

# Infopack

APRIL, 2009

EDITORIAL

## NREGA : A Boon or A Farce ?

- Piyush Pant

Pronounced as the most attractive gift from the UPA Government to the Aam Aadmi, the so called prized flagship programme National Rural Employment Guarantee Act (NREGA) has been a mixed bag of success and failures. In the course of its three-year journey since the enactment of the Act in August 2005, it has received both bouquets and brickbats. While on the one hand it has been praised for empowering the labour class and having the potential to generate more employment both directly and indirectly, besides transforming rural economy, on the other hand the scheme has been criticized for having failed to deliver the goods. It has been pointed out that the scheme has provided jobs to only 3% of those eligible and on an average only 33 days of work has been provided to the people. It has also been said that majority of states have failed in providing mandatory 100 days of employment to each rural household.

However, the champions of this Scheme, particularly the left, claim that enactment of such an Act itself is a first step towards realizing the Right to Work enshrined in Article 41 of the Constitution. They point out that within the two years of its operation, NREGA had already created half-a-million assets. They also do not fail to mention that the USP of this Act is the funds allocated do not get lapsed once the financial year is over as the Scheme, for the first time, does not provide for any cap in the expenditure. They further point out that the NREGA is fully different in conception from earlier government employment schemes since the Act and Guidelines anticipate very substantial participation of the local people in the planning and monitoring of the specific schemes. They say that the notions like the employment as a Right of citizens (even if it is limited to 100 days per household in the Act); the obligation of the government to meet the demand for work within the specified time period, and to have developed a shelf of public works that can be drawn upon to meet this demand; and the provision of social audit, are all very new concepts.

But critics point out that there are many drawbacks in the Act and that its implementation has not been up to the mark. For example, it has been marked with delays in wage payment, non-payment of minimum wages, absence of work facilities, massive leakages and widespread corruption, non-delivery of the benefits to the intended beneficiaries and non-creation of the useful assets. The critics also take recourse to the CAG report which highlights the negatives dominating the implementation of the Scheme. These negatives, as mentioned in the report are: Non-payment of minimum wages and delayed payments, Employment generation far short of 100-day promise, Improper maintenance of muster rolls and Non-availability of records.

Further, the critics point out that the Scheme has become an instrument of exploitation in the hands of gram pradhans and village-level government officials. They say that though the Central Government had issued orders to open accounts of all NREGA beneficiaries in August 2008, more than seventy percent of these card holders did not have an account. Some critics even allege that there has been data-manipulation that falsely portrays a healthy picture of employment generated through the Scheme. They say that provision of employment to 10 per cent households in the official data is also doubtful as independent surveys, social audits and field studies have revealed several cases of data manipulations.

Perhaps Barpeta district in Assam is the telling example of the farce that is being enacted in the name of NREGA because no person has been provided a job for 100 days as prescribed under the provisions of this Act during the financial year 2008-09 in the district.

In this issue of **INFOPACK** we have given the summary of the critical appraisals done on the working of NREGA in various states in India.

Popular Information Centre

# National Rural Employment Guarantee Scheme in Bihar

By:

Government of Bihar

## Bird's Eye View

The 84-page document is divided into ten chapters. These are:

Chapter I: Introduction;

Chapter II: Demographic and Socio-Economic Characteristics of the Households and Population;

Chapter III: Awareness about NREGA and NREGS;

Chapter IV: Job Application, Registration and Job Card Distribution;

Chapter V: Schemes under NREGA;

Chapter VI: Job, Wage Payment and Facilities at Workplace;

Chapter VII: Social and Economic Dimensions of Beneficiaries under NREGA;

Chapter VIII: Impact Assessment;

Chapter IX: Difficulties and Hurdles;

Chapter X: Strategies and Policies for Effective Implementation of NREGA in the State;

In **chapter I**, under the title 'Introduction', the document says that in the fifty-sixth year of the Republic of India, Parliament passed "National Rural Employment Guarantee Act" (NREGA 2005) towards partial fulfillment of a Constitutional obligation under Article 41 of the Indian Constitution that provides a non-justiciable "Right to Work" to the citizens of the country. This Act received assent of the President of India on September 5, 2005 and was notified in the Gazette of India on September 7, 2005. It came into effect in 200 districts on February 2, 2006 and would be extended to the rest of the districts within five years of its notification.

The document says that NREGA draws on the experiences of a number of rural wage employment programmes of the Central and State Governments. National Rural Employment programme (NREP), Rural Landless Employment Guarantee Programme (RLEGP) 1983-89, Jawahar Rozgar Yojana (JRY) 1989-99, Employment Assurance Scheme (EAS) 1993-99; Jawahar Gram Samridhi Yojana (JGSY) 1999-2002, Sampoorna Grameen Rozgar Yojana (SGRY) since September 2001, National Food for work Programme (NFFWP) since November 14, 2004 (SGRY and NFFWP now merged with NREGS 2005 were National Level Rural Employment Generation Schemes. These programmes were supported by the Central Government and state Governments shared part of the burden.

The document points out that varying degrees of successes and failures have been attributed to these programmes. Nevertheless, some common problems have been observed in their successful implementation. Some of them are:

- i) Schemes formulated and implemented by the bureaucracy;
- ii) Little involvement of local community in selection and implementation;
- iii) Centralized character;
- iv) Pilferage of resources, leakages and corruption;
- v) Supply-driven wage-employment schemes;
- vi) Inadequate employment generation;
- vii) Cheating and delay in wage payment;
- viii) Lack of amenities to workers;
- ix) Low participation of women .

The document also talks about the difference between the NREGS and other Employment Guarantee Schemes.

It says that:

- a) NREGS owes its origin to an Act of Parliament that gives it legal constitutional superiority over other employment generation schemes originated from executive orders.
- b) NREGS is a legal-constitutional guarantee to ensure minimum of 100 days wage employment to every rural household whose adult members are willing to do unskilled manual work at the prevailing minimum wages. The other employment schemes are not concerned with minimum livelihood security.
- c) Provisions like minimum of 100 days employment to every rural household, legal entitlement to minimum wages, facilities of drinking water, first aid, shade and crèche at worksites, 30 percent female workers, PRIs to select the schemes and to implement at least fifty percent of them in terms of fund, social auditing through vigilance committee and features like demand-driven, people's oriented give entirely distinct character to the NREGS.

