Roughly 20 per cent of the 1.2 million ha of cultivated land in Ahmednagar is irrigated; the bulk of this — 75 per cent — is well-irrigated. Farmers use dug-wells which tap the shallow aquifers, and increasingly deeper and deeper tube-wells for cultivation. The district groundwater authorities monitor 200 wells to check water levels. Their data shows that on an average, there has been a five-metre rise in water levels between the peak drought period of 2003 and 2007. Analysis of individual wells across different watersheds confirms this trend. While water levels dropped to 19 metre during the drought of 2003, the near average rainfall the following year has seen an increase and stabilisation. In fact, less than average rainfall is not a problem anymore.

### Abandoned

After two years of implementation of NREGA, the focus is now – and belatedly — moving to its development impacts, which are linked to the nature of village assets the programme has helped create (see Box: *Works in progress*). What is of prime importance here is how these assets have been planned at the village level. Our study of the 12 districts and analysis of the Union ministry of rural development's data on NREGA point to some crucial lacunae. To begin with, a large number of works remain incomplete. Secondly, most of the assets have been created without any ecological plans, and have thus been rendered useless.

While road construction works are being completed very fast, most of the water conservation works remain incomplete. There are various reasons for this: lack of planning for such assets, low job demands for such works and thus non-availability of labour, official delays in approval of projects suggested by Panchayats and absence of any directive on completion of water conservation projects are some of them (See table: *Creation of productive assets in 12 districts studied by CSE under NREGA 2006-07 and 2007-08*).

Till December 2007, of the total 7,69,582 works under progress, only 1,58,277 works (20.56 per cent) have been completed, while the remaining 6,11,305 works (79.44 per cent) are still in progress. Out of this, 0.29 million works are incomplete works from the previous year. In comparison, during 2006-07, more than .83 million works were taken up and 0.38 million (45.78 per cent) were completed. It means that out of the total works currently under progress, 0.31 million works are 'new' works initiated in the current fiscal, while the rest are pending works from the last fiscal. Till August 2007, only about 14 per cent of water conservation works had been completed.<sup>4</sup>

Union ministry of rural development officials attribute the large number of pending or incomplete works during 2006-07 to factors such as elections to state assemblies and the onset of monsoons. Also, "there are a large number of abandoned works due to non-availability of labour," says the ministry. Ministry officials also admit that there have been instances of delays in approval and implementation of projects. "Due to the hierarchy of approvals from *Gram Panchayat* to the block development officer, the approval process prior to taking up work is quite time consuming," they point out. Union minister for rural development Raghuvansh Prasad Singh has repeatedly urged state governments to speed up implementation of NREGA so that a large number of water harvesting structures can be created before the

### Works in progress

From April 1, 2008 the National Rural Employment Guarantee Act (NREGA) has been extended to all 604 districts of the country. The NREGA has huge potential for regenerating village economy in India, but only if its focus remains on the creation of productive assets. NREGA. Two years of NREGA implementation, the developmental impact of the Act in productive asset creation is yet to make a mark. To begin with, a large number of works remain ongoing in both the years. Almost 70 per cent of the works under NREGA are works in progress (read as incomplete, abandoned and ongoing), with water conservation accounting for maximum number of ongoing works.

According to data from the ministry, under NREGA, 15,56,159 productive assets (both completed and ongoing) have been created in the financial year of 2007- 08 (Up to March, 2008). Only, 4,93,067 (31 per cent) works have been completed, while the remaining 10,63,092 (68 per cent) works are still in progress. Out of this, 4,66,462 works (53 per cent of 8,78,841 (total works) are incomplete works from previous year (2006- 07).

In comparison, during 2006-07, more than 8,78,841 works were taken up of which 4,12,379 (46 per cent) works were completed. This implies that out of the total works currently under progress, 5,96,630 are ' new works initiated in the current fiscal, while rest are pending works from the last fiscal. Till March 2008, water conservation account for 55.43 per cent of ongoing works. Rural connectivity which features in priority of most states accounts for 17.01 per cent of total works in the 2007- 08 of which 1,06,447 (21.59 per cent) are completed works.

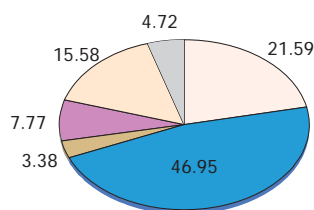
Despite the non-negotiable focus of productive assets on water conservation, works like drought proofing, flood control, land development struggle with priority. Emphasis on water conservation and associated works must be made the mainstay for the majority of the NREGA districts which lie in the dryland areas.

Table: Creation of productive assets under NREGA in 2007- 08 and 2006- 07

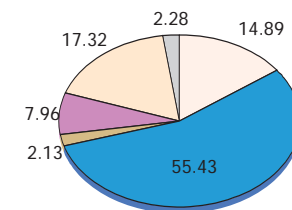
Types of works	Completed		Ongoing		Total	
	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07
Rural Connectivity	1,06,447	95,819	1,58,256	87,081	2,64,703	1,82,900
Water Conservation	2,31,518	1,95,055	5,89,241	2,50,207	8,20,759	445,262
Flood Control and Protection	16,673	10,350	22,651	6,937	39,324	17,287
Drought Proofing	38,314	36,254	84,571	47,023	1,22,885	83,277
Land Development	76,822	43,615	1,84,163	45,297	2,60,985	88,912
Others	23,293	31,286	24,210	29,917	47,503	61,203
Total	4,93,067	4,12,379	10,63,092	4,66,462	15,56,159	8,78,841

Source: Union ministry of rural development, www.nrega.nic.in

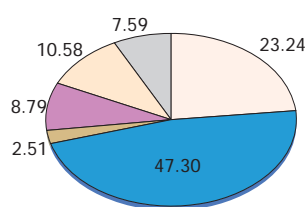
Percentage of work to overall completed works 2007-08



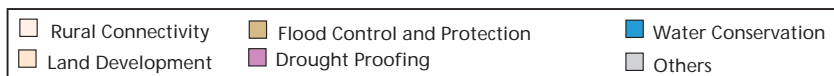
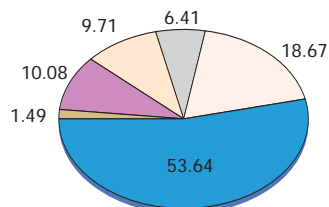
Percentage of work to total ongoing works 2007-08



Percentage of work to overall completed works 2006-07



Percentage of work to total ongoing works 2006-07



## SHOULD ROAD CONSTRUCTION BE TAKEN OUT OF NREGA?

The rural development ministry is looking at a proposal to remove rural connectivity from the list of nine recommended types of work under the National Rural Employment Guarantee Act (NREGA). The argument is that the Pradhan Mantri Gram Sadak Yojana (PMSY) is a dedicated programme for rural road construction. PMSY aims at providing all weather connectivity to habitations with 500 and above (a population of 250 for hilly, desert and tribal areas). Even while reviewing the agricultural policy of Karnataka recently, Prime Minister Manmohan Singh had said that NREGA funds could be used for improving the productivity of those agricultural land owned by those marginal farmers belonging to below poverty lines. "While most of the Karnataka's large arid tract are covered under NREGA, still more than 28 per cent of the funds is being spent on rural connectivity for which government separately funds the rural roads programme," said Man Mohan Singh.

