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Presentation in the NAC on IMPLEMENTING NREGA

by

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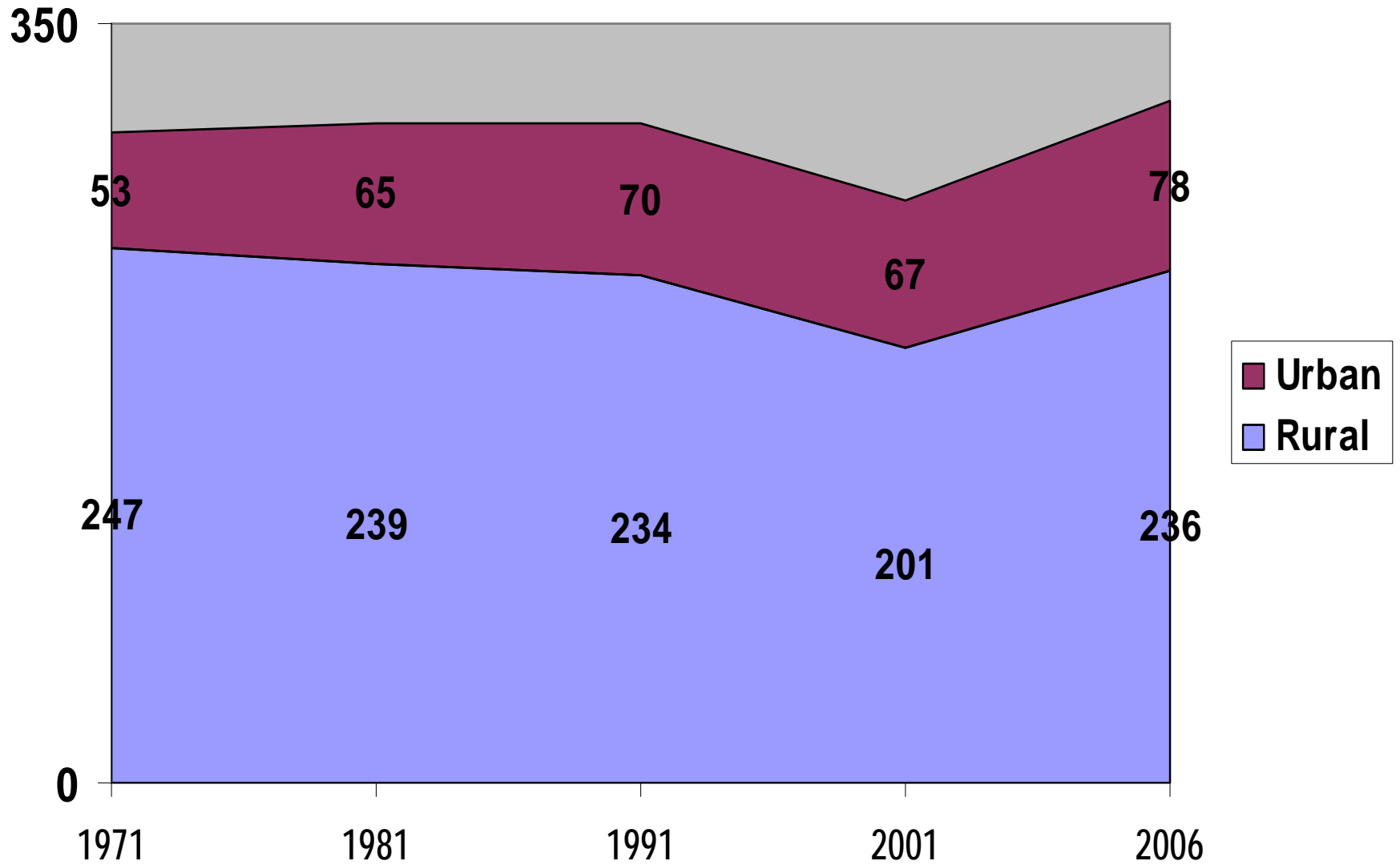
(25th January, 2007)