Under the section NREGS and Bihar, the document says that the success of NREGS depends largely on the success of NREGS in Bihar. 11.5 percent of the NREGA districts are from Bihar and it would be the most suitable laboratory to test the success of NREGA vis-à-vis its major objectives namely, income security to the rural households; check on rural immigration; and creation of community assets; as the State has low level of infrastructure, highest percentage of rural poverty causing large migration from the rural areas.

However, governance and development delivery capacity of the state are often singled out for inefficiency, leakages, and poor and inefficient utilization of development funds and resources.

Highlighting the Objectives of the Study the document says that this study aims at:

- Documentation and evaluation of the process of NREGA implementation in Bihar;
- Impact of assessment of NREGA on livelihood conditions, migration, labour market, local wages, female empowerment through work participation, and creation of community assets;
- Suggesting strategies and policies for its better and effective implementation.

It also give a list of some more specific objectives. These are:

- i) Assessment of level and quality of NREGA awareness among various socio-economic groups, and their sources of awareness viz, gram Sabha, radio, television, newspaper etc;
- ii) Documentation of the process of job application, availability of job form, job card preparation and distribution, availability of muster rolls on the worksites and its accessibility to the people, social auditing through vigilance committee and peoples' participation through PRIs.
- iii) Documentation of wage payment, mode of payment, and complaint in wage payment like cheating, delayed, leakage in the process.
- iv) Evaluation of administrative preparedness in terms of constitution of State Employment Guarantee Council and framing of rules and regulations, appointment and training of NREGA officials, capacity building of PRIs and mobilization of infrastructure support base.

- v) Demand for job, its availability, time lag between demand and availability in case of failure to provide job on demand. Entitlement to minimum wages.
- vi) Awareness about entitlement to basic amenities like drinking water, first aid, shelter, shade and crèche for children of workers and availabilities of these amenities at the worksites.
- vii) Level of female participation and difficulties faced by women workers.

In **Chapter III**, the document points out that despite the low level of literacy in the state, more than sixty percent of the population were aware of the NREGA, though the level of awareness of the NREGA was not uniform in various districts and among various sections of society. The level of awareness was highest among upper castes and lowest among Muslims. 68.07 percent of upper castes population but 54.76 percent of Muslims were aware of the NREGA. Occupation wise the highest level of awareness was found among self-employed in agriculture and lowest among casual labour in agriculture, which is a matter of concern, as they are the target beneficiaries.

The document also says that an overwhelming portion of population knew that there was an employment programme that gives hundred days of employment in a year to a household but most of them did not know the terms of employment:

- 77.74% of the respondents were aware only of the provision of 100 days guaranteed employment to every rural household.
- Only 44.03% of the sample population was aware of minimum wages.
- Only a miniscule of 4.52% were aware of the facilities, which are mandatory at worksites.
- Only 26.45% were aware of the provision of extra payment for transportation

in case of job not provided within the radius of five Kms.

- Only 6.77% were aware of the fact that NREGA does not discriminate between male and female workers.
- Only a few (0.81%) were aware of the roles and responsibilities of the PRIs in the implementation of the NREGS.

A very important missing is awareness about the role of PRI (Panchayati Raj Institutions) in all districts. PRIs are crucial to effective implementation of NREGA and extremely low level of awareness about the roles and responsibilities of the PRIs reflect its low involvement in the process and its nature. The document says that the large landholders had better quality awareness than the other land groups because of the big landholders have better access to education and means of information and communication as well as their greater access to government machinery and PRI representatives.

It also says that though one may have multiple sources of information and awareness of the NREGA, the survey reported that the main source of information and awareness was the Gram Pradhan. Radio is the second main source in all the selected districts, newspapers are the third main source. Access to television is limited in all districts due to lack of electricity in the rural areas.

The document further says that high dependence on Gram Pradhan and other informed people for information and awareness not only indicates limited access to the modern means of communication to the rural population but also underlines the role and importance of PRIs for service delivery in the rural areas.

Majority of workers at the worksites had general awareness primarily knowledge of minimum of 100 days of ensured employment and also of the entitlement of minimum wages under NREGA. But they were least informed of the other provisions of the Act and the Scheme. At the sametime, there were some sites as well where the Mukhia brought workers to the job and they had neither job cards nor were they informed of the Schemes and its various provisions.

The document points out that 52.47 percent of total population, 66.43 percent of the female population, and large number of SCs, OBCs, Muslims and landless people in the state are illiterate. Moreover, 11 out of 38 districts in the State have literacy rate less than 40 percent. This fundamentally constraints awareness campaign particularly through print and written materials. Visual mode of communication has limited access in the state as well. NGOs are also not very effective in the state as revealed by the survey.

In **Chapter IV**, the document says that although 62.45 percent of the total population was aware of the NREGA, only 25.32 percent applied for the job card. However, the proportion of those applied for the job cards varied among different socio-economic groups. Occupation wise, casual labours in agriculture as well as in non-agriculture applied in highest ratio. Households headed by salaried class also applied in considerable number. It also says that among land category, 32.99 percent of the landless households applied for the job card. But the second highest percentage of applications was from the big landholders and not the marginal or small landholders. It is also reported in the survey that a large number of upper castes, big and medium landholders also applied for the job cards and in fact, got them issued.

The document further says that the overall coverage of job card distribution appears to be very low. Merely, 3.92 percent of the total households were provided job cards, which seems to be very low in the context of massive rural poverty in the state and huge migration of rural population for daily wage work. Though variation of job card distribution across caste and land groups is not very sharp, yet in comparison to OBC-II, the ratio of distribution to SCs, STs and OBCs applicants was comparatively low. It is to be noted that the highest number of Chairman of Zila Parisad, Mukhia of Gram Panchayat belonged to the OBC-II castes in the previous Panchayats that were involved in the process of job card distribution. The previous Panchayats were mostly controlled by the upper castes, OBC-II and Muslims. SCs, women and OBC-I were poorly represented. Their low ratio in terms of receiving job cards in proportion to their application indicates that grass-roots institutions favour those who have greater representation and control over them.

