

NREGA: A NEED FOR RE-ASSESSMENT

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ABSTRACT

National Rural Employment Guarantee Act (NREGA/ MNREGA) in one way or the other is a milestone in the Indian history of employment generation schemes, this is because not only does it form a point of reference for social policy for other developing country but its unique rights and empowerment based approach is very innovative. The self-selecting and the self-targeting nature of the NREGA, thus eliminating the need for identification has been highly praised by everyone. This Act has made huge advances just by taking a right and empowerment based approach rather than being based on the notions of welfarism and charity. Where NREGA has its successes it also has a lot of failures from policy design to its implementation. On the one hand where the policy is designed on good intentions, the sheer size of its implementation can pose some design, management and implementation challenges. (Zepeda et al:60). This paper will be mainly focussing on the challenges faced in the implementation of NREGA and some suggestions to improve the same.

Keywords: NREGA, Employment, Wages.

INTRODUCTION

The Government of India has been known to devise many social security programs addressing different developmental problems in India. The Mahatma Gandhi National Rural Employment Guarantee Act is a watershed scheme developed by the Indian government which acknowledges employment as a fundamental right.

This has a more participatory approach in articulating the policy agenda itself. Thus it is a more bottom-up way of formulating policies as compared to, “patronising way of functioning where doles are handed out at their whim and fancy, which only encourages rent-seeking behaviour.” (Shah, 2016)

In section one, we will be giving a brief introduction of how the scheme is supposed to work in theory focussing on the implementation process, and take a look at how funds flow from the centre to the beneficiary to understand how many stakeholders are involved. In section two, we then go on to talk about the challenges faced in implementation of the scheme, after looking how it has performed in the year 2015-16. In the final section we look at some suggestions to implement this program in a more efficient way

I. PROCESS OF IMPLEMENTATION OF NREGA:

To apply for a job under the MNREGA any adult household member can register with the Gram Sabha. The Gram Sabha verifies these applicants and identify household keen on applying for job cards. The Gram panchayat then sends the details of the registration to the block program officer who in turn sends these details to the zilla parishad. Once the verification and validity of this application is ascertained the gram panchayat issues the job card. The applicant then has to apply for work either with the gram panchayat or the Employment Guarantee Assistant (EGA). After consultation with the block officer, the gram panchayat assigns employment to the applicant and keeps a record of this allotment. Once the applicant starts working, muster rolls are issued by the block program officer. A report is submitted by the Vigilance and Monitoring Committee to the gram sabha, the block officer and the district officer, after the work is completed by the applicant. (Raabe et al., 2010:15)

FLOW OF FUNDS:

One school of thought claims that decentralization plays a huge role in reducing corruption and in stimulating good governance practices by disseminating powers to local authorities (Rondinelli et al. as cited in Shankar et al., 2010). Thus to understand the merits and demerits of the NREGA Act, it is important to understand the flow of funds with theoretical underpinnings of decentralization.

The Ministry of Rural Development (MoRD) sends the assigned funds to the concerned state government upon the release of the labour budget. The funds are deposited in the accounts of the gram panchayats from the NREGA accounts of the districts once they receive the money from the MoRD. Once the NREGA worker completes his work assignment, the wage is directly transferred to his bank or post office accounts. (Raabe et al., 2010:14)

