

# NREGA

## Realising the Potential

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November 2008

### NREGA: A Historic Opportunity

- 1 The need for an employment generation programme like NREGA arises on account of the **failure of the growth mechanism** to generate sufficient employment
- 2 NREGA is different from its predecessors because for the first time it institutionalises right to work as a constitutional right. Such a huge commitment has never been extended by the state to the rural sector before. Hence, NREGA **provides a historic opportunity** for the rural areas of our country
- 3 To seize this opportunity and make the best use of it, NREGA should be linked with the **creation of durable physical assets** in rural areas, leading to sustainable prosperity. It cannot be a relief oriented programme

### NREGA: A Historic Opportunity

- 4 By linking NREGA with rural asset creation, we can achieve the objectives of **Keynesian demand stimulation, environment protection and reform of rural governance**
- 5 For NREGA to realise its full potential, **it need to be reformed** substantially, in its conception, processes and the implementation mechanism. The two key areas of NREGA reform are the human resource and monitoring system
- 6 A reformed NREGA can ensure rapid growth and diversification of the rural economy if it **converges** with other programmes like agriculture, livestock development, horticulture, market linkages and human development initiatives

### NREGS in Madhya Pradesh

- There are some advantages of working on NREGA in Madhya Pradesh
- In Madhya Pradesh, convergence of NREGA with watershed programmes has already been achieved to some extent
- The civil society organisations have also been given a space in implementation, allowing for innovations and multiple approaches
- Sensitive Administration – orders providing work opportunity to the differently-abled

### NREGS in Madhya Pradesh

- However, many issues still remain, making implementation difficult at the grass-roots level
- Besides numerous details, there are broadly four areas where substantial reform is urgently required:
  - Capacity building of the PRIs for planning and executing work
  - Creation of the Support Structure for Implementation
  - Strengthening monitoring and social audit systems
  - Reforming Schedule of Rates (SoRs)

### Job Card Related Issues

- All members of the family are mentioned in the job card. Their age in the MIS is frozen.
- Change of age requires ratification by the GP followed by a needlessly long procedure of verification
- An automatic system of updating age of job card holders must be instituted in the MIS
- Number of job cards must increase by re-defining family to mean married couples and their dependents

## GP-PIA Conflict

- SPS is an NGO-PIA under NREGS-MP for the watershed scheme.
- We have received sanction for 11 GPs for 5 years for Rs.6.91 crores (on the basis of 100% job cards)
- At the same time money is being released to GPs also
- This creates a serious conflict between PIA and GPs
- It has to be ensured that the total money annually released to PIA+GP should not exceed the amount warranted by the number of job cards in the GP

## Work in Forest Area

- An NOC from the Forest Department is mandatory for any work under NREGS to take place in forest area
- But there is no time-bound procedure for granting NOCs by Forest Department
- In this a decision has to be taken at the state government level, involving the Forest Department so that clear and unambiguous directions are available to concerned DFOs

## Work in Forest Villages

- Recently, GoMP passed an order allocating NREGS work in forest villages to FD and VSS
- This means that all other implementing agencies, including GPs cannot work here
- This order should not apply with retrospective effect in villages where PIAs have already been appointed to do watershed work
- Why should there be a blanket ban on other agencies in forest villages? The FD lacks capacity to cover all forest villages.

## Material Procurement: Need to Tighten the System

- A fast-track system for empanelment of material procurement agency needs to be instituted
- The agency designated for sourcing material does not have enough stock
- This poses problems with time-bound activities like plantations
- A mechanism with clear deadlines needed for identifying and empanelling source agencies to be approved by this material procurement agency