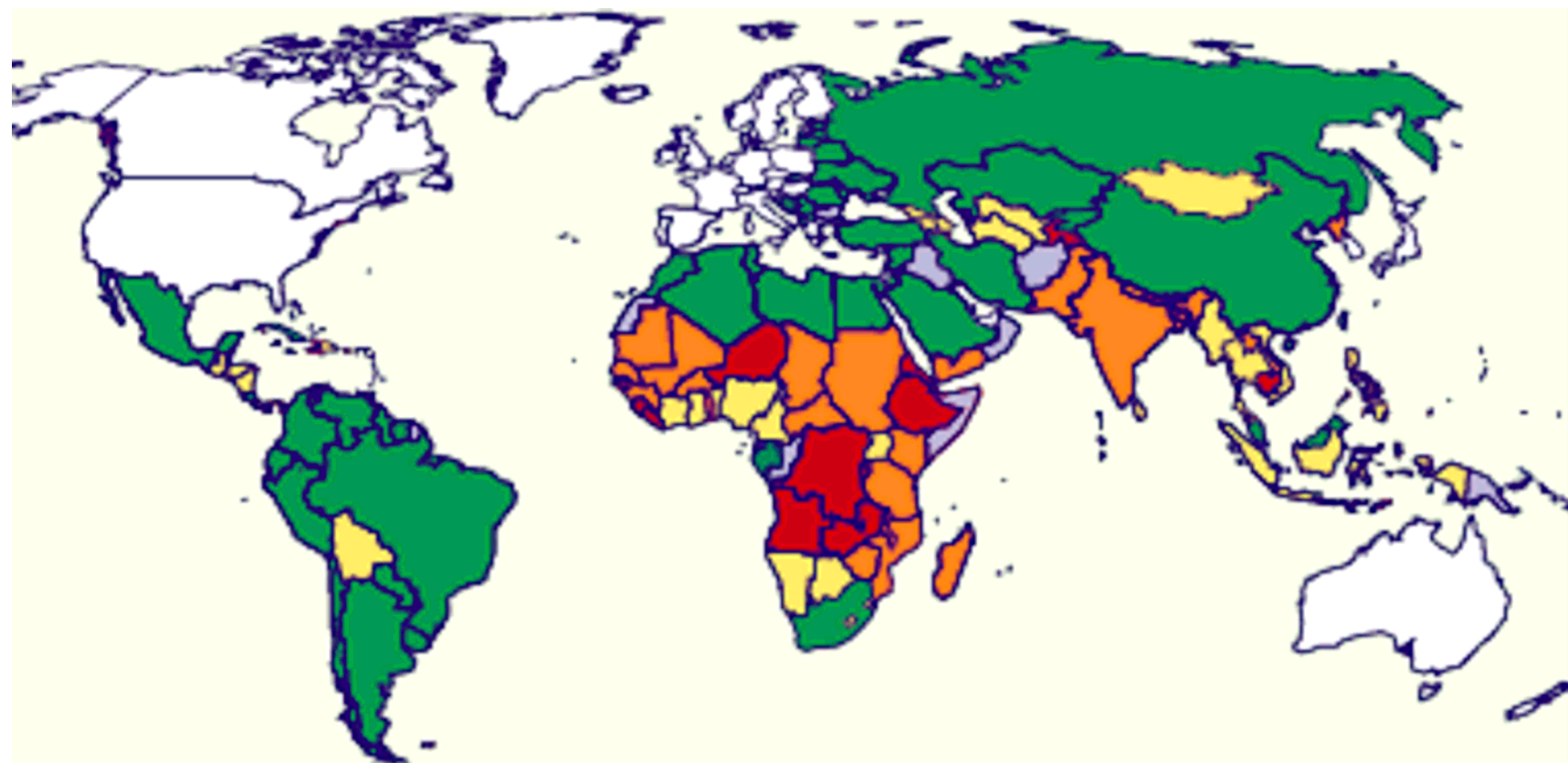
Poverty

Percentage below poverty line

1973	56
1987	39
1994	35
1999	26?
2005	28

number of poor people in millions



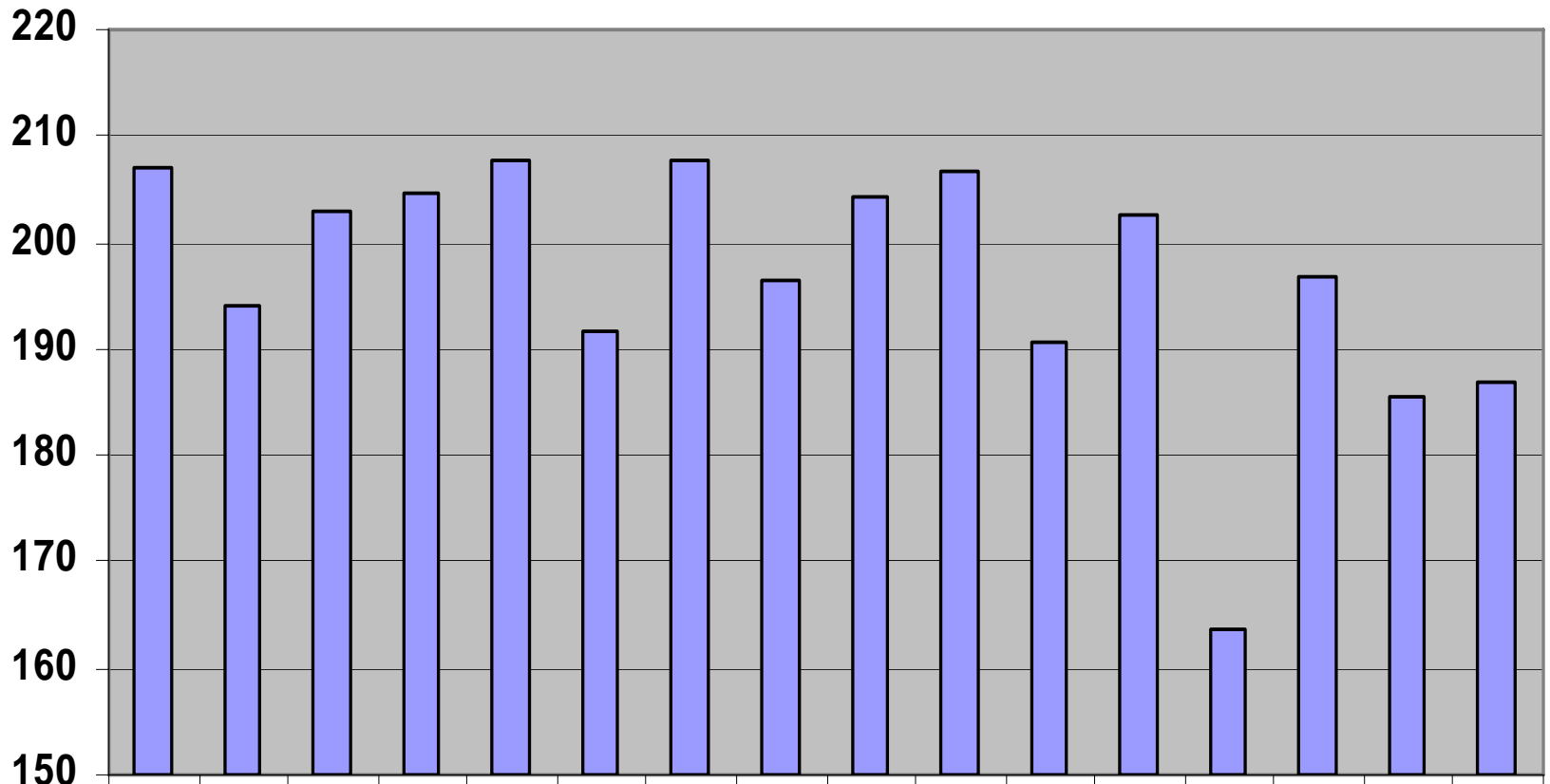


Global Hunger Index

- ≥ 30.0 , extremely alarming
- 20.0 – 29.9, alarming
- 10.0 – 19.9, serious
- 1.5 – 9.9, low to moderate hunger
- no data
- excluded from GHI

Sources: FAO 2005, WHO 2004, UNICEF 2005, and author's estimates calculated for 2002.

Per capita annual foodgrain production in kg



	90-91	91-92	92-93	93-94	94-95	95-96	96-97	97-98	98-99	99-00	00-01	01-02	02-03	03-04	04-05	05-06
Series1	207	194	203	205	208	192	208	197	204	207	190	203	164	197	185	187

Unemployment

- Current daily status (CDS) unemployment rate increased from 6.1% in 1993-94 to 7.3% in 1999-00 to 8.3% in 2004-05
- Unemployment among agricultural labour households sharply increased from 9.5% in 1993-94 to 15.3% in 2004-05
- Growth of real wages of these workers decelerated strongly
- Employment in the organised sectors declined despite fairly healthy GDP growth
 - (Approach Paper, Planning Commission)