In **Chapter V**, the document points out that according to the NREGA guidelines, the Panchyats at district, intermediate and village levels shall be the principal authorities for planning and implementation of the Schemes made under this Act. It says that The State Government has prepared Bihar Employment Guarantee Scheme (BREGA) for implementation of the Act and Scheme guidelines make three-tier divisions like Gram Panchyat ( Village level), Panchayat Samity (Intermediate Panchyat), Zila Parisad (District level) for the implementation of NREGA. But the selection and implementation of Schemes by the 3-tier PRIs have been found uneven in most of the districts. Selection of Schemes has not been always the most appropriate. One reason for this is often the clash of interests among the PRI representatives. It has been observed that major consideration in selection of schemes has been the immediate political



interests of the PRI representatives. They push for those schemes first which would benefit their electorates first. Sometimes immediate and most urgent requirements of the locality and area are ignored to benefit certain interests. As a result of that, selection of Schemes at the Zila Parisad has not been found that much smooth. Sometimes members clash among themselves if they belong to different political groups. This is the reason that some of the districts could not take even a single scheme selected and implemented by the Zila Parisad.

In **chapter VI**, the document gives a list of some basic important provisions under the NREGA. These are:

- i) Not less than 100 days of guaranteed employment in a financial year to every rural household, whose adult members volunteer to do unskilled manual work.
- ii) Unemployment allowance, if an applicant for employment under the Scheme is not provided such employment within 15 days of receipt of his/her application or from the date on which the employment has been sought in the case of an advanced application.
- iii) Minimum wage rate as fixed by the Central Government, or until so as provided by the State Government under Section 3 of the Minimum Wages Act, 1948 for agricultural labourers.
- iv) Provided further that the wage rate specified from time to time under any such notification shall not be at a rate less than 60 rupees per day. (Bihar Government has fixed 68 rupees per day for NREGA unskilled manual workers).
- v) Four facilities at worksites, for example drinking water, first aid, shelters, and crèche for the children of workers if the number of children is five or more.

The document further says that it has been shown that up to June 6, 2006, a total number of 2401836 applications were registered in the state and out of that 1071522 were issued job cards. Further 505281 individuals were provided jobs out of 533009 applicants in 5759 completed and 11860 Schemes in progress with an overall expenditure of 5171.194 lakh rupees.

**But the document points out that there is under reporting of number of applicants seeking job. As per the information given by the State Government, less than fifty percent of the applicant households were issued job cards. But the survey indicates that only 28 percent of the applicants were issued job cards.**

It also says that the BREGA has fixed the minimum wages at Rs. 68 per day for unskilled manual workers. The worksite survey indicates actual wage payment at the rate of Rs. 62.19 per day and the household survey reported 60.19 rupees marginally less than the wage rate reported by the workers on the worksite. But there are variations in actual wage payment across the district. Out of 38 worksites surveyed, workers reported receiving Rs. 68 per day at 18 worksites, Rs. 60 to 67 at nine worksites, and Rs.50 to 60 per day at the rest. It has been generally found that workers were paid higher wages through daily wage system, but where they were paid through Scheduled Task, they received less than the minimum wages.

The document further points out that in majority of cases, workers were happy with the wage payment. However, cases of cheating have also been reported. For example, in one village in Samastipur district, workers were brought for a job at worksite under pretext that they would be first put under trial and only after assessment of their work, they would be

provided job card and job under NREGA. The workers reportedly worked for a week and not a single penny was paid to them.

It has also been observed that in a condition of workers insisting for Rs. 68 and not performing up to the scheduled task, the implementing agencies tend to fudge the muster rolls. In almost all the cases where there was an access to muster rolls, it showed that 68 rupees was invariably recorded being paid. However, the actual payment was less than Rs. 68. It was also observed that where 68 rupees was paid and workers did not perform up to the scheduled task. One or two link roads were left incomplete but the money had been withdrawn from the account and the scheme declared completed.

The document also says that the implementing agency has been found reluctant to pay unemployment allowance. Up to the reporting period, out of 505281 individuals seeking job in NREGA, 27728 individuals were neither provided jobs nor were they paid any unemployment allowance.

It further talks about the conditions of worksite facilities. It says that out of 38 worksite surveyed, drinking water was made available at only eleven, first aid at only one, shelter at three, and crèche at not a single worksite.

**But the most important thing that has been reported is that a number of minor children were found either working on the worksite or loitering around. They were not enrolled in any school and some of them were even dropouts. Some of the children were found assisting their parents in the job.**

In **chapter VII**, the document points out that SCs, STs, OBCs and Muslims; casual labour in agriculture as well as non-agriculture; landless and marginal landholders constituted the majority of beneficiaries under NREGA. SCs with 33.77 % of the beneficiaries were the largest social group followed by the OBC-II with 26.30 %, Muslims with 27.95 %, and OBC-I with 3.18 %.

It also says that the landless population constituted the largest number and percentage of beneficiaries: 89.74% were landless and 5.90 % were marginal landholders. 55.78% were casual labour in agriculture; 33.37 % were casual labour in non-agriculture; 8.02 % were self-employed in agriculture.

Female participation was a little less than the minimum requirement of 30% female beneficiaries. However, most of the female beneficiaries came from SC, ST, OBC and Muslim households; casual labour in agriculture as well as non-agriculture; and the landless population.

Socio-economic profiles of NREGA beneficiaries justify the utility and objectives of the NREGA. Moreover, despite shortcomings in implementation, benefits of the NREGA appear to reach the target group.

In **chapter VIII**, while talking about the impact assessment of the Act, the document says that the short-term objective of the NREGA is to ensure livelihood security to every household in rural areas by ensuring 100 days of wage employment to adult members in every financial year. And its long-term objectives are elimination of rural poverty, reduction of migration from the rural areas and to create community assets for overall development of rural economy and society.

In the light of the above objectives, the impact of the NREGA may be analyzed in terms of employment generation and reduction in migration from rural areas.