## The Road Ahead: Workload and Personnel Required

- District Programme Coordinator to be made full-time officer dedicated to NREGA
- Urgently constitute the Technical Resource Support Group at the district -level
- Programme Officer to be made full-time officer dedicated to NREGA at the Block level
- Appointment of 3 civil engineers in each block (not visualised in the official guidelines)
- Appointment of 1 Technical Assistant for a group of 5 Gram Panchayats as suggested by CAG (as against 10 GPs in the official guidelines)
- Appointment of 1 Assistant Programme Officer for a group of 5 Gram panchayats to undertake the task of social mobilisation (not visualised in the official guidelines)
- Employment Guarantee Assistants to be appointed in each village (as against each GP in official guidelines)

## The Road Ahead: Support Costs

	Number	Amount per month (Rs)	Annual Bill (Rs. Crore)
<b>Salaries at District Level</b>			
District Programme Coordinator	604	22000	16
2 Data Entry Operators	1208	5000	7
<b>Total at District Level</b>			<b>23</b>
<b>Salaries at Block Level</b>			
Programme Officer	6495	15000	117
Assistant Programme Officers (1 for every 5 GPs)	51771	8000	497
3 Civil Engineers	19485	8000	187
Technical Assistants (1 for every 5 GPs)	51771	5500	342
2 Data Entry Operators	12990	3400	53
Employment Guarantee Assistant (1 for each village)	593731	2500	1781
<b>Total at Block Level</b>			<b>2977</b>
<b>Total Professional Support Cost</b>			<b>3000</b>

Note: There are 604 districts, 6495 blocks, 208857 Gram Panchayats and 593731 villages in India (MHA, 2008; MPP, 2008)

## SoRs: Basic Issues

- The SoRs do not consider variations in climate, geology, population and working conditions;
- They make it very difficult for workers to earn the statutory minimum wages;
- They have an inherent pro-contractor bias; and
- They virtually necessitate the use of machinery

## Variations in Workforce

- The notion of "average worker" underlying SoRs do not allow for variations in workforce.
- Daily productivity of some categories of workers will be lower than the average.
- Hence, these "slow workers" will get weeded out, which include: Old men and women, Malnourished, Primitive Tribals Groups & Physically Challenged
- Adequate safeguards must be provided to avoid this

## Delay in Revising Basic Rates

- Task rates in the SoR are derived from the statutory minimum wage of the region.
- But minimum wages undergo revision every year depending on the movement of cost of living indices.
- The SoR on the other hand is revised only periodically, once in 3 to 4 years.
- The mismatch between SoRs and minimum wages means that minimum wages are not paid even though the Act explicitly mentions that they must be paid.

## Delay in Revising Basic Rates

- In MP, the minimum wage was revised by 243% between 1995 and 2008 (from Rs. 35.02 to Rs. 85)
- But the Task Rates were revised only by 205%
- This means that each worker in 2008 has to work 20% more than in 1995 to earn the same wages.
- This amounts to a hidden exploitation of labour
- Moreover, the latest revision (May, 2008) has been done for a few sections only in RES CSR (Dewas).
- Many items related to water harvesting and construction of embankments have not been revised.

## Delay in Revising Basic Rates

- A standard indexing procedure needs to be followed by which rates must customarily be raised in line with the rise in statutory minimum wages.
- States like Karnataka have already done this
- With computerisation, the pace of revision can actually be stepped up and yearly revisions can be instituted

## Composite Items

- The list of items for earthwork excavation includes some composite items such as puddle filling, embankment construction or stone pitching.
- For instance, Item No. 415(c) of GoMP, 2003 gives the following full description of the activity:
- "Earth work for bund in hearting or casing with approved soils including dressing, breaking of clods, laying layers of 15 cm thickness, cutting and finishing U/S and D/S slopes of bunds including 50 m lead and 1.5 m lift of all materials and other charges but excluding watering and compaction".

## Composite Items

- Within this one item, many different activities have been lumped together:
  - Excavation of soil
  - Dressing of layers
  - Breaking of clods
  - Laying layers of soil
  - Cutting and finishing of slopes
- The sum of the rates for individual items could be higher than the rate for the lumped activity
- Hence, many of these sub-activities end up being under-paid.