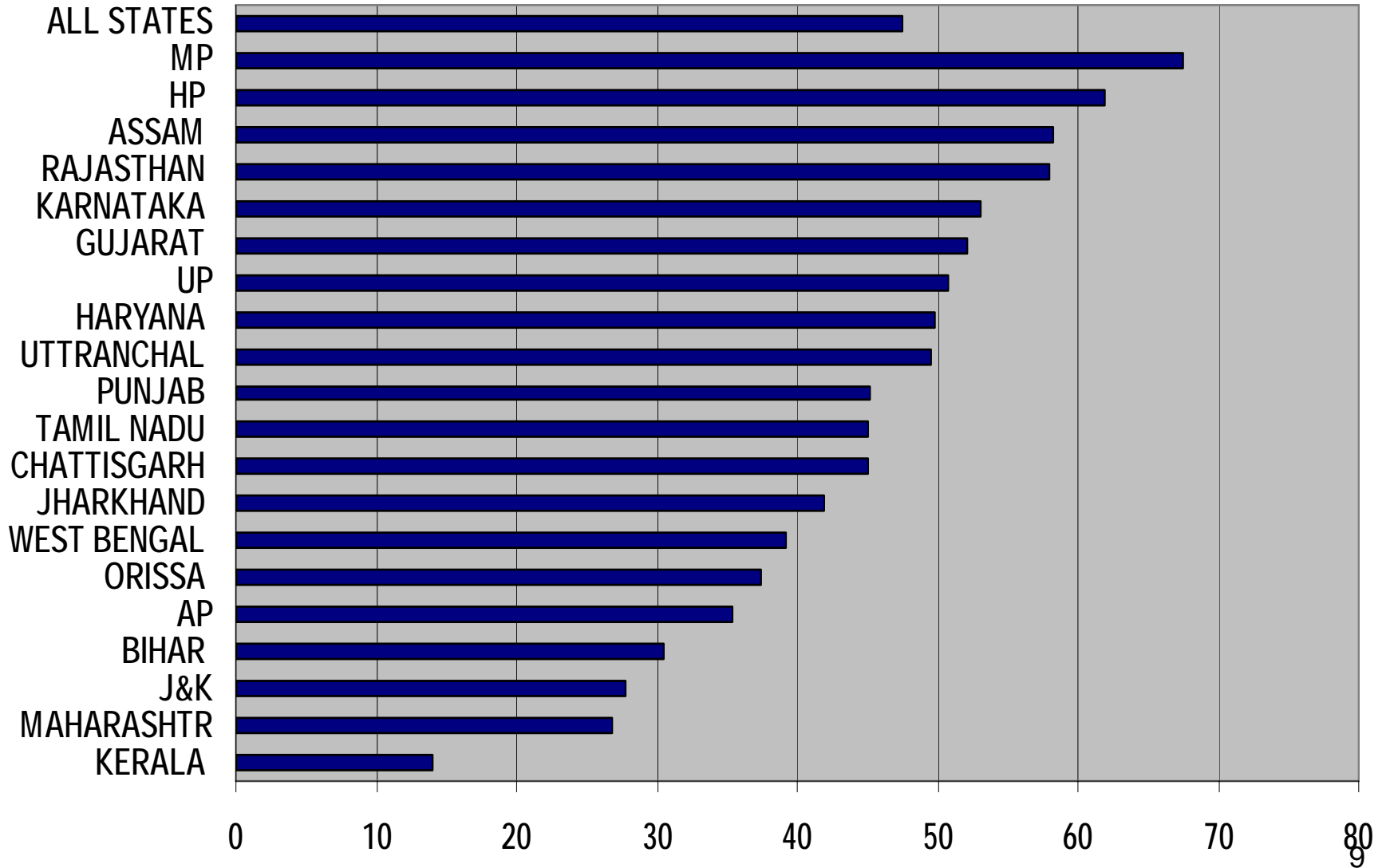
National Rural Employment Guarantee Act

- Launched in 200 districts on 2.2.06, 50 more districts are likely to be added next year
- Act provides a legal guarantee of at least 100 days of wage employment to every rural household on demand
- The worker has choice regarding timing to demand employment
- If no work within 15 days of demand, then unemployment allowance