**Employment Generation:** Apart from income, poverty, land and assets base of rural households in the state is dismally low. There is reportedly

high level of disguised unemployment in the state. Moreover, 44.1% of the rural households in the state are indebted and the average amount of indebtedness is higher than average productive assets base of the households.

The document further says that the amount of employment generation under NREGA upto June 2006 appears to be very low. In all the 23 NREG districts, only 505281 individuals were given employment under NREGA. As per the survey of six districts, the average number of days of employment is merely 2.3 per household which was quite insufficient to enhance livelihood and income security.

**Impact of Migration:** 30.64% of the households in the state reported migration for job, out of which 2.31% were female migrant households. The document says that in the context of NREGA, the amount of employment generated in terms of number of days per household is so little that it does not have any impact on the migration. However, it has been reported that most of the migrant workers were unhappy with migration situation, and they would prefer a job in the village or near the village at 68 rupees per day.

Some of the workers had very unpleasant and even painful stories to tell about. For example, a group of labourers from Khandel village of Gaya district reported coming all the way from Jaipur on foot and without food and water. Their own money had exhausted and employer did not pay their wages after throwing them out of job.

**Impact of Community Assets:** The document says that up to June 2006, 5759 schemes were completed and 11860 were in progress. The majority of schemes are of rural connectivity and repair, renovation and construction of traditional irrigation system. The document further says that there are some obvious gaps in the selection of schemes and its consequent impact on community assets. Further, the quality of assets created, their maintenance, durability and at times, even utility needs to be monitored and assured. For example, some of the Kachcha roads under the NREGA were left uncompressed and undressed. In some of the cases, the link road did not reach the last end. These Kachcha roads were often washed away by rain. Similarly, some of the ponds were constructed without either having any irrigational potentialities in the area or having any clear purpose.

In **chapter IX**, the document refers to difficulties and hurdles found in implementing NREGA. It says that implementation of NREGA in the state has been greatly hampered by the coincidence of Panchayat Elections and commencement of the NREGA as most of the staff of implementing agency from Panchayat Secretary to District Programme Coordinators (DPC) remained preoccupied with elections. In some of the districts, DPC, Programme Officers (POs) were found reluctant to trust the outgoing PRIs incumbents sensing motivated interests and leakages by the outgoing representatives. For example, in one case, Mukhia was in a hurry to complete as many schemes as possible. His constituency was declared reserved for women and he had no chance to get re-elected. In a scheme of road connectivity he had hardly spent 20,000 rupees against 93,000 rupees, He was pressurizing the Panchayat Secretary to sign the cheque and get all the money in his hand.

The document further points out that the governance of Bihar in general and implementation of NREGA in particular had been adversely affected by the acute shortage of staff and would continue to be so in the absence of new recruitment. The commencement of the NREGA was neither



preceded by comprehensive training and orientation programme of the implementing agencies, nor was it followed by the same. In the state most of the Panchyat Secretaries are promoted from chief of a village security force. They have hardly any knowledge of handling paper work, so often they are found making wrong entries in muster rolls, job cards and registration books.

The document further points out that database management was very poor at the Block level and at most of the Gram Panchyat level. Poor database management was primarily because of lack of modern infrastructure like computer and personnel who could effectively handle the data. It also says that, in spite of having computer and even power back up in the district level, NREGA data in majority of cases are done manually due to unavailability of computer related personnel.

**The document also says that the worst is the condition at the Gram Panchayat level. In majority of the cases, job cards distribution were not being completed; its duplicate copy was almost absent. Muster rolls were left incomplete. At the same time there was no office where all the records of the Gram Panchayat are kept. Most of the current records were kept either at the residence of Mukhias or of the Panchayat Secretaries. And there is no system of record transfer from one Mukhia to the next leading to disappearance of the previous records. It also points out that due to absence of vehicles, the POs rarely move to the worksite to see the quality and progress of the work. Similarly, technical personnel like Junior Engineer/Engineer try to ensure quality control from headquarters. Lack of infrastructure like vehicles and bad quality of roads along with security concerns have made physical monitoring of the Schemes a rare affairs, resulting in poor quality of works, false and misleading reports by the subordinate and little accountability on the part of implementing agencies/agents.**

While talking about the wage payment, the document further says that the minimum wage rate of 68 rupees per day appears to be difficult to enforce scheduled task rate. The problem gets aggravated as most of the Kachcha works are undertaken during summer season when soil becomes harder than in its normal condition and the weather too remains unfavourable for hard physical work leading to either violation of the payment of minimum wages or false and bogus entry in the muster roll.

In some of the cases, implementing agency innovated a mechanism to irrigate the soil first to make it soft and then put the workers on the task. But in that case, three rupees per worker taken away from their minimum wage of Rs. 68 per day.

The document also points out that absence of trust and understanding between the representatives of PRIs and bureaucracy hamper the effective implementation of the NREGA. Another factor for non-effective implementation of the Act is lack of credible NGOs and other out-sourcing agencies. A recent survey of CAPART (Council for Advancement of People's Action and Rural Technology) reported that Bihar has very poor base of credible NGOs and reliable out-sourcing agencies that can be entrusted for some works like awareness campaign, social mobilization, training programme, job card preparation, and even implementation. At the end of this chapter, the document also mentions about the influence of Naxalism on NREGA implementation. It says that three serious problems were noticed regarding NREGA implementation in Naxal affected areas.

These are:

- Most officials accepted paying levy per scheme to the representatives of the organizations in the areas of their influence.
- Physical monitoring of the schemes was found quite inadequate as senior officials are hesitant to visit the worksite where the Naxalite influence is more.
- Naxal groups are opposed to certain schemes.

**However, a very positive thing is that minimum wage rate is enforced invariably in the Naxal affected areas. Another aspect is that, CPI-ML has adopted NREGA implementation as a part of its agitation agenda.**

In **chapter X**, the document talks about the strategies and policies for effective implementation of NREGA in the state. It says that in spite of having all lacunas mentioned in above chapters, some of the districts have done reasonably well. Like overall performance of Rohtas and Kishanganj is appreciable. Nevertheless, there is much to be done to make it a successful rural upliftment programme in the state. Moreover, districts with lethargic performance to be alerted and warned.