Rural connectivity occupies the bottom position on the list of recommended works under the NREGA. Out of a total 12.3 lakh number of direct projects under the NREGA across 330 districts, more than 2 lakh were related to rural connectivity alone during the April to December period of the current fiscal.

In Assam, the focus on road construction is impacting the NREGA implementation. Forty-one households of Disobai Mauzadar Terang village of Langsomepi Development Block worked under NREGA to remove the grass and throw the gravel on the already existing road. "A community pond could have been dug which would have helped fruit cultivation and horticulture," says Longbram Ingti, a farmer.<sup>4</sup> In Orissa more than 37 per cent of total completed and ongoing projects are road connectivity projects. As high as 59 per cent of total expenditure incurred for road connectivity projects while less than 36 per cent of expenditure was made on water harvesting/conservation, drought proofing like activities. In a survey of 1200 households in Rajasthan's Sirohi district by the Institute of Social Studies Trust, it was found that gravel roads are getting precedence despite the district's water scarcity. It found that during 2006-07, gravel roads have got precedence over other works.

onset of the monsoons during the current fiscal. "Due to non-completion of many water works, they are susceptible to damages. My observation shows that we have already lost around 60-70 per cent of works newly created under the NREGA," says Harnath Jagawat of the Gujarat-based MM Sadguru Water and Development Foundation.

### Going to the drain

The CSE study found that bad planning for the water conservation structures and lack of maintenance are already putting a large number of the assets created into disuse. Water harvesting structures have been created without any provision for catchment protection. For example, Kanchanpur village in Sidhi district has built three huge tanks under NREGA; their catchments are in forest areas. "Most of the catchments are degraded and the forest department doesn't allow us to treat them. So I am sure that in two years, the tanks would be silted up," says Kunwar Singh, a social worker based in Sidhi. Earlier, the village had constructed three check dams; all of them have silted up beyond repair. "The district initiated work on around 500 tanks and water harvesting structures in the first three months of NREGA implementation. There was hardly any thinking on from where the water would flow into these tanks. My field visits show me that most of these tanks would burst in monsoon or be silted up within a year. Their catchments are highly degraded," says Ashok Kumar Shah, the district Panchayat president.

The issue of maintenance has to be addressed urgently as well. NREGA doesn't allow maintenance work as a permissible activity. This alone has the potential to undo whatever has been achieved. Also, this comes as a problem for the districts which have already large number of water harvesting structures and want to use NREGA money for maintenance (see Table: *Structure of spending of NREGA funds*). In Dungarpur district of Rajasthan, floods have washed away most of the new water conservation structures constructed under NREGA. A total of 2,377 water harvesting structures – anicuts, check-dams, gabian structures and water channels – had been built in Dungarpur since the launch of NREGA from April 2006. Around 80 per cent of them have been washed away. "As NREGA allows only minimum usage of machinery, we are finding it difficult to build structures which would last longer periods of time," says Neeraj K Pawan, district collector, Dungarpur.

Sidhi district in Madhya Pradesh is an example of how without any provision for maintenance, assets created are put to disuse. The district has spent substantially on water conservation works under NREGA.

Planning for assets under wage employment programmes have traditionally taken a backseat. Though the NREGA aims to improvise from previous experiences in building sustainable assets by introducing advance planning of infrastructure at the village level and focusing on works related to regeneration of natural resource, the focus on employment generation under NREGA has compromised the quality of assets created.

The NREGA mandates a 60: 40 ratio to be applied for the works taken up. This had led to problems with respect to the generation of durable assets. According to Indira Hirway, Director, Centre for Development Alternatives, “ About 80 per cent of the assets created under the programme are not durable due to the insistence of 60: 40 ratio for each work.” Furthermore maintenance of these assets is an issue as the Act fails to mention this provision. The concurrent rural monitoring of MORD in 12 states highlights majority of the assets created are not used productively for sustained benefits.

Emphasis on wage earning aspect has also shifted the focus from natural resource related works to construction of roads.

According to K. S Gopal, Director, Centre for Environmental Concerns ,” A predominant thinking is that the task of works in NREGA is to offer manual labor and no more. ” A key reason to promote such works is the scope for profits to middlemen and cost manipulation by officials leading often to wasteful investments. Hence roads and physical infrastructure activities must be kept out of or given low preference in NREGA.

The below table shows that at the national level, around 72 per cent of NREGA money is spent on wage while around 26 per cent is on material. This must be read in context of the Act’s suggested 60:40 wage and material ratio.

Table: **Structure of Spending of NREGA funds (in per cent)**

	On unskilled wages	On semiskilled and skilled wages	On Material	On Contingency
<b>General Category States</b>				
Bihar	62.15	4.02	32.79	1.03
Uttar Pradesh	68.10	3.66	26.11	2.13
Orissa	53.63	9.07	36.56	0.73
Jharkhand	62.56	7.65	28.78	1.02
Madhya Pradesh	63.71	5.52	30.34	0.43
Chattisgarh	67.65	2.33	29.76	0.26
Rajasthan	80.85	2.97	15.48	0.70
West Bengal	82.00	2.69	13.11	2.19
Andhra Pradesh	80.64	0.20	0.61	18.54
Karnataka	60.45	2.90	33.84	2.80
Tamil nadu	54.67	0.00	0.67	44.67
Gujarat	62.90	1.02	9.71	26.38
Kerala	0.00	0.00	0.00	0.00
Punjab	58.60	0.75	39.17	2.22
Haryana	70.40	0.00	15.19	13.66
Maharashtra	0.00	0.00	0.00	0.00
<b>Special category States</b>				
Assam	58.45	1.13	38.10	2.31
Mnaipur	58.60	4.19	37.20	0.00
Jammu & Kashmir	63.96	21.11	14.07	0.86
Uttaranchal	53.46	4.53	41.29	0.72
Meghalaya	0.00	0.00	0.00	0.00
Arunachal Pradesh	0.00	0.00	0.00	0.00
Tripura	0.00	0.00	0.00	0.00
Sikkim	0.00	0.00	0.00	0.00
Nagaland	60.00	0.00	40.00	0.00
Mizoram	77.76	0.00	0.00	22.24
Himachal Pradesh	60.30	4.85	33.95	0.90
All States	67.29	4.38	25.62	2.71

Source: Implementation of the National Rural Employment Guarantee Act in India: Spatial Dimensions and Fiscal Implications, Pinki Chakraborty, National Institute of Public Finance and Policy, New Delhi, India.