Status of NREGA

- (1) Rural Households in NREGA districts = 5.75 cr
- (2) Applications = 3.33 cr
- (3) Job Cards = 2.42 cr
- (4) Employment Demanded = 1.5 cr
- (5) Employment Provided = 1.48 cr
- (6) Funds Released till Jan 2007 crore Rs= 9,655
- (7) Funds Spent crore Rs. = 5,033
- (8) Average number of days = $(7)/100*(5)$ = 32 days
- (9) Funds required to provide empl to (2) = 33,387 crore Rs

Fund utilisation under NREGA



Hirway on Gujarat

- Studied 65 villages in six districts
- Works started only in 30% of the villages, 2% in Dahod and 5% in Banaskantha to 50% in Dangs and 60% in Narmada
- EGS provided work only to 6% of the workers, with 30 days of work per worker
- The average wage was Rs 34.5 in Panchmahal, and 44.6 in Dahod, and 50.9 in Sabarkantha as against Rs 60 as the wage fixed
- Poor information – Only 20% knew that work is to be provided within 15 days of demanding, and 18% knew that they were entitled to unemployment allowance if work is not provided

Gujarat - contd

- Illegal payments – people had to pay for registration form and photographs
- No procedure has been established to enforce the guarantee of work. For instance, there is no form for application for work
- Work is denied to the old, the sick and the weak, or no suitable work is designed for pregnant women or disabled person. Work is also denied when only a few persons demand work, as they cannot form gangs.
- Nature of works is selected by officials, people are not consulted

Facilities at work site hardly exist. Only 27% workers said that drinking water was available, 11% confirmed shade, 17% reported first aid, and only 4% said there was a crèche on the work site.

GOI Monitor's report on UP

- Application for employment were found without the date. Dated receipts were not provided
- Job cards do not bear unique number
- Workers in Tisaura block do not have the custody of their job cards. These cards do not mention the date of employment and amount paid
- Wages paid in cash. Under payment of wages
- Additional staff was not appointed. No computer based MIS at the blocks
- Workers had to pay for photographs

No worksite facilities

UP (Down to Earth Jan 15)

- 82 out of 85 works related to road construction
- Despite specific ban, land belonging to marginal farmers was shown as 'donated' for road construction
- Job cards did not show entries for number of days employed or wage paid
- Muster-rolls had fake signatures, and were full of discrepancies

Findings from Jharkhand (Bela & Jean)

- Bribes extracted for application form, photographs; and for delivering the job cards
- Applications on plain paper for work have not been permitted; and applications from non-BPL households have been rejected
- Denial of separate job cards to nuclear families living together as a joint household
- Fudging of muster rolls, flawed work measurement, non-payment of minimum wages and delays in wage payments
- Muster-roll showed food distribution, but labourers denied having received any grain, which was sold in the market
- Except for natural shade in some cases, none of worksite facilities were available