The document further points out that a few policies and some general and some specific strategies for more effective and better implementation of NREGA in the State may be suggested at State, District, Block and Panchayat levels. The suggestions are:

#### **1. Macro Level Policy suggestions:**

**Project Mapping:** All the possible schemes, which can be undertaken under NREGA within five years may be mapped in advance.

On the basis of mapping, a shelf of schemes and their estimates may be prepared and administrative and technical sanctions may be given in advance.

This should be one-time affair within five years and should be completed as soon as possible.

Services of retired engineers, JE and non-government agencies can be hired for the project mapping and preparation of estimate.

PRIs should be involved effectively in the process.

**Labour Cell and Merger of Scheme:** Since Kachcha works have seasonal character and can not be continued throughout the year while demand for job may remain most part of the year, at least in Bihar. Further NREGA is a part of law and would continue for unless another Act of Parliament writes it off.

Therefore, a possible option could be in terms of a mechanism where labour requirement for all the works of government are to be met through NREGA workers. It may be suggested that all the development works of the government should hire a fixed percentage of NREGA workers. A labour cell or an office at appropriate level may be assigned the task to coordinate with government department for providing labourers.

**Skills Generating Works/Projects:** NREGA should develop a mechanism to provide skills generating work with the objective to graduate a fixed percentage of labourers from the unskilled manual workers to skilled workers and from casual to regular workers.

**Evaluation and Ranking of Districts, Blocks and Panchayats:** Performance of Districts, Blocks and Panchayats need to be evaluated on quantitative/qualitative indicators and may be ranked accordingly.

**Incentives to Officials:** The best performing officials should be encouraged through incentives. And the reluctant performers may be punished.

## 2. Strategies

### **Awareness Campaign:**

Due to limitation of literacy rate and low level of access to print and electronic media, a massive direct canvassing for quality awareness would be more effective.

The newly constituted PRIs should be encouraged to hold Gram Sabha and told to spread the message of NREGA, various provisions of the Act, its objectives and right to entitlements.

Help of NSS and NCC and credible NGOs may also be engaged.

**Job Card Registration and Distribution through Officers:** Special camps for job card registration and distribution may be organized in the presence of Block level officials for spot registration and distribution of job cards which would make the process more transparent and free of complaints and corruption. If needed the help of NSS/NSC and unemployed educated youths may be taken by hiring them for this purpose.

The camp should be organized first in those villages where most of the population belong to SCs, STs, OBCs, and landless people.

### **Personnel and Training:**

BDOs should be relieved of the job of Programme Officers by recruitment of Programme Officers.

Programme Officers should be appointed in such a manner as to ensure representation of women, SCs, STs, OBCs and Muslims in sufficient number. Persons from rural background should be given preference and weightage.

The Appointment of civil diploma holders as Gram Panchayat would facilitate technical and general support to NREGA implementation.

Recruitment of personnel at the District and Block levels to support the DPCs and POs.

### **Orientation and Training Programme:**

Orientation programme for DPCs and POs and training programme for Panchayat Secretaries should be organized.

Special and focused training for the newly elected PRI representatives are strongly suggested as most of them are first timer to public life.

Joint Workshops of Bureaucracy and PRIs should be organized to sensitize them of their joint responsibilities and to inculcate mutual understanding, trust and cooperation.

### **Infrastructure:**

One room in Panchayat Buildings be furnished and used as office of the Gram Panchayat for job card registration, job application and record keeping.

Panchayat Secretary and Gram Assistants should sit in the Panchayat Office in routine manner and on fixed time.

Necessary vehicle should be arranged for physical monitoring of the schemes and field works.

Computerization with power back-up for data management is also suggested.

### **Wage Rate Enforcement and Other Entitlements:**

The district scheduled task rate needs to be revised through a time and motion study.

Implementing agencies should be sensitized towards enforcement of four facilities like drinking water, shade, first aid and crèche at worksite. Health cards for NREGA workers with free entitlement to certain medicines in the Government hospitals must be provided.

**Scheme and Works:**

- Diversification of schemes to ensure year-long employment.
- Forestation works need to be given proper and more attention.
- Community assets to be handed over to the village community.
- Physical Monitoring of schemes to ensure quality and to check malpractices.
- A special vigilance cell for NREGA works.
- A process of schemes adoption by the higher authority may be experimented.

**Nigrani Committee and Social Auditing:** Immediate formation of a Nigrani Committee has been suggested. Retired civil and military personnel, engineers, school and college teachers should be included in the committee. Project completion certificate should be signed by the Nigrani committee.

**Accountability of PRIs representatives:** A mechanism to fix administrative responsibilities on PRI may be developed and a punitive provision for PRI representatives also needs to be incorporated.

**3. A Programme of Action:**

Some suggestions have been made for **State Rural development Department**. The suggestions are as follows:

- Formation of State Employment Guarantee Council;
- Formulation of rules and regulations regarding administrative and contingency expenditures;
- Guidelines regarding transfer of funds to the implementing agencies and agents;
- Constitution of high power special Flying Squad equipped with technical knowledge for monitoring and quality control of the works;
- Special Cell for NREGA implementation, monitoring and evaluation;
- Commissioning of a time and motion study for scheduled task revision and until so a sumptuary reduction in task by 10 to 20 percent ( For example, Rajasthan reduced the physical task by 20% and Andhra Pradesh enhanced the Minimum Wages to Rs 116 to ensure statutory minimum of Rs 60 per worker per day.);
- Suspension order of all kinds of Kachcha works from June 15 to October 15 needs to be revised and made more flexible;
- Financial arrangement for institutionalization of Panchayat offices and infrastructural strengthening of Block offices;
- A policy formulation for separation of development and administrative department including a special cadre of development officers;

**For Districts**

- A rigorous training programme for Panchayat Secretaries;
- An orientation cum capacity building programme for newly elected PRI representatives since a large number of them are first timer with little exposure to public life and development works;
- Diversification of schemes and launch of massive social forestry and tree plantation schemes;
- Opening of NREGA accounts of Panchayat, and Blocks with banks having facilities of electronic transfer of money;
- Constitution of a District level committee of high officials for monitoring, and quality control;

- Schemes adoption by higher officials like 2% of the total schemes to be completed under direct monitoring and quality control of the DDCs; 0.5% by DMs.
- Hiring credible grass roots NGOs for some of the works including social monitoring.