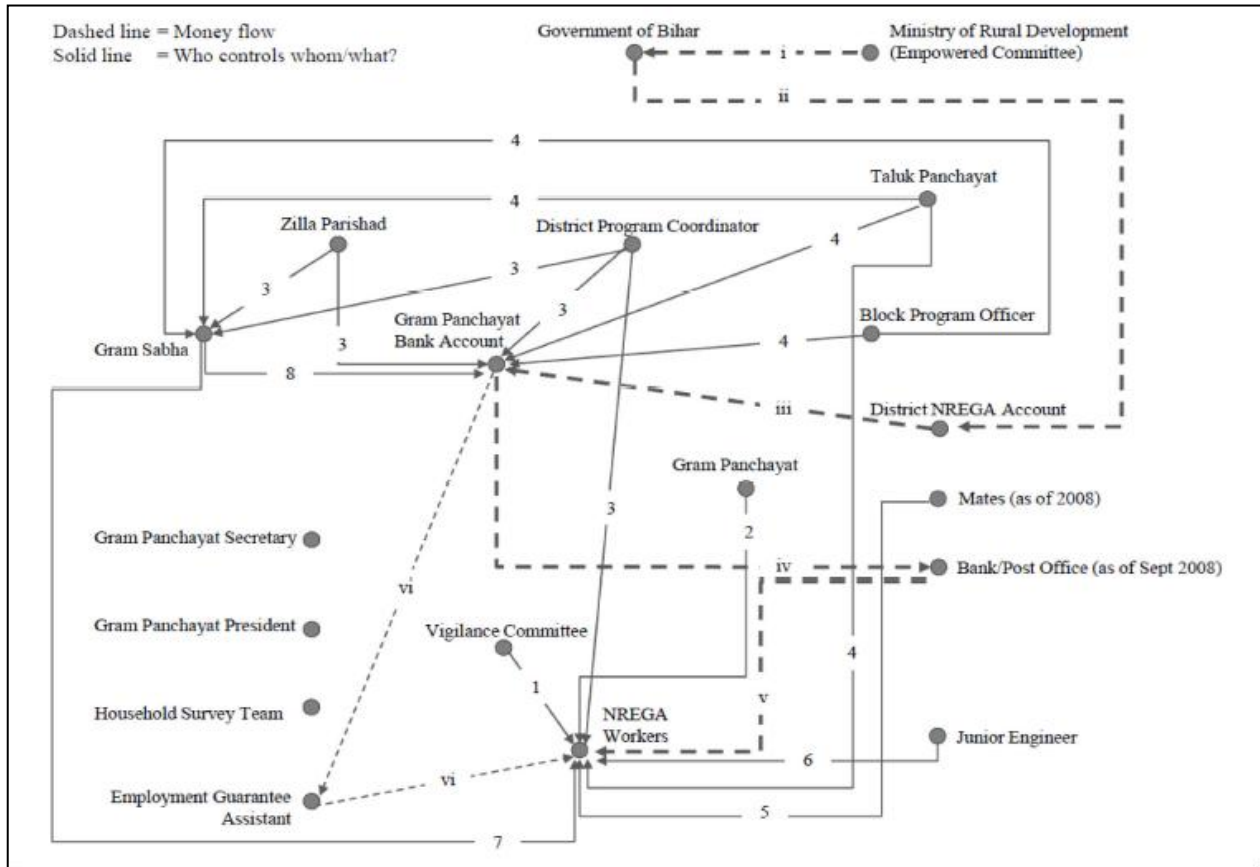


Figure 1 Flow of Funds and Control (Source: Ministry of Rural Development as cited in Raabe et al., 2010)

From the figure, it is easy to reflect upon how extensive and complex the network of fund disbursement is. This can on one hand create an opportunity for better management, transparency and efficiency and on the other hand can also be responsible for corruption and rent-seeking.

II. CHALLENGES FACED IN IMPLEMENTATION OF NREGA:

During a plenary session of Congress in Mumbai, Rajiv Gandhi claimed that if the central government releases one rupee for a social scheme only 17paisereaches the beneficiary i.e. only 17% of the actual amount (TOI, 2009). Some might say that this statement is an over-exaggeration, but even if this statement is half true it still gives an indication of large scale corruption. According to Appu (2016), the main reasons for shoddy implementation of NREGA are: “degeneration of administration at all levels and the lukewarm, half-hearted approach to democratic decentralisation”.

Before getting into the roadblocks, let us first look at how well has NREGA performed.