## SIDHI'S WELL BEINGS

The grin in Nepal Singh's face, a 50-year-old farmer in Siddhi district's Barmani village, is unusual. This is the fourth consecutive drought the dominantly agrarian district is facing. Singh doesn't remember a drought year in past when he didn't migrate. Usually a drought means miseries: no earning, distress migration to hostile urban areas and a step into the vicious debt trap. "This year I have earned more money from agriculture than ever. For the first time in many decades I had my winter crop this year besides the bumper monsoon crop," he says tending his lush kitchen garden. "The vegetable garden has also ensured my year long supply of vegetables saving me a lot of money."

During January-February 2007 Singh got his abandoned dug well renovated under the NREGA. Twenty-five people from the village including Singh's own family members worked on it for three months earning Rs. 2000 each. "It happened at a time when we usually migrate out for survival. The works stopped us from doing that while creating water source for my irrigation," says Singh. "The wage was less but I got the benefit of assured water in my well."

Despite the bad monsoon of 2007-08, the well water has been sufficient to assure irrigation for Singh's five acres of land. Earlier he could barely manage to cultivate two acres from the erratic monsoon. This year he took up cultivation in five acres besides using the water for vegetable in the kitchen garden. His earning from agriculture doubled from Rs. 4500 a year to Rs. 10,000 this year. Due to the assured water source his winter crop has added Rs. 10,000 more to his earning: he now cultivates wheat, an unheard of proposition in the parched district. And he estimates that the kitchen garden saved him around Rs. 1000 as he stopped buying vegetables from markets.

Siddhi has invested heavily on digging and renovating wells under the NREGA. The district has 8000 wells being undertaken in the last two years while 4000 have already been completed and used. Out of the district's last year expenditure of Rs 65 crore in NREGA, Rs. 35 crore was spent on water conservation, mostly in digging and renovating wells. "The district's groundwater level is very good. The soil is without rocks thus digging wells are easier. Given the 60:40 ratio of wage and materials under the NREGA, wells come as a suitable productive assets," reasons Nisar Ahmed, the chief of district Panchayat. Siddhi's dominant population of scheduled castes and tribes is another reason for such a large number of private assets being taken up under the NREGA. The Act allows development and creation of assets in private lands of SC/STs.

However the district has a problem of plenty. The district has created around 6,000 water harvesting structures in the last seven years under the state's Rajiv Gandhi Watershed Development Mission. Many villages have experienced increase in groundwater level and agricultural productivity has increased.

The NREGA came as another opportunity to perpetuate the water conservation works undertaken by the watershed development mission. "Watershed development has raised groundwater level. The wells under NREGA have been able to exploit the raised groundwater situation," says Kedar Rajak of Gram Sudhar Samiti, a NGO based in Sidhi.

But the issue of maintenance of such a large number of water harvesting structures haunts the sustainability of the district's experiment with water conservation. Watershed structures have a life span of 15-20 years. The wells and check dams build under the NREGA need regular maintenance. But there is hardly any money left with Panchayats to do that. NREGA would have been helpful in doing maintenance works in watershed structures. "NREGA should have allowed us to maintain earlier structures instead of creating new ones," says Rajendra Singh, a farmer from the district's Khar village.

Till June 2007, 149 tanks had been completed with an expenditure of Rs 1.19 crore and 639 tanks are under construction. Similarly, 10 minor irrigation canals have been completed in the district and another 25 are under construction. "Due to this, water availability has gone up dramatically resulting in farmers taking up cultivation of rice, wheat and vegetables," says Ragen Singh, a farmer, who has one Ha of land. "There have been no cases of migration from Bhaghohar *Gram Panchayat* this year as water availability is high," says Jagat Niwas Pandey, director, Gurukul Shikshan Sansthan, an NGO based in Sidhi.

Sidhi also has been a good example of water and soil conservation under the state's Rajiv Gandhi Watershed Development Mission. The programme has covered the entire natural drainage system. The district now faces a problem of plenty: many villages don't want new water harvesting structures being built under NREGA. Rather, they want NREGA money to be spent on maintaining the existing structures (*see Box: Sidhi's well being*).

According to an official of the Madhya Pradesh government involved in the watershed project, usually watershed structures have a life span of 15-20 years. If maintenance of these structures is not taken up on a priority basis, villages turn from water-rich to water-deficient regions. Under NREGA, construction of a tank has been taken up in Khaira village at an estimated cost of Rs 7 lakh. "Khaira village has already several water conservation structures; NREGA allocations could have been used for maintenance of structures built under the watershed mission," says Rajendra Singh, a farmer of the village.

Absence of a thorough planning before taking up work for a water conservation structure is also the reason for a large number of incomplete or abandoned structures. In fact, NREGA does not have any provisions for completion of works. Though the Act emphasises on village-level planning for assets creation, there is no mention of making the assets durable and, thus, productive. It is also a reflection of governments giving precedence to employment creation over durable productive assets creation. "Without a completion provision, governments just start works to meet job demands. Also, to meet the objective of creation of productive assets, they open up new works. There is no compulsion to complete the works," says Mihir Shah of Samaj Pragati Sahayog, Dewas, who has been tracking the implementation of the NREGA.

Many experts and Panchayat members feel that instead of opening up new works it is more important to complete the existing works under NREGA. "Government must finish water works within a time frame. Otherwise it means a huge wastage of money as well as it doesn't prove to be useful," says J Ventkataramana, head of Hulikallu Panchayat, Anantapur district in Andhra Pradesh. In his village, the government started desilting a huge tank at a cost of Rs 17 lakh. But district officials stopped the work just before monsoons. After the monsoons, the silt has flown back into the tank. Many Panchayat members say that each work must have a work completion time-frame (see Box: *Rajasthan tackles drought through pokhars*).

### RAJASTHAN TACKLES DROUGHT THROUGH POKHARS

Prakashi Devi is happy her village pond still has some water left. "A little bit of water is good news," says the 40-year-old villager from Kaila Devi gram panchayat. Rajasthan's Karauli district has been reeling under droughts for the last four years. To tackle this, people there are reviving pokhar — a 200-year-old traditional water harvesting system. Which is why, Prakashi Devi's village has water this year.

Pokhars are ponds with 1-2 metre high embankments built of loose stones and earth on an elevated part of the village. They are fed by surface runoff from the surrounding catchment and help recharge ground water levels. Stored water from the pokhar is channelled out from kothis (outlets). Pokhars irrigate agricultural fields downstream. An average size pokhar can irrigate 2-4 hectares (ha), while the large ones can irrigate up to 15 ha. This water harvesting system used to help villagers tackle water scarcity in summer, irrigate crops and provide fodder for cattle.

Found mostly in areas with ravines and rocky topography, there are about 2,000 pokhars in Karauli and Sapotra blocks of Karauli district. However, most of these have either silted up or have been breached due to years of neglect, partly because successive droughts had affected villagers that they couldn't afford to maintain and repair their pokhars.

Kinshuk Ram of Lakhroopi village says that the lack of functional rainwater harvesting structures has had a serious impact on local agriculture. A pokhar would help him harvest kharif crops, if the rains fell, he could even grow wheat during the rabi season. Now, every year the region sees mass migration of men and cattle during summers due to lack of water and livelihood options.

