International Research Journal of Commerce and Law
Volume 5 Issue 03, March 2018 ISSN: 2349-705X Impact Factor: 4.616
Journal Homepage: http://ijmr.net.in, Email: irjmss@gmail.com
Double-Blind Peer Reviewed Refereed Open Access International Journal

Rural Development Through NREGA: A Critical Analysis

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The National Rural Employment Guarantee Act (NREGA) is milestone in the history of social security legislations in India after independence. This Act for the first time brings the role of the state as provider of employment within the reach of the beneficiaries themselves. The real challenge as well as the strength of the Act comes from it being given the legitimacy as well as authority from the Indian Parliament, which puts the onus of its implementation in the hand of the recipient as well as that of the implementing authorities. Although well intentioned in spirit, this Act has found limited support from the states as well as central government in its implementation. Discrepancies and violations of the scheme are common. These experiences vary from state to state with relatively large successes in states like Rajasthan to almost negligible success in states like Jharkhand, Uttar Pradesh and Bihar.

NREGA is one of the many centrally-sponsored schemes of the ministry of rural development for poverty alleviation, employment generation, creation of rural infrastructure and providing basic amenities to upgrade the living standards of the people living in rural areas of the country. Water conservation, land development and drought proofing are three core areas of the permissible work under this scheme. Any other work which may be notified by the CentralGovernment in consultation with the State Government is also allowed. It is seen by many as a piece of legislation that can potentially transform the picture of rural poverty as well as migration to urban areas for livelihood.

An analysis of the performance of this employment scheme can be done under some key parameters such as the coverage area, State legislation and formation of councils, resource support, planning, demand for work, employment provided, types of works undertaken and implementation of works. Studies done by Centre for Science and Environment, All India Agricultural Labour Association, CAG's Interim Performance Audit Report of the first year of the NREGA, provide the basis for present analysis. Here, it is worth noting that CAG's report is the only official review of the scheme, it has not been made public by the government although circulated among the various State governments. The scope of audit was restricted to the initial 200 districts identified for implementation of NREGA. The total financial assistance provided by the Centre to all the State Governments up to 31 March 2007 was Rs. 12073.56 crore. The State Governments could utilize Rs. 8823.36 crore (73.08 per cent).

The NREGA was launched on 2nd February, 2006, NREGA began with 200 districts, further extending to 330 districts in the second phase and with effect from 2.4.2008 has now been extended to all 604 rural districts of the country. Data for the three years during which NREGA has been in operation shows that on average only 50% of the households that registered under the scheme actually got employment. The average number of days each household got employment was only 45 against the premised 100. Moreover, the all-India figures do not reveal the true picture. There is a wide variation of performance across states. In terms of the average number of person-days of employment per household too, the variation is quite wide from 22 in West Bengal to 79 in Rajasthan. If we take both parameters together, states like Rajasthan, Chhatisgarh and Assam are above the national average, others like Gujarat, West Bengal, Bihar, Karnataka and Kerala are below the average on both counts and most others have performed well on one of the two counts but not so well on the other.

Not onlv have been the targets under achieved but also there was lack of knowledge about the use of job cards, with many of the card holders not applying for work. This fact has been highlighted by the economist Jean Dreze who studied the performance of the scheme in the Kodarma and Palamu districts of Jharkhand recently. Dreze observed "Continuous monitoring revealed that only 26% of villagers In thew districts know about a job card and the benefits that come with it."

After the passage of the NREGA in Parliament, each state government had to formulate a rural employment guarantee scheme under Section 4 of the NREGA, within six months. Each state has to pass appropriate legislation and frame its own rules. At least 15 states did not prescribe the time frame for each level i.e. GP, Block and District levels for proposing, scrutinizing and approving REGS works; 8 states did not designate any officer as State Rural Employment Guarantee Commissioner; 4 States had not constituted State Employment Guarantee Councils. Even in the case of states which had constituted SEGCs, common observations were that many had not prepared the list of preferred works to be implemented under the Scheme, had not prepared Annual Reports for submission to the State Legislature, were constituted without non-official members, neither reviewed the monitoring and redressal mechanism of NREGA nor monitored the implementation of NREGA.

NREGA requires every state government to appoint block-level programme officers with necessary support staff like Gram Rozgar Sevaks and technical support groups to implement the scheme. The CAG audit report found major discrepancies with regard to this. It found that full-time programme officers had not been appointed in nearly 80% of the surveyed blocks. Existing block development officers were appointed as programme officers and given additional charge which severely affected implementation. NREGA work plans were routed through the existing staff of otherdepartments who are already overburdened. This led to delayed sanctions and slow progress on the ground.