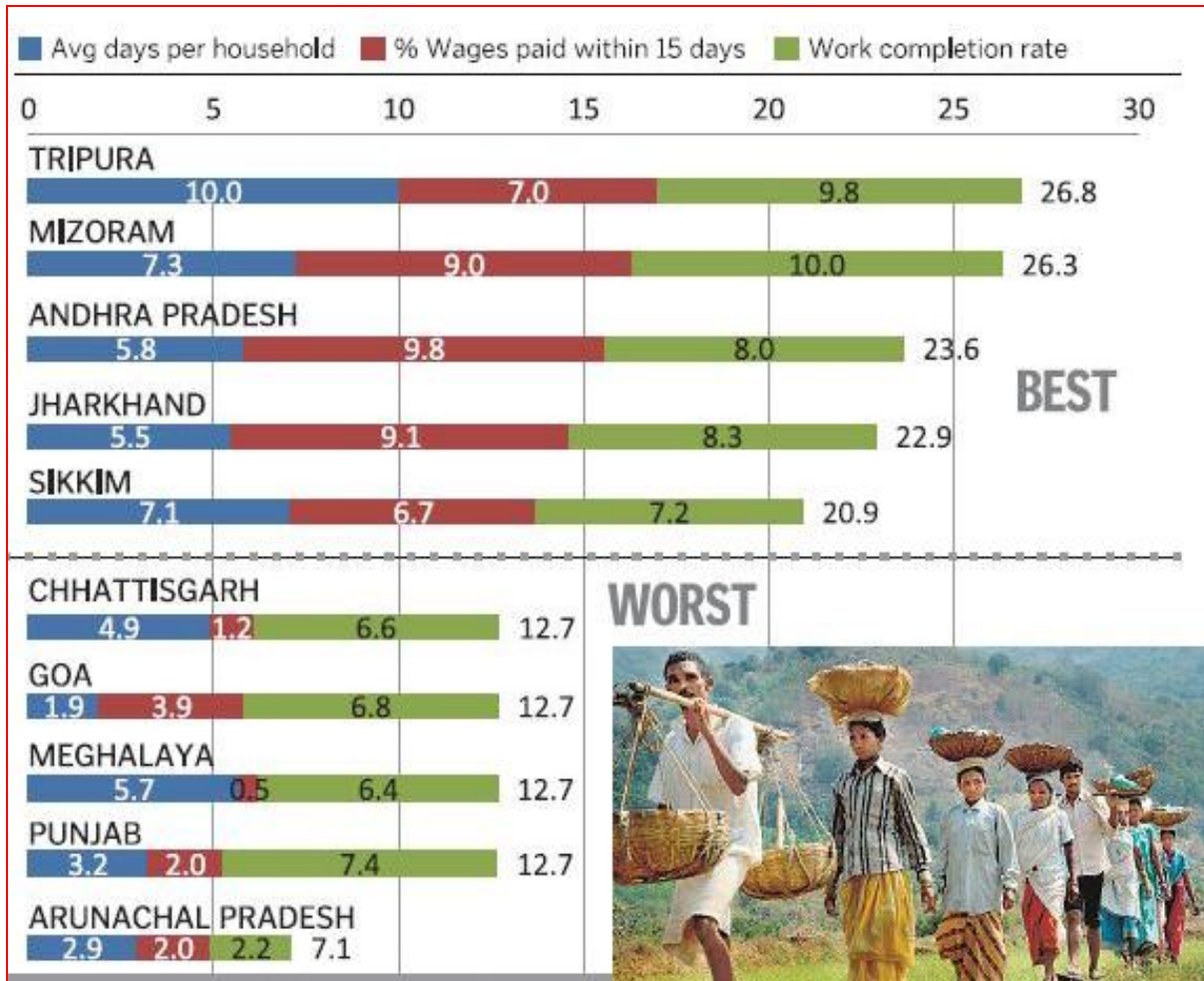


Figure 2: Implementation Index NREGA 2015-16 Source: *im4change*, <http://www.im4change.org/latest-news-updates/the-mgnrega-index-shobhit-mathur-nomesh-bolia-4679460.html>

This implementation index formed by Mathur and Bolia (2016) looks at three indicators, average days of work taken up by a household, wages paid within 15 days and work completion rate in 2015-16. As indicated by the graph the percentage of wages paid within 15 days is less than 100% for almost all the states except Tripura. There is also evidence of the fact the average number of days worked per household is less than 98% for all the states except Andhra Pradesh. States with higher performance scores in a certain indicator can be emulated by states with low score. The roadblocks faced at different steps of implementation process can be understood using the below figure.