But this pattern is slowly changing. Realising the importance of these traditional structures, the Society for Sustainable Development (ssd), a Karauli-based ngo started reviving pokhars in the district during 1997. The outfit roped in local communities, asking villagers for their inputs and financial assistance. Villagers were initially suspicious and resistant to an external agency helping them revive this tradition, but ssd soon won their trust, says Ram Sumer Meena of Lakhroopi, who helps ssd in their activities. The ngo provides half the cost of reviving a pokhar owned by an individual, and 25 per cent of the cost for community-owned structures.

In villages across the district, watershed development committees were set up to run the revival project. Within the first year of the project's implementation, pokhars supplied water to 130 ha in the district, increased the yield on this land by 65,000 kg. Badri Meena of Lakhroopi village, for instance, invested about Rs 4,000 to repair a pokhar in his village back in the late 1990s. Within a year of the pokhar's revival, he grew 1,800 kg of paddy and straw worth Rs 10,000 on his 2-ha plot.

"The revival of these structures is crucial for coping with drought," says Ganpath Mina, Lakhroopi village sarpanch. "Digging new ponds and check dams will help fight water scarcity to some extent, but when the rains fail these structures are useless. The old water harvesting structures, which are a part of the landscape, should coexist with the new structures."

Encouraged by ssd's success, there's now talk of using the National Rural Employment Guarantee Act (nrega) for a large-scale revival of pokhars in the district. "The act has the potential to provide livelihood security and control migration," says ssd executive director Arun Jindal. Though the district has given priority to water conservation, building check dams and digging new ponds only entail higher costs, he says. A farmer can't even till land near check dams. Repairing traditional structures are better investments, since they not only provide water but also decrease soil erosion by providing conditions for vegetation to grow.



## Chapter 6

Panchayats are implementing more than 60 per cent of NREGA works but have hardly any say over its implementation as stipulated in the Act.



There is no village level planning for the NREGA works. The provision of annual village plan has become a ritual with local government officials dictating terms.



The interim provision of adapting the NFFWP guidelines and plans has provided the right excuse to local government officials to bypass the Panchayats.



Without participation of the local communities in the implementation, NREGA will not make any impacts on local development, as it will not reflect local needs.



This is the reason why very few people are attending the Gram Sabha meeting on NREGA related issues.

# Bypassed?

**Village communities are being bypassed in planning development works under NREGA.  
This will make the Act irrelevant to local development**

**P**ANCHAYATI Raj institutions are the principal players for the NREGA implementation. According to the Union ministry of rural development, there are 61,763 village Panchayats and 1,894 block Panchayats in the first cluster of 200 districts. The number of implementing agencies, thus, is very high. They are also extremely diverse in their political and socio-economic structures. While village Panchayats are reportedly implementing 66 per cent of total NREGA works at national level, others including independent implementing agencies and block Panchayats are implementing around 34 per cent of the works (See table: *Works executed by Panchayati Raj Institutions*). Out of the 27 states, in 20 states village Panchayats are implementing more than the stipulated 50 per cent works. In Bihar village Panchayats are implementing all the works under the scheme.

The state of Panchayats in these districts is a cause of concern. Only six out of the 27 states have devolved the 29 functions to the local bodies as listed in the constitution. Secondly, only Kerala and Karnataka have devolved functions, functionaries and funds to the Panchayats, which are necessary to make them effective. So the implementation of NREGA with such sorry state of local governance is difficult and prone to bureaucratic interferences. The Second Administrative Reform Commission found that Panchayats in NREGA districts had no regular and dedicated functionaries; the Gram Sabha that are required to choose the projects were dormant as well.

How are the Panchayats coping with the NREGA? The answer to this question in many ways will also hint at the effective implementation of the NREGA. Our analysis finds a disturbing trend: Panchayats are fast turning into implementing agencies, as in other rural development programmes, for NREGA without any say over planning. Though the Act makes panchayats nodal bodies, the complex and cumbersome procedure of implementation leaves Panchayats nowhere in the scene.

States	Per cent of works executed by Panchayati Raj Institutions
Assam	61.11
Bihar	100
Gujarat	97.24
Haryana	80
Jammu & Kashmir	8.33
Jharkhand	78.54
Orissa	52.14
Rajasthan	94.68
Tamil Nadu	42.11
Uttar Pradesh	68.89

Source: Union Ministry of Rural Development, September, 2007

Our field reports show that the procedure to approve a village plan takes at an average three-four months. Under the act the village Panchayat sends a plan of works to the block Panchayat that in turn sends it to the district Panchayat for finalisation. In the 12 districts that we studied, the average time taken to complete this procedure is around four months. Without the plan approval money is not released to the Panchayats to start works. This leads to delay in works start up as well as completion. On the other hand it takes another four to five months for plan completion report without which a Panchayat cannot take up fresh works. This is due to the torturous procedure involved as well as shortage of technical

staff at Panchayat level to evaluate works. Currently, according to the ministry of Panchayati raj estimate, one junior engineer is in charge of 7-10 panchayats i.e. works of around 50 villages. In between to cater to job demands and exploiting the procedural glitches, district line departments have taken over the legitimate roles of the Panchayats for faster plan approval and completion. Panchayats, thus, end up putting all their efforts in maintaining records (See box: *More burdens, less capacity*). And, of course, bearing the burden of local discontentment.

### Left alone

It is already showing up. "NREGA is turning out to be the officials' baby. Even at the level of Gram Sabha, it is officials who control the strings," says Kullaya Swamy of the Centre for Rural Action, an NGO in Anantapur district that did a social audit of NREGA. For example, in Madhya Pradesh, the tehsildar has the power to arbitrate validity of job applicants in case a complaint is lodged against the Panchayat head. In many states, district collectors have been made the district programme coordinators, thus diluting the principle of making the Panchayat institutions the 'principal authority' under the Act. Our evaluation of the NREGA in Karnataka and Andhra Pradesh points out that the Panchayats are not being encouraged to be in charge of the scheme. Central guidelines mandate that an NREGA assistant should be recruited for each of the 87,000 Panchayats where the scheme is applicable. But most states have not made such appointments. In a survey of 13 states by the Central government, only four states have done so .

Take the instance of Shivpur village in MP's Tikamgarh district. Moneylenders and traders are after the 35-year-old Sarpanch Ramesh Singh Yadav from the village. He owes them Rs 10 lakhs. Ramesh has been chasing the block development officials for months. He is not an indebted farmer who has taken heavy loans from these people. He just tried to implement NREGA honestly. His village was suffering the third consecutive drought. The village's mostly marginal farmers were desperate for works and a way out of drought. NREGA came as a boon with its focus on water conservation and assured at least 100 days in a year of daily wage works.