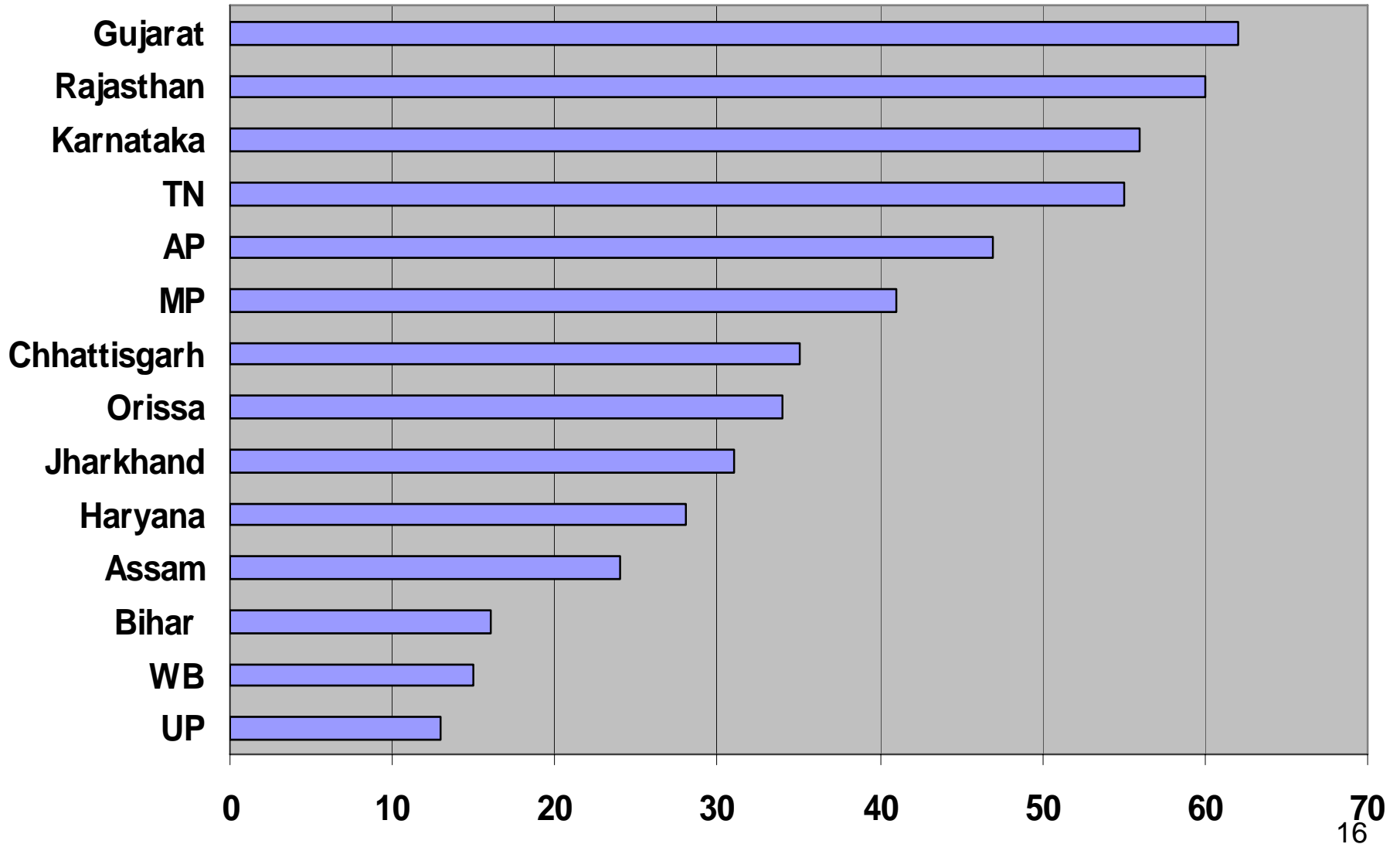
There is little difference between NREGA and earlier employment programmes, the basic purpose of providing employment on demand, at the statutory minimum wage, is nowhere being achieved

Other states

- West Bengal - BDOs are extremely wary of encouraging applications since 11 (5) threatens disciplinary action if unemployment allowance is paid; 10(2) and 8(a) allow the liability to pay unemployment allowance to cease under certain circumstances such as high rainfall, floods, water logging and other natural calamities
- Orissa - The verification process is complicated and requires documentary evidence for age, local residence and household entity. The intimation to applicants regarding when and where to report for work is only to be displayed at the offices of implementing agencies rather than the residence/ notice board in the village
- Maharashtra - Wages are to be paid within 15 days after closure of the fortnightly muster, which might imply payment after 30 days of work and therefore violates the NREGA.

No safeguard /compensation against delayed payments¹⁵

Share of women in total work days



Summary of findings

- Low allocation of funds, and even lower utilization
- Woefully inadequate generation of employment
- Non-payment of minimum wages, and no allowance so far
- Unattainably high productivity norms
- Huge delays in wage payment.
- Absence of facilities at worksites
- Insignificant participation of women in planning and implementation
- Doubtful productivity gains

Suggestions

- EGS funds for drought proofing, afforestation and planting of fruit trees on the lands of STs/SCs etc. need monitoring quality of completed works, funds for operations and maintenance, and links with normal programmes
- Infrastructure and construction works are not labour intensive. Earth work is, but water harvesting and drought proofing require preparatory work, group formation, consensus building, cannot nether be started at short notice, nor completed in a few months
- Potential is higher in labour scarce (Uplands & hills) regions

Monitor programmes and outcomes for at least four years for each project

Suggestions

- Put the list of registered labourers, the muster of all works, payments made, absentees, etc. on website
 - Accept nuclear households
 - Use of call centers by having toll free number. PCOs can provide the citizen interface mechanism.
 - Increase technical staff
 - Payment of wages to be made by account payee cheque.
 - Use laminated cards to reduce leakages
 - Appoint civil society for monitoring & audit
- Need for constant feedback and close supervision*

Thank you