#### **For Blocks and Panchyats:**

- Massive awareness campaign through Gram Sabha and audio-visual cassettes;
- Immediate completion of the process of job card registration, verification and job card distribution through camp mode and target oriented—first in those villages having large number of SCs, STs, OBCs and landless population;
- Calling of Gram Sabha meeting for selection of schemes and preparation of a shelf of schemes;
- Constitution of Nigrani Committee which should include retired military and civil personnel, retired school/college teachers, advocates, retired engineers in it;
- Institutionalization of Panchayat offices with regular sitting of Panchayat secretary and Mukhia in the office.

## **Rural Job Scam**

### **Survey Report on Implementation of NREGA in Orissa**

By:-

Parshuram Rai

Centre for Environment and Food Security, New Delhi  
2007

## **Bird's Eyeview**

- This document is based on the survey conducted in 100 villages of Orissa's six districts and talks about how the funds for implementation of NREGS in Orissa are siphoned and pocketed by the government officials depriving the actual beneficiaries of the Scheme.
- The 74-page document is divided into six chapters including six districts of Orissa.. Besides these six chapters, this document also contains Executive Summary and an annexure including a list of surveyed villages.
- In the Executive Summary, the document says that this survey was conducted during May-June 2007 by Delhi-based Centre for Environment and Food Security (CEFS) to assess and evaluate the performance of National Rural Employment Guarantee Schemes (NREGS) in Orissa, the biggest anti-poverty schemes in the history of India, under National Rural Employment Guarantee Act (NREGA).
- The document also says that findings of CEFS in a random survey conducted in 100 villages of Orissa's six districts namely Kalahandi, Bolangir, Koraput, Nabarangpur and Rayagada, and Nuapada are shocking, scandalous and outrageous. The findings show that about 75% of the NREGA funds spent in Orissa have been siphoned and pocketed by the government officials and this loot has been participatory and organized. There is an open loot of tax-payers' money, plunder of poor's right to guaranteed wage employment for 100 days work and there is a pillage of every single norm of democratic governance and administrative accountability.
- The document further says that it is shocking to note that not a single case was found, where entries in the job cards are correct and match with the actual number of workdays physically verified with the villagers. Out of 100 villages covered for this survey, 18 villages have not received any job card, 37 villages have not received any job under NREGS even after 16 months of launch of the Scheme, 11 villages



have received neither job cards nor any job. Besides, job cards of 23 villages were lying with VLWs (Village Level Workers) and JEs (Junior Engineers) for more than 6-8 months against the will of card holders.

- It also points out that in 25 villages only half, one third or partial wage payments were made. In 20 villages, the surveyors found scandalous difference in the number of workdays recorded in the job cards and the number of actual workdays given to the workers. There were 3 villages where no wage payments have been made even after 4-8 months of the works done. It has also been found that there were six villages in Kashipur block of Rayagada district where NREGS work was being done without any job card being issued to the villagers.
- The document points out that as per the NREGA Implementation Status Report for the Financial Year 2006-7, the total number of job cards issued in Orissa was 2593194. Orissa was able to provide 7.99 crore person days of employment to 1394169 households spread over 19 districts of the state, an average of 57 days of wage employment. Orissa Government also claims that 154118 families in the state completed 100 days of wage employment during 2006-7. But the document says that survey done in 100 villages of Orissa suggests that all these claims are false and manufactured only in official records in order to siphon off the NREGA funds. It says that back of the envelop calculations also suggest that less than two crore person days of employment has been provided on the ground and more than six crore person days of employment has been provided only in the pages of false job cards and fabricated muster rolls. Not a single family was found in the 100 sample villages who had actually got 100 days of wage employment. Very few families were found who had got 40-60 days of wage employment, rest is mostly between 5-21 days. However, online job cards of most of these households have false and fabricated job and wage entries for 108 days, 104 days, 102 days, 100 days, 96 days and so on. This is the way Orissa Government has successfully spent Rs. 733 crore and provided almost 8 crore person days employment. In other words, less than 25% of the NREGS funds have reached the targeted population and more than 75% have been eaten up by Sarkari babus. There are more than thousands villages in Orissa where more than 80-90% of NREGS funds have been misappropriated by the executive officials.
- The document further says that according to the Orissa Government, each of the needy households in 19 districts of state was given on an average 57 days of wage employment under NREGA, but the calculations suggest that only about 5 days of average employment has been given to the needy families in 19 districts of Orissa.
- It also says that survey in 100 villages of Orissa revealed that there were about 39 lakh needy households in these 19 districts and all of them were in desperate need of wage employment. The document also points out that out of the total 799 lakh person days of employment given in the official records, only about 25% has actually been given to the people, the remaining 75% person days of employment has been given only on fake muster roll registers, false job cards and forged official documents. Therefore, the actual average employment per needy household in 19 districts of Orissa comes not to 57 days or 20 days, but only 5 days.
- The document says that it is really difficult to believe that this type of open loot can not be organized without active connivance of the entire

State machinery. The NREGS has various in-built vigilance and monitory mechanisms and it is not possible to perpetrate such an open loot of NREGS funds unless it is participatory or organized.