He started works worth with Rs 20 lakh after Gram Sabha passed resolution and the Block Development office sanctioned works relating to construction of a check dam, plantation of 300 fruit trees on roadsides and built a kilometer long road in the Shivpur village. Rs 10 lakh was provided in advance prior to start of

### MORE BURDENS, LESS CAPACITY

NREGA is turning out to be a major work burden for the already overworked Panchayats. The work burden is tasking particularly because most of the states have not devolved the necessary function, funds and functionaries to Panchayats for effective implementation of the NREGA. Out of the 214 centrally sponsored schemes targeted at rural communities, Panchayats implement 151 and have a partial role in 23 others. These total to 174 schemes, which received an allocation of Rs.33, 044 crore in 2005. Panchayats also implement most of the schemes classified as 'additional central assistance', which are disbursed through specific regional anti-poverty programmes. According to the computation of the Union ministry of Panchayati Raj, these comprise 16 schemes operated by 11 ministries and departments, worth Rs. 16,880 crore in 2005. Additionally the government's Bharat Nirman programme, which started in 2005, has a component to be implemented through Panchayats. Add to this the BRGF in implementation in the 200 districts NREGA covered in the first phase. BRGF is implemented by Panchayats alone.

Panchayats have huge administrative workload. They have to maintain accounts for as many as 76 schemes on an average, which gives little room for effective on-ground implementation. In a sample study in Madhya Pradesh and Karnataka, the World Bank found that on an average, a Sarpanch needs to keep track of 470 accounts and deal with 17 line departments involving 50 officials. Each activity has to be dealt separately. There is no convergence of schemes at the village level. In the coming years Panchayats will get more work, more money and more responsibilities. The Union ministry of Panchayati Raj has initiated a process through which all ministries implementing schemes in villages will have to look at their functions relevant to Panchayats. "Centrality of Panchayat in all government schemes is what we are looking forward to," says Mani Shanker Aiyer, Union minister of Panchayati Raj.

### A WHIM, MANY FALLACIES

In Sarguja district of Chhattisgarh, the Panchayats are a worried lot. The district administration eyeing for a mention in the Guinness Book of Records for largest ever plantation. And the district collector ordered massive plantation of Ratanjot saplings. The district rural development officials have found the right excuse: NREGA must be the vehicle for it. In 2006-07, the district spent 70 per cent of its NREGA money on plantation of Ratanjot despite a strict directive from the state Panchayat secretary on taking up only water conservation works. After an expenditure of Rs. 60 crore on plantation, the district with just 11 per cent irrigated lands doesn't have any money for water conservation. Going by the report of CSE fellow Rajesh Agrawal studying the implementation of NREGA in the district, most of the Panchayats did ask for water conservation structures under the scheme. But the district officials prevailed over them.

work. Due to delay on the part of junior engineer in providing completion report to district programme coordinator, the state government withhold payment for works that is Rs 10 lakhs.

Ramesh convinced the local traders to supply materials to complete works and loaned money from moneylenders. It is more than three months, the government has not paid the rest amount and people chase Ramesh. "Every trip to block office (16 kms away from his village) costs me Rs 150, my monthly honorarium from government. I am nowhere," says he. He has already made 15 trips to the block spending 15 months of his honorarium in advance. Shivpur has not taken on any work under NREGA, despite demands from its residents. It has another 10 rural development programmes that require the Panchayat's attention. "Thus the immediate and essential needs of the people were compromised. Small things like repair of drains couldn't be undertaken as Panchayats in NREGA districts do not have any flexible funds," found a month-long survey done by the PACS in UP, MP, Chhattisgarh and Jharkhand in October 2007.

Velji Bhil, the head of Varda Panchayat in Durgapur district, expresses dissatisfaction over the meagre income and manifold work that he had to balance. Over and above these the account keeping, muster rolls and constant monitoring of work is a big burden too. Given the lack of technical training Panchayat members on work sites are unable to monitor work effectively. This has repercussions on the calculation of amount of work completed and hence the wages. Union minister rural development Raghuvansh Prasad Singh admits that due to ignorance on the part of the officials as well as the elected representatives to the PRIs, grassroots planning is not taking place as per the mission and objective of NREGA (*See box: A whim, many fallacies*).

NREGA is not the only work he is supposed to implement. There are 10 more programmes, starting from old age pension distribution, looking after mid-day meals for children to drought rehabilitation schemes, the Panchayat implements. But his frequent trip for getting money cleared under the employment guarantee scheme means he is not delivering on other responsibilities. Although NREGA talks of involvement of villages in the planning process prior to taking up works, in reality the government officials have hijacked planning and implementation.

#### **A different perspective**

CSE studied the village level planning process in the mentioned nine states. Preparation of perspective planning is a major tool for involving the community in the scheme as well as making it relevant to them for local development. In all the states we studied the old plans for National Food for Works Programme (NFFWP) have been adopted. Perspective plans under the NFFWP were entirely prepared by government officials, as there was no mandatory provision for involving the Panchayats. The previous NFFWP sites were designated as NREGA worksites thus the local communities had no say over their choice and utility.

It comes out eminently that the interim provision of adapting the perspective plans of NFFWP has stymied village level planning. Many state governments copied NFFWP district perspective plan for the implementation of NREGA. Orissa government inserted Section-4 into Orissa Rural Employment Guarantee Act (OREGA), which specifies that until the state scheme is notified, the annual plan or perspective plan of

NFFWP would be deemed to be the action plan for NREGA. Karnataka and Tamil Nadu have also just copied the NFFWP plan for NREGA works.

We find that in many villages types and categories of work that can be done under the NREGS are broader and have been clearly defined and explained in the Act unlike in NFFW. Yet, the projects identified in the NFFW five-year perspective plans were borrowed for NREGS implementation. As the projects were borrowed from NFFW / SGRY perspective plans their scope was a lot limited in comparison to what has been envisaged in the NREGS.

Take the instance of the perspective plan of Pakur district of Jharkhand essentially designed for the NFFW Programme and has been adopted for the NREGA. The government officials argue that since majority of the works taken up under National Food for Work Programme were related to watershed and water conservation, the works cited under NREGA also have the same components. However, continuing with the current perspective plan is posing problems for the district.

The officials point out that the recent amendment in NREGA, which makes provisions for works to be taken up on land belonging to Scheduled Caste (SC) and Scheduled tribe (ST) and Below Poverty Line (BPL) households, is difficult to implement in the context of the design of the perspective plan. The perspective plan highlights the missing infrastructure (ponds, roads etc) in the village and is designed mainly for Panchayat land and government land. "It does not state missing infrastructure on the land belonging to

Table: **Planning of works under NREGA**

State	Names of Selected Districts	% of Blocks in which annual Plans were prepared	% of GPs for which annual Plans were prepared for planning	Estimated percentage of households attending Gram Sabha meeting	
				(3)	
				August 2006	March 2007
Andhra Pradesh	Medak	100.0	80.1	36.1	22.4
Bihar	Madhubani	100.0	100.0	44.0	57.3
	Muzaffarpur	100.0	87.0	77.0	29.6
Chhattisgarh	Raigarh	100.0	96.7	77.0	40.5
	Rajnandgaon	100.0	100.0	60.0	25.8
Gujarat	Sabarkantha	100.0	82.3	33.0	24.7
Haryana	Mahendergarh	100.0	100.0	34.0	45.2
Himachal Pradesh	Sirmour	100.0	100.0	75.4	72.1
Jharkhand	Jamtara	100.0	100.0	40.3	38.2
	Pakur	100.0	89.2	21.6	23.3
Kerala	Wayanad	50.0	100.0	0.0	25.0
Madhya Pradesh	Shivpuri	100.0	100.0	44.0	2.9
	Sidhi	61.4	76.4	66.0	43.9
Orissa	Dhenkanal	100.0	91.2	67.0	52.0
	Ganjam	100.0	95.8	44.0	14.4
Rajasthan	Karauli	100.0	100.0	28.9	21.7
Uttar Pradesh	Banda	100.0	89.3	16.6	5.9
	Mirzapur	100.0	100.0	23.3	32.7
	Sitapur	100.0	94.5	41.1	30.2
Uttarakhand	Chamoli	100.0	87.7	60.0	26.6
West Bengal	24 Pargana South	100.0	100.0	70.7	90.1