## Gender Discrimination

- There is a need to break up these kinds of composite items into distinct activities, many of which have (or need to have) separate rates within the SoR
- Many of the “hidden” activities (like lifting and carrying) are done by women. So the underpayment to women must be corrected.

## Endemic Tendency towards Mechanisation

- SoRs are essentially rates paid to contractors by govt
- They are not tuned to addressing variations in climate and rock strata
- Their delayed revision creates a mismatch between amount paid and work done
- This provides a powerful incentive to replace labour with machines, as the productivity of machines is higher than that of labour
- Thus SoRs have an endemic tendency towards mechanisation

## Transparency in the Process of Preparation of SoRs

- The process of preparing SoRs should be made transparent and should take into account local variations
- Time and motion studies should be conducted to rationalise labour productivity norms in each district under different field conditions
- The T&M study should be a participatory and empowering process involving local community

## Existing and Revised Labour Productivities: CEPT Study

Type of Soil	Existing Norm	Proposed Norm
Soft Soil	2.70 CMT/Labr	2.03 CMT/Labr
Hard Soil	2.12 CMT/Labr	1.54 CMT/Labr
Hard Mooram	1.25 CMT/Labr	0.90 CMT/Labr
Soft Rock (without blasting)	1.20 CMT/Labr	0.57 CMT/Labr

The difference between the two norms is as much as 25-50% !

## Making of SoRs: A Participatory, Empowering Process

- A Working Group should be set up in each district to carry out this exercise
- This Group should include Gram and Zila Panchayat representatives, local NGOs, professionals and government officials and engineers
- This Group should prepare and revise District SoRs and arrange for its dissemination of these rates in Gram Sabha meetings across the district

## The Role of Civil Society Organisations

### National Consortium on NREGA

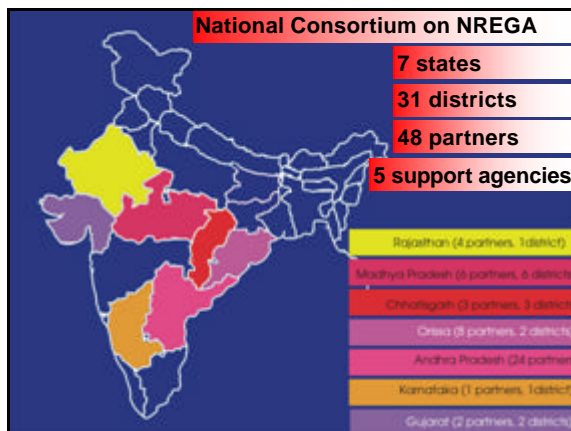
But at SPS, we see another way forward:

- This involves a massive programme of awareness generation and GP empowerment, in which grass-roots civil society organisations (CSOs) have to play the critical role. There is a large space for this within the official NREGA guidelines
- SPS has identified a number of such CSOs who could work with the GPs to make NREGA a success. The CSOs will provide the missing support structure that GPs require to effectively implement NREGA

### National Consortium on NREGA

- ❖ These CSOs supported by SPS are being formally invited by the GPs to help them plan, implement and social audit NREGA work
- ❖ Each of these CSOs requires a nominal support of around Rs. 5-10 lakhs per annum. Each CSO will initially support 5-10 GPs in their area. This number would grow over time, as the strategy gathers momentum with wider acceptance.
- ❖ With this small support, our approach has the potential to leverage at least 10 times this amount in NREGA funds, and what is more important, put them to effective use

### National Consortium on NREGA



These partners will help panchayats in their areas at each step of the way:

- ❖ Registration of workers
- ❖ Issue of job cards
- ❖ Raising demand for work
- ❖ Preparation of plans and shelf of works
- ❖ Execution of these plans
- ❖ Social audit of work done and maintaining high standards of transparency and accountability
- ❖ Interface with other arms of the state machinery