- The Rural Employment Scheme has made zero impact on the livelihood security of Orissa's rural poor. There is no let up in the level of distress migration of Adivasis and Dalits from Orissa's KBK in search of livelihood.
- It further says that there has been no Social Audit whatsoever in any of the 100 villages. There is zero accountability and total absence of transparency in the administration of NREGS. The villagers of these 100 villages informed that the Panchayat Offices open only once or twice in a month. Panchayati Raj Institutions (PRIs) have been completely sidelined in the implementation of NREGS. Sarpanches are asked by Village Level Workers (VLWs) to sign on blank cheques and VLWs decide everything. In most of the cases, they do not share a single information about NREGS works in the Panchayat with any of the elected representative of Gram Panchayat.
- The document further says that in these 100 villages, not a single person has ever seen muster rolls of the NREGS work in his village. Muster rolls are always kept in the house of VLWs and the villagers who work in NREGA projects are made to sign on blank muster rolls.
- Since the survey team found massive financial bungling in many villages of Nandapur Block, it had wanted to verify the muster rolls and job cards of the concerned Panchayats which were lying with the respective VLWs. But the VLW of Raisingh Gram Panchayat, Nagesh Choudhary refused to show muster rolls without the permission of BDO (Block Development Officer). And the BDO of Nandapur (Jyoti Ranjan Mishra) also refused to show any muster rolls without the permission of District Collector or some higher authority of Government of India. In the event of this, the Personal Staff of Panchayati Raj Secretary and Additional Project Director, DRDA-Koraput telephoned the team and sternly asked them not to visit any village of Nandapur. Despite all the efforts, the team did not succeed in seeing the muster rolls.
- This experience in Nandapur shows that the whole administrative machinery was pressed into service to cover up financial bungling in the Block.
- The document also points out that when some activists of Orissa went to carry out field trial of Corruption Detection Tool (CDT) in some villages of Nuapada district during July 2007, many villagers refused to tell them as how many days of actual employment was given to them, because the BDO and other officials threatened the villagers to send them to jail if they told any one about their actual days of NREGS employment. In Tentulikhunti block of Nabarangpur district, the BDO and other officials have threatened NGOs and activists with dire consequences if they point out irregularities in NREGS.
- It also points out that major part of NREGS fund has been sucked by bureaucratic blackholes. This scheme has become less of Employment Guarantee Scheme for the hungry and poor villagers and more of a money spinning machine and income Guarantee Scheme for Orissa's Sarkari babus.
- In chapter I, the document talks about the implementation of NREGS

in Kalahandi district. It says that Kalahandi is widely known as the hunger capital of India. So in terms of fund allocation, the district is top in priority. The district was allocated Rs. 111 crore to implement NREGA in the district in 2006-7. As per official records, this district spent Rs. 72 crore and provided a total of 61.76 lakh persondays of employment to 121517 households. Each of the 121517 families has been given on an average 50 days of wage employment. The total number of households which completed 100 days of employment in the district is 9074 during the year. However, the survey in 18 villages of the district revealed a different story. Implementation of this high-profile rural job scheme in Kalahandi has created new records of corruption and financial bungling in India.

- For example, the document here mentions the story of a village called Palsipara which is a small village in Talbelgaon Panchyat of Bhawanipatna block of Kalahandi district. This is a predominantly Adivasi village. Most households of this village have received job cards and jobs too under NREGS. Many of the households in this village have been given more than 100 days of wage employment and paid wages at the rate of Rs. 55 per day. But most of these jobs have been given only in the on line pages of job cards and forged muster roll registers, not on the ground.
- For example, Rupa Majhi (job card no-OR-10-001-031-008/14364) actually worked on road work projects around this village for 21 days and was paid only Rs. 600/-. But, on his job card it is written that he had worked for 336 days. But, according to the entries on the NREGA website (<http://nrega.nic.in>), Rupa Majhi was given 102 days of wage employment and paid Rs. 6310/-. So, out of Rs 6310, only Rs. 600 was actually paid to Rupa Majhi. The remaining Rs. 5710 which is more than 90% of the total wage payment made in the name of Rupa Majhi has been pocketed by officials involved in the implementation of this rural employment scheme.
- Also against the name of Janakae Majhi (job card no- OR-10-001-031-008/14379), NREGS website shows 108 days of employment and Rs 5940 was paid for the same. But actually, Janakae Majhi had worked for only 15 days and was paid Rs. 450 as wages. So in this case, officials have pocketed more than 92% of the wage money.
- Chandra Mahji (job card no- OR-10-001-031-008/14360) of Palsipada has not received any employment under NREGS. But in his job card there is entry of 126 days of wage payment. On the website of NREGS, 108 days of employment and Rs. 5940 as wages have been shown in the name of Chandra Majhi. In this case, 100% of the wages have been pocketed by the government officials executing this scheme.
- The document points out that these are the job details of only a few households of Palsipada. Many more families of this poor village have been robbed of their right to employment in the similar fashion. The survey team has found 18 more families of this village whose on line job cards show job entries of 108, 96, 72 days, but actually hardly any household has received more than 15-20 days job in this village. Approximately 90% of the NREGS funds spent in Palsipada have been siphoned off by Government Officials implementing the rural job scheme. Moreover, more than half of the families of this deprived village have not received any job under this scheme despite facing chronic hunger and abject poverty.
- The document further says that in another village called Pokhari Ghat,

every single document related to rural job scheme is forged and fabricated. Not a single job card entry about given jobs and paid wage amounts did match with actual work days and wage payments when it was physically verified with card holders.

- It also says that no family in Pokhari Ghat village has actually received more than 15-20 days work or more than Rs. 500/600 as wages. But employment and payment entries made in online job cards of 26 households show that they have been given employment for more than 2-3 months. 12 more job cards have work entries of 108 days each, 3 cards have work entries of 102 days each and 4 cards have work entries of 96 days each.
- The stories of Palsipada and Pokhari Ghat villages in Kalahandi district are not isolated cases of corruption and financial bungling. This is the story of 90% villages of Orissa where rural job scheme has been implemented.
- Same is the case for another village called Sekerguda of Kalahandi district. Only a few households of this village were given 8-10 days of work and majority of the families did not get any work under this scheme. However, online job cards of this village show that every job card holder was given employment in road improvement work. But, the calculations of the survey team suggest that more than 95% of NREGS funds spent in this village have been pocketed by Government Officials.
- The document further points out that Chancher village of Chancher Panchayat is another poor village of Kalahandi district where NREGS has become another money spinning machine for Sarkari babus. This village has 65 households of poor Adivasis and Dalits and very few of the households were given job cards for 2-3 weeks. The villagers had confirmed of working on one road formation, but on line job cards show that people from this village have worked in four different road formation works.
- The loss of faith in the institutions of governance is a much more serious threat for the democratic polity of this country than corruption and financial bungling in the delivery of welfare schemes as much. This sense of cynicism is providing breeding ground for naxalites.
- The document further says that the stories of Palsipada, Pokhari Ghat, Sekerguda, Chancher, Kutanpadar, Atang Guda, Banipada, Gosanimunda, Duarsuni, Sukunabhata, Badachiching, Albula and many more villages of Kalahandi district are only tip of the ice-berg. These stories have revealed only scratch on the surface. The rot is much deeper and needs emergency operation. Otherwise, the cancer of corruption will shortly cripple and kill this high-profile rural job scheme. The Government Officials have become the main beneficiaries of the national rural job scheme and only left-overs are reaching the targeted population.
- The document also points out that beside Kalahandi, CEFS had surveyed districts like Koraput, Nabarangpur, Rayagada, Nuapada and Bolangir of Orissa and found similar stories in the implementation of NREGS.
- In Chapters II, III, IV, V and VI, the document mentioned about corruptions and mismanagements of funds related to implementations of NREGS in Koraput, Nabarangpur, Rayagada, Nuapada and Bolangir respectively. Here is the story of Koraput district.