Source: Study on role of Panchayati Raj institutions in implementation of NREGA, Phase – II, PRIA, 2007

Perspective plans under the NFFWP were entirely prepared by government officials, as there was no mandatory provision for involving the Panchayats. The previous FFWP sites were designated as NREGA worksites thus the local communities had no say over them

BPL, SC and ST households," says a district official in charge of implementation. "These amendments to the scope and nature of the work taken up poses difficulties in planning out projects and providing timely employment to the people," says Udit Narayan Sahu, Deputy District Collector, Pakur.

In districts where there were no perspective plans even under the NFFWP, they have been outsourced to external agencies thus bypassing the local communities. In UP both these schemes were in operation in 15 districts. Hence, the state government had to prepare for only seven districts out of the 22 under the NREGA. There are accusations that the four institutions told to prepare the perspective plans never consulted the local people. In Orissa, for example, the state government suggested to the district collectors nine agencies to prepare the perspective plans. It gave just three months to the collectors to finish the entire planning process. As a result the agencies did it by just brushing the earlier plans without involving anybody. At an average for each district's perspective plan a week was spent.

And where the local communities had some degree of participation in planning, the local officials have chosen to bypass the plans (*See box: How NREGA helped Panihari village*). In Rangareddy district's Manchala block, for example, many village Panchayats developed their plans meticulously. In Agapalli village plan the Gram Sabha recommended renovation of four lakes and digging of seven structures for water storage. The Panchayat even conducted a survey on what benefits the water structures would fetch in terms of increase in groundwater increase and earning from fisheries. But after the Gram Sabha passed the plan, the official came with works that were entirely different: bunding work and teak plantation. Similarly Nomula Panchayat has conducted village meetings with 100 people and then prepared the development plan. As per Muttamaiah, the former village head, the meeting decided for levelling of land keeping in mind the interests of small farmers. But the district authorities took up teak plantation instead. Now more than 50 per cent of the plantation has died and most of the villagers have migrated out.

### A deserted assembly

The above examples explain the growing trend of people not attending Gram Sabha for NREGA works. "Across the districts (in 14 states) it was observed that the Gram Sabha meetings were not held in the true sprits of participation. The bureaucracy dominated the process of planning, identification of works and implementation," says the PRIA study. The study found that in the 14 states though gram panchayats were implementing at an average 80 to 90 per cent of total NREGA works, in the Gram Sabha the attendance on selecting the works was awfully low: an average of 30 per cent people sat down for planning NREGA works. "Most of the gram panchayats across the districts did not identify the works to be implemented instead the works to be carried out were allotted to them. Panchayats played a very limited role in identification and planning of the works," the survey observed. Similarly in a survey of three districts in Bihar on local participation in planning, done by the Patna-based Centre for Communication Resource Development, it emerged that one district didn't have any meeting of Gram Sabhas for perspective planning. While in two other districts at an average 48 per cent of all Gram Sabha meetings dealt with perspective planning.

In Chhattisgarh, Madhya Pradesh and Jharkhand Gram Sabhas were not consulted in deciding the work sites. In few cases they were consulted, it was done after the block office proposed the sites and got the approval only. In Chhattisgarh, since all works have been identified for the NFFWP, government officials just didn't consult the Panchayats though they are being now undertaken as NREGA works. In AP, where for all practical purpose Panchayat office bearers were replaced by the village organisations (VOs) created under the Velugu Project of the World Bank, VOs are the implementing agencies for most works under the NREGA.

## HOW NREGA HELPED PANIHARI VILLAGE

Residents of Panihari village are a happy lot. They are celebrating freedom from floods for the first time in living memory. Agricultural wages have increased across the district in the one-year of the National Rural Employment Guarantee Act implementation (NREGA). Utilizing the 'employment' opportunity that came their way through NREGA, residents of Panihari in Sirsa finished constructing a 2-km embankment on the Ghaggar river in February 2007 which caused flooding every monsoon.

The embankment's height was raised on one side of the Ghaggar by the irrigation department in the late 1990s. "Wealthy landowners consented to give part of their land for the embankment. This aggravated the problems for people staying on the opposite bank," says Rajendra Kumar, a resident. In 1999, however, the villagers had sought a stay on the government's plan to raise the height of the embankment on the other side (where the new embankment has come up now) fearing loss of their land.

But, with NREGA in focus, the villagers took it upon themselves to build the embankment. Compensation issues were settled internally. The panchayat allowed concessions to landowners who were losing a part of their land. They were allowed a share from the panchayat's land and in a few cases, people shared their land with the groups affected, say villagers.

"The panchayat has been proactive in taking the lead to inform people about NREGA. Job cards have been duly issued and payments made. Sometimes the panchayat has paid wages out of its own pocket to people in need," says Mashi Ram, 40, one of the village's below-poverty-line cardholder. Agricultural wages stood at a meagre Rs 56 per day before NREGA was introduced in the area in February 2006. With the programme on its feet, the minimum wages were settled at Rs 96.

There is euphoria in the village now. "With the focus on employment generation, the act targets poverty directly," says deputy commissioner V Umashankar.

The VO's are basically made of self-help group members. They hardly convened the Gram Sabhas thus the consensus over types of work was among the SHG members only. Using this many influential residents got projects like tanks and ponds sanctioned under the NREGA in their lands by donating a piece of small land. This has led to ownership problems.

Jharkhand, without any formal Panchayat structure, there have been several reports of Gram Sabhas being sidelined prior to taking up works under NREGA. "The absence of elected people's representatives to the Gram Sabha and the Panchayat has become a big roadblock to the effective implementation of NREGA in Jharkhand," says Kumar Sanjay, a Ranchi based journalist, who has reported extensively on NREGA implementation. The absence of gram panchayats in Jharkhand has created an institutional vacuum at the village level. In Jharkhand, contractors have stepped in as a substitute for the village Panchayat and are manipulating the programme for furthering their own needs.

Even in Karnataka, which was the first state to decentralize power to Panchayati Raj institutions, there are several instances of gram panchayats being sidelined while finalizing works under NREGA. As per the assessment done by Vishwachetna, an NGO based in Chitradurga district of Karnataka, works based on resources at the rural level and Gram Sabhas recommendation are not being taken up. "The NREGA is completely run by higher level government officials in the district," says T Palaiah, Director, Vishwachetna.