CAG Audit observes that such a failure "Considering the fact the average block in the 200 districts in NREGA Phase-1 has 20 GPs and 56 villages, non-appointment of a full-time dedicated programme officers, who is pivotal to the successful implementation of NREGA, and giving the additional charge of PO to BDOs, who were responsible for other developmental schemes at the Block level, strikes at the root of effective implementation of NREGA. The absence of Gram Rojgar Sewaks severely affected the maintenance of basic records at the GP level, without which it would be impossible to verify employment demand and allocation for each household. Also, the potential REGS beneficiaries do not have any one at the GP level to contact about their demand for employment.

Gram panchayats are the primary planning and implementation agency for the NREGA, but they are already overburdened. There are more than 200 central schemes for rural areas and panchayats have to implement over three-fourths of them. The Bharat Nirman programme has a component to be implemented through panchayats. The Backward Regions Grant Fund is also to be implemented by panchayats alone.

NREGA operational guidelines stipulate the preparation of a five-year District Perspective Plan based on annual plans made by each gram panchayat, are to be based on recommendations of the gram sabha that has to be specially convened for this purpose. Many district annual plans did not specify the timeframe and full cost of projects. In 14 states, including Jharkhand, Madhya Pradesh and Uttar Pradesh documented gram panchayat plans had not been made. Gram sabha meetings were not widely publicised in over half the panchayats surveyed, including panchayats in Maharashtra, Madhya Pradesh, Chhattisgarh, Jharkhand and Uttar Pradesh. As CAG observed, lack of gram sabha participation goes against the basic principles of people's participation and transparency, and affects the creation of productive assets for the community.

Demand for work can be gauged by comparing the number of total eligible persons with the total number of persons who demanded work. According to CAG, the introductory Gram Sabha meeting ‘at the time of commencement of the Act was notconvened in 119 GPs in 12 States; door-to-door survey to identify persons willing to register was not conducted in 290 GPs in 19 States; job cards were not issued to all registered households in 74 GPs in 11 States; job cards were not issued within 15 days of application for registration in 162 GPs in 15 States; photographs were not attached to job cards in 220 GPs in 13 States.

In 2007-08, when the scheme covered 330 districts, around 34 million rural households demanded and were provided employment, according to Ministry of Rural Development figures. Total person-days of employment generated were 1,416 million. Each family thus got an average of 42 days of employment in the year much less than the maximum promised 100 days.Even this record is probably an exaggeration. On close verificationemployment figures fall drastically. A CAG review of employment provided,according to monthly progress reports of March 2007, in 465 grampanchayats, in 111 blocks of 26 states revealed that the average employmentprovided to each registered household in the year was only 18 days. Only3.2% of registered households received 100 days or more of employment.The average person-days of employment generated in a year, in thesurveyed gram panchayats, was as low as two in West Bengal and sevenin Jharkhand.

NREGA guidelines specify the kind ofwork to be undertaken using guaranteed employment. In the first year of the NREGA 7.65 lakh works were taken up according to government figures. Out of this, 3.15 lakh works, or around 41% of total works, related to water conservation and renovation of traditional water bodies. Rural connectivity comprised around 23% of total works.

The national-level figures are quite misleading, as pointed out in the report NREGA: Opportunities and Challenges brought out by the Centre for Science and Environment . As many as 22 states had negligible allocation towards water conservation under the NREGA. Further, as the guidelines show, roads have to be given lowest priority. Yet, at the national level they account for around 20% of all works undertaken. The priority given to roads is overlapping especially because there is a separate programme for this purpose, the Pradhan Mantri Gram SadakYojana(PMSY).

This bias towards roads could be due to many reasons. Roads have more political value than water conservation structures. Typically, awareness about the need for the latter is low in rural areas. The impact of such structures is also not quickly and easily visible. Roads are relatively easy to plan and build. Roads offer greater scope for the use of materials—which gives scope for pilferage and corruption. The CAG scrutiny also revealed the building of cremation grounds, panchayat bhavans, school buildings, playgrounds and community centres, though these are not listed among the NREGA's priorities.

The NREGA operational guidelines specify that projects in low-wage areas, where demand for work at a minimum wage is likely to be large, must be formulated on a priority basis. Use of machinery as well as contractors is prohibited. A wage-material ratio of60:40, or higher, has to be ensured. Worksite facilities have to be provided. CAG on the contrary, found that low-wage areas were not identified in as many as 22 states including Maharashtra, Uttar Pradesh, Jharkhand and Bihar. Blatant use of contractors as well as machinery in some instances was reported in Uttar Pradesh and Jharkhand States like Chhattisgarh, Jharkhand and Uttar Pradesh were clear violators as far as wage-material ratio of 60:40 was concerned. Worksite facilities were not provided in 202 of the 513 surveyed panchayats in 15 States.

NREGA's objectives to alleviate rural poverty are convincing but its implementation part seems to be a mixed bag of accolades and criticisms. The CAG and other studies on NREGA reveal indiscriminate violations and irregularities in its implementation in state after state. Regional disparities in its implementation and poor performance in adding productive assets along with the fact that the rural poor face many hurdles like the denial of job cards, of work, of minimum wages, reveal blatant defiance by the authorities of the given rights guaranteed by the Act

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