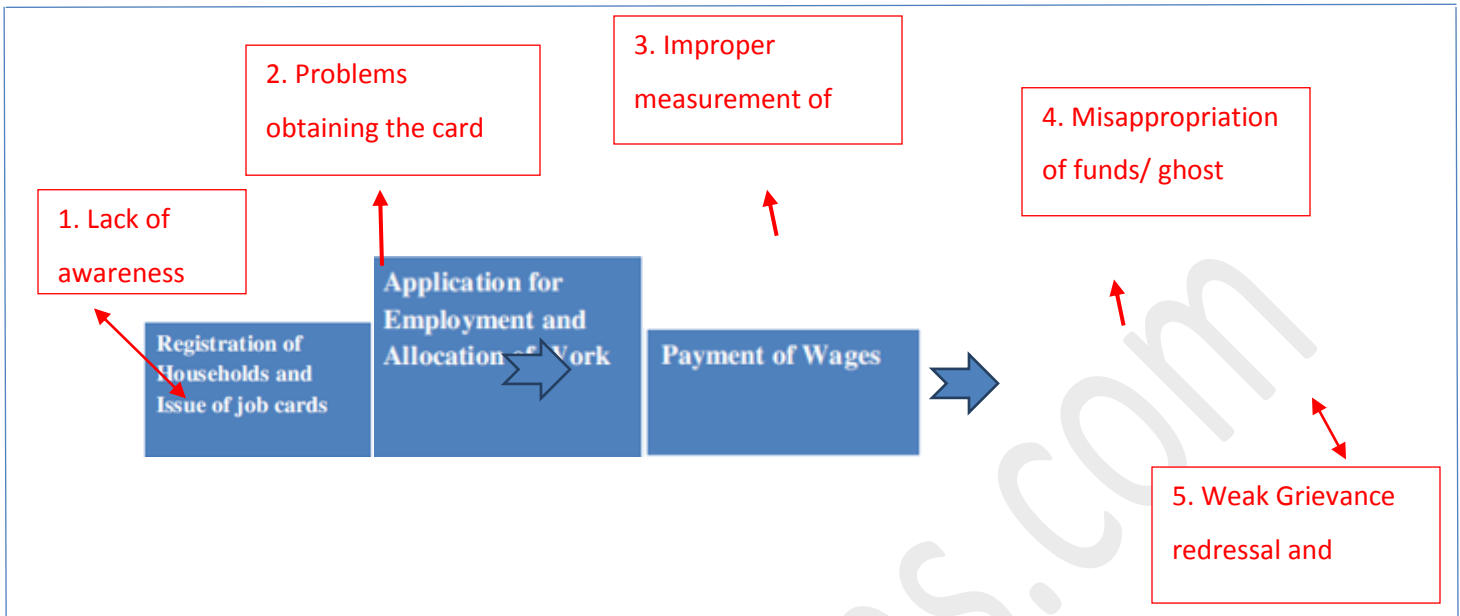


Figure 3: Roadblocks with respect to each step in implementation of NREGA.

1) Lack of Awareness:

In rural areas where illiteracy is high and exposure to media is low, for the success of an intervention it is pertinent to mobilise and keep the beneficiaries informed with regards to the workings of a program. It has been observed, that the villagers aren't aware that they are entitled to atleast 100 days of employment or that they can get an unemployment allowance if they are not provided work within 15 days.

2) Problems with Job Cards:

The issuance of a job card is the first more important step to apply for .According to the evidenced produced by PACS-CSO report (2007, as cited in Raabe et al., 2010:8) there are some households that had to wait 8 months before they received their job cards. There also has been cases where the panchayat or the employment guarantee assistant have kept back some job cards and have created fake data with regards to number of work days so as to cater to commissions for other officials involved like block program officers and junior engineers and in some cases have also asked for a bribe to issue the job card. (Raabe et al., 2010:8)

3) Improper measurement of Work:

Apart from the job card, the muster rolls and the measurement books are also important for provision of employment. Audit scrutiny showed how the Gram Panchayat is not keeping any registers or records as stipulated by the Ministry of Rural Development. An absence of large amount of trained and equipped staff can be a key reason for lack of proper record keeping. This can also point to the absence of the employment guarantee assistant who is one of the key players as he keeps an account of employment demand and work allocation

4) **Misappropriation of funds/ delay in wage payments:**

The Centre pressurizes the states to spend more on this scheme and thus contradicts the demand-driven nature of this program. In nexus with the local bureaucracy, in places where there is no demand, work is being generated which is indicated by false entries in worker's job card, thus siphoning off extra funds sent by the center. (Shah, 2016,)

5) **Grievance Redressal Poor and Monitoring:**

Even though the devices for grievance redressal and monitoring are set up in the policy process of NREGA, either due to lack of awareness or improper implementation they aren't being used for better and efficient outcomes.

III. **SUGGESTIONS AND THE WAY FORWARD:**

NREGA is an instrumental policy as it is not only important in creating social capital by providing job opportunities and for financial security, but also in producing sustainable assets. Thus it would be completely unfair to say that NREGA has been a failure and to throw the baby with the bathwater. There are certain gaps that need to be filled so that NREGA reaches its envisaged potential. Some suggestions for better implementation of the scheme can be as following:

- Capacity building, so that workers can articulate and demand their rights. The workers should be provided with basic literacy skill so that they can understand their rights and opportunities under the scheme.
- Real-time Reimbursement of Money: To overcome the weakness of delay in wage payments it is important to reform the way funds flow from the center to the beneficiary. To do away with this problem it is important to replace it with real-time transfer of the funds electronically by the government. (Shah,2016)
- To prevent fake entries and siphoning of funds electronic muster rolls can be used by the block or gram panchayat, wherein , they provide print outs of muster rolls for all the work sites (MoRD,2012). Almost all rural households have atleast one mobile phone, this can also be used as another medium to keep the worker updated on his application
- Some of the failures of NREGA have opened up debates with regards to importance of social audits in keeping a check on the government. Social audits are mandated by the government but by Gram Sabhas who have little knowledge with regards to the operational guidelines of NREGA. Thus it is important to recognize that to promote good governance practices in this program it is important to work with civil society organisations and community based organisations.

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