The concept of 'social audit' aims at primarily to make sure that the local communities have a say over the implementation. Besides, it also looks after corruption and other violations. But the mechanism, though gaining momentum, is most of the time used to verify registration and muster roll only. Since October 2006, there have been more than 200 social audits spanning over 20 states to monitor the implementation of the NREGA. Our desk review of all the social audits shows that they didn't help much in terms of asserting Panchayat rights over implementation or creation of productive assets. An analysis of social audit reports conducted by NGOs in districts including Dungarpur (Rajasthan), Hardoi (Uttar Pradesh), Surguja (Chhattisgarh), Villupuram (Tamil Nadu), Chitrakoot (Uttar Pradesh) clearly indicate that the auditing processes have been mostly focussed on issues such as registration of families, checking of muster rolls for preventing forgery, timely payment of wages and payment of unemployment allowance. It did not say anything about gram panchayats involvement in the implementation process.

## Chapter 7

Measure not just the wage provided but also the asset created and its effectiveness. This will make village development NREGA's primary objective.



Instead of convoluted wage calculations, which defeat the very aim of the programme, make payment of wages for work done simple and hassle-free. Provide a premium wage for development programmes.



Emphasis on centrality of water conservation in NREGA by measuring its effectiveness.



Give importance to afforestation under NREGA by linking it to other forestry programmes.



Make completion and maintenance of works under NREGA compulsory.



Focus on village level planning to make NREGA effective.



# The way ahead

## NREGA is not just about drought relief but relief against drought

**B**EGINNING April 1, 2008, the NREGA will become pan-Indian: it will cover the entire country extending the guarantee of 100 days of employment to around 45 million rural households. It will also be the only operational wage employment programme in the country, with all other existing scheme subsumed within it. It will provide a legal 'entitlement' to each person of a job during distress, which in turn creates a floor to poverty.

But this is only part of the potential of this world's largest wage entitlement programme. The jobs, this scheme provides can be used to eradicate poverty, not just to provide temporary relief during acute distress. It can do this by investing the labour of people into building durable assets, which will create water security and livelihood security. In other words, it is not just about drought relief but relief against drought.

The performance of the NREGA's first phase must be measured against these two objectives:

Firstly on the provision of wages: in the last two seasons, the NREGA districts have created 4.5 million person days of employment a year in comparison to 1.4 million by other districts.

Secondly on the creation of development assets: each district under NREGA is creating around 2,000-4,000 village assets every year – this is double the numbers created under previous employment schemes (EAS and SGRY) annually. In the last two years, over one million assets, mostly for water conservation related have been created. These structures will work to their full potential in the coming monsoons. Among the 12 districts studied by this policy paper, the districts of Nagapattanam, Ranga Reddy and Siddhi stand out for their attempt at treating NREGA as a development programme.

On the flip side, the act has had its problems. An excessive focus on employment creation has begun to narrow down its objectives and potential. Besides, fears of corruption have led the act's planners to make its implementation an extremely complex and cumbersome process. This, in turn, has forced panchayats to become more dependent on local bureaucracies – leading to results that have been quite the opposite than intended: more corruption.

As it awaits introduction across India, the NREGA, therefore, faces a formidable challenge: that of fulfilling its immense – and at times, proven – potential, without degenerating into another wage employment programme. It is a challenge that can be met. The concept of the programme does not need to change. But what must change are the guidelines, which oversee its work and implementation.

### **1. Measure not just the wage provided but also the asset created and its effectiveness. This will make village development, through productive assets creation, the primary objective**

It is clear that the NREGA's success depends on its ability to reduce the demand for distress work. In other words, reduce the need for this programme. Its success must be measured, not just by the number of people who demanded work because of distress, but the number of people who did not demand work because of development assets created during the programme gave them work and food. It is also clear that if the programme succeeds in making an impact on the lives of local communities, people will naturally participate in it. In fact, an official failure in articulating the act's development potential has led to dipping demand for employment under it.

Instead of implementing and evaluating the act purely in terms of employment creation, the focus should be on real impacts on local development through productive assets creation. Currently, the Union ministry of rural development evaluates the act on job creation and the number of assets created under preferred works category. The real effectiveness of the scheme can be measured by using three parameters:

1. Increase in average annual income of households
2. Increase in the productivity of small and marginal land holdings
3. Quality and contribution of assets like water tanks to overall water availability and groundwater recharge etc.

By changing the evaluation parameters as suggested, the scheme will assume the character of a rural development scheme, instead of a run-of-the-mill wage-earning programme. This will also help the government ensure that most of the works taken up remain within the preferred works category, that is, productive assets.

**2. Make wage payment people- and development-friendly. Instead of convoluted wage calculations, which defeat the very aim of the programme, make payment of wages for work done simple and hassle-free. Provide a premium wage for development programmes, which will ensure that work done is completed and is useful**

The government should set a minimum number of water conservation works to be undertaken using the NREGA funds. Or it can incentivise this through its guidelines – pay higher wages for water related works. We would prefer the latter

Irregular payments, and paying less than the daily minimum wage, have turned out to be two great threats to the act’s development potential. The NREGA guarantees employment, not wages, so argue governments. Digging a tank, which requires more labour from a person, fetches less money – all because of the government’s archaic wage rates based on finished tasks.

On the other hand, building a road fetches more money, and requires less labour. Usually, a person working on a water harvesting structure gets less than 40 per cent of the wage he or she would have earned working on road construction. The result: roads and buildings are in. In many villages, panchayats are reluctantly approving road construction even though there are demands for or requirement of water harvesting structures.

States like Andhra Pradesh and Gujarat have rationalised their wage calculation methods to incentivise creation of productive assets. In Madhya Pradesh, the government has raised the wage money for digging a well to bring it at par with that for road construction. But most other states have not adapted such measures. In fact, development programmes must be paid on a premium basis – higher than minimum wages for works, which

provide long-term relief.

The payment of wages for work done in the NREGA must be rationalized and simplified. The act has provisions, which specify that people working under NREGA must be given the basic minimum daily wage, irrespective of the methods used to measure the works finished. In addition, the Act also supports the creation of durable assets. These provisions need to be highlighted and made clearer in fresh guidelines.

**3. Emphasis on centrality of water conservation in NREGA by measuring its effectiveness**

Despite the ‘non-negotiable’ nature of productive assets creation under the NREGA, most states have resorted to their own ways and means of spending the NREGA. Only five states have made substantial allocation to water conservation. During 2006-07, Andhra Pradesh alone accounted for about 67 per cent of the total water conservation works under NREGA in the country. In the same period, Uttar Pradesh, Orissa, Assam and Bihar devoted more money to road connectivity works than to water conservation.

This needs to change. Water conservation, the bulwark of rural development, must be made the mainstay of NREGA. Most of NREGA districts are in dryland areas and groundwater is a critical resource for agriculture. Thus the NREGA should focus on water conservation and recharge of groundwater. In fact, all

the districts, which are marking good progress under the NREGA, have focused on water conservation. The government can either direct this through a mandate – set a minimum number of water conservation works to be undertaken using the NREGA funds. Or it can incentivise this through its guidelines – pay higher wages for water related works. We would prefer the latter.

More importantly, the scheme must begin to measure the effectiveness of the work done. This ‘measure’ will also incentivise the creation and most importantly, the completion of works under the programme.

**4. Give importance to afforestation under NREGA by linking it to other forestry programmes – Joint Forest Management or watersheds**

Plantation is a permissible work under NREGA. It is also clear that the bulk of the NREGA districts are also forest districts. Forests play a critical role in the livelihood of people – provide fodder and produce. It is also clear that plantation or afforestation is critical for protecting the catchments of the water structures created under NREGA. Afforestation of degraded forest is beneficial for recharging groundwater. In many places panchayats have not been able to take up plantation in the catchments of water bodies as that belong to forest departments. This requires coordination between the implementing panchayat and the land-holding forest department. The village must also get benefits of the plantation and protection. Plantation under watershed development programmes and also the Joint Forest Management (JFM) must be included in NREGA and this link must be established and worked upon.

**5. Make completion and maintenance of works under NREGA compulsory**

Two years after they were begun, almost 80 per cent of the works under NREGA remain incomplete. As there is no provision in the NREGA to factor in completion of work in the overall planning, state governments have found an easy way out: they have initiated a large number of works, and abandoned them mid-way. In many states, structures built under the programme have simply been washed away by the monsoons.

**Afforestation of degraded forest is beneficial for recharging groundwater. In many places panchayats have not been able to take up plantation in the catchments of water bodies as that belong to forest departments. This requires coordination between the implementing panchayat and the land-holding forest department. The village must also get benefits of the plantation and protection**

The act does not have any mechanism either to ensure maintenance of the works. As a result, even the works that have been completed are wasting away due to lack of maintenance. Technically, if the works are on government lands, panchayats are responsible for their maintenance. But maintenance requires money, and panchayats are desperately short of funds that can help maintain such a large number of works.

It is, therefore, crucial that work completion be made inherent in the NREGA. To this effect, the government can introduce feasible time frames for completing a work. On the other hand, maintenance of works must be brought under the NREGA’s purview, and panchayats be provided with special funds for maintenance based on the number of new works.

**6. Focus on village level planning to make NREGA effective.**

Under the NREGA, panchayats are required to prepare annual village development plans that involve extensive mapping of village resources and consultation with the gram saba. The annual plan, with its proposals, is then

forwarded to the programme coordinator attached to the block or district administration. This coordinator (invariably an overworked and under-qualified junior engineer) is then expected to scrutinize the plan for technical feasibility and to submit a consolidated statement to the district coordinator. The district level agency is expected to clear the proposal, consolidate the plan into its district plan, with a blockwise list of

projects, arranged according to panchayats. This plan indicates the time-frame of each project, the number of person days generated and the cost.

Clearly, the planning process needs to be unpackaged and made much more simple and less-time consuming. The plans of the village if based on local consultation and open gram sabha meetings, need to be cleared without additional bureaucracy. The panchayat must be given responsibility, not just to plan but also to decide. This will provide greater space for village-level planning. The role of the district coordination agency must be to consolidate these plans and to measure their effectiveness.

### **7. Devolve funds and functionaries to panchayats for effective overall implementation.**

Under the NREGA, panchayats are supposed to play pivotal roles in designing, planning and executing at least 50 per cent of the total works. The procedure involving NREGA is so cumbersome and complex that panchayats hardly manage to have a say over the act's implementation. Practically, they are functioning merely as implementing agencies, with little say in the overall design or implementation process.

This also relates to the overall stunted devolution process in India. Barring three, no state in the country has provided functions, functionaries and funds to panchayats for taking charge of development programmes. A panchayat assistant is supposed to be appointed along with technical staff for NREGA implementation, but such appointments have been made only in three states. Left to their own means, many panchayat members are hesitant to implement the NREGA, as it adds to their workload tremendously.

Clearly, this state of affairs cannot be allowed to persist. Panchayats must be given the required functionaries and funds for effective implementation. In line with the decision of the Union government to channelise all rural development programmes through panchayats, the Union ministry of panchayati raj has been signing agreements with the states to fast-track such devolution. This process must be speeded up and linked to NREGA.

# References

1. A backgrounder to the NREGA, Natural Resource Management and Livelihood Unit, Centre for Science and Environment, October, 2007, New Delhi
2. Poverty line drawn by the Planning Commission of India based on consumption expenditure data of the National Sample Survey Organisation's 61st round of survey, 2007
3. Press Release, Press Information Bureau, June 2007, Union Ministry of Rural Development, New Delhi
4. Personal Communication, Haranath Jagawat, Sadguru Foundation, Dahod, Gujarat, December, 2007
5. The National Rural Employment Guarantee Act, 2005, Union Ministry of Rural Development, New Delhi
6. An Approach Paper to the 11th Five-Year Plan, Planning Commission of India, October, 2007, New Delhi
7. Based on CSE researchers' desk review of Rural Development Ministry's communications on the NREGA
8. Status of NREGA Implementation, a note for Parliament, November 2007, Ministry of Rural Development, New Delhi
9. Ministry of Rural Development, New Delhi, December 2007
10. Based on figures cited in the Union Budget of 2007-08
11. Primary data from [www.nrega.nic.in](http://www.nrega.nic.in), September 2007
12. Analysis based on primary data from [www.nrega.nic.in](http://www.nrega.nic.in), September 2007
13. A backgrounder to NREGA, CSE, 2007, New Delhi
14. Second Administrative Reform Committee, Government of India, 2006, New Delhi
15. Based on CSE researcher's field visit and examination of wage payment document at field sites.
16. Based on CSE research on public wage programmes implementation in these districts.
17. A backgrounder to the NREGA, Natural Resource Management and Livelihood Unit, Centre for Science and Environment, October, 2007, New Delhi

# Resources

1. An Ecological Act: A backgrounder to the National Rural Employment Guarantee Act (NREGA), Centre for Science and Environment, 2007, New Delhi  
<http://cseindia.org/programme/nrml/nrml-index.htm>
2. CSE reportage on NREGA  
<http://cseindia.org/programme/nrml/e-pov-august07.htm>
3. Mapping NREGA: mapping of productive assets creation, natural resource base and their uses at national, state and district-level under the National Rural Employment Guarantee Act  
<http://cseindia.org/programme/nrml/nrega.asp>
4. Backward districts rankings  
<http://cseindia.org/programme/nrml/district.htm>
5. Future course in rainfed farming  
<http://cseindia.org/programme/nrml/e-pov-july07.htm>
6. Report of the working group on rainfed areas for formulation of Eleventh Five-Year Plan  
[http://www.planningcommission.nic.in/aboutus/committee/wrkgrp11/wg11\\_rainfd.pdf](http://www.planningcommission.nic.in/aboutus/committee/wrkgrp11/wg11_rainfd.pdf)