- The document says that Koraput district of Orissa was allocated Rs. 57 crore to implement NREGA in the district during 2006-7. As per official records, Koraput was able to spend Rs. 53 crore and provided a total of 55.65 lakh persondays of employment to 81513 households in the district. In other words, each of 81513 families have been given an average of 67 days of wage employment. The number of households which completed 100 days of employment in the district is 13893 during the year. But, all these achievements have been made only in the official records and not in the villages of Koraput district.
- The document further says that out of 21 villages surveyed in Koraput district, they could not find a single family which had actually got 100 days of wage employment. Most of the households who got wage employment under this scheme have actually received it between 5-20 days. For example, Mangulu Praska is a poor Adivasi of Chuchukana village in Pipalpadar Panchyat of Laxmipur Block, Koraput district. His online job card (Or-11-004-011-003/3615) has job entry for 108 days and wage entry of Rs. 5940/. However, the family of Mangulu Praska has actually worked for only 17 days and received Rs. 850/ as wages. So, Rs. 5090/ of tax payers' money spent in the name of poor Mangulu Praska siphoned off and eaten up by government officials. This is not an isolated case in Chuchukana village. Most families of this village have been cheated in the same manner.
- The document also points out that 34 online job cards of this village have more than 100 days of job entries, 13 online job cards have 96 days of job entries, 9 cards have 84 days of job entries, 5 cards have 72 days of job entries and 7 cards have 60 days of job entries. All these entries are false and fabricated, because the team had found only one family which had got 74 days of employment and another which had got 40 days of work. The rest of the households had got wage employment between 20 and 30 days.
- The family of Reli Praska (3595) had actually worked for 27 days and received Rs. 1350 as wages, but job card he showed had work entry for 132 days. Jaga Praska (3610) had worked for only 30 days and received Rs. 1500/ as wages. But, his job card showed had job entry for 132 days. His online job card has job entry for 108 days and wage entry of Rs. 5940. So, Rs. 4440/ has been siphoned off in the name of this poor Adivasi. These are names of only few households of Chuchukana which have been used by government officials to siphon off NREGS funds.
- Pilku Kulasika of another village called Musipalli is a very poor Adivasi. He got only 2 days wage employment and Rs. 100/ as wage. However, his online job card (OR-11-004-011-009/3327) has job entry for 108 days and wage entry of Rs. 5940/. So, over 98 per cent of the wages shown in his name have gone into the pockets of government officials. Malia Kulasika (3313) had actually worked for only 6 days and received Rs. 300/ as wages. But, his online job card has job entry for 108 days and payment entry of Rs. 5940/. In this case, about 95% of the wage money has been pocketed by Sarkari babus. Similarly, Balaji Kulasika (3339) had got only 5 days of work and Rs. 250/ as wages for the same. The job card he showed had job entry for 96 days. But, his online job card has 108 days of employment entry and wage entry of Rs. 5940/. About 96% of the NREGS money spent in the name of this poor Adivasi has been actually pocketed by government officials.



Most families of this village have been robbed of their 100 days of guaranteed employment in the same fashion.

- The document points out that it is very clear that there has been open loot and massive financial bungling in this village. The calculations of the team suggest that approximately 80-90% of the of the NREGS funds spent on the wage employment of Musipalli and Chuchukana villages of Pipalpadar Panchayat have been siphoned off and pocketed by government officials executing the rural job scheme. This is the way Koraput district has spent Rs. 53 crore on NREGS, given an average of 67 days wage employment to 81513 households and provided 100 and more days of employment to 13896 families. It is not possible to make NREGS work with this kind of callous and corrupt bureaucracy. The least Orissa Government can do is to order immediate dismissal of all the officials involved in this kind of financial bungling and their number is in thousands.
- The same stories had been repeated in rest of the districts.

## **Status Report on Implementation of NREGA in Gujarat**

By:-

JANPATH (A network of  
Voluntary Organizations in  
Gujarat)

And

SABAR EKATA MANCH  
( A forum of CBOS from  
Sabarkantha district-Gujarat)

## **Bird's Eyeview**

The document says that the NREGA (National Rural Employment Guarantee Act) was implemented in six districts of Gujarat. The Act entails providing at least 100 days of guaranteed employment to every household every year. Three thousand villages of 48 taluks of Gangs, Dahod, Panmahals, Narmada, Banaskantha and Sabarkantha districts will be covered under National Rural Employment Guarantee Scheme (NREGS) (formed under NREGA).

The report given in the document here mentions about the status of implementation of the NREGS under NREGA in Sabarkantha district of Gujarat.

It says that as on March 10, 2006, 1,27,306 persons from 707 Gram Panchayats had applied for registration. Out of this 1,22,602 persons were registered and 41,344 job cards were issued. As far as works are concerned, 1669 works were given the administrative sanction, while 2046 works were technically sanctioned.

The report says that upon inquiring about the works in progress and the payment received by the labourers, only seven works were in progress employing 1381 labourers.

The document further says that on 16<sup>th</sup> April 2006, a team from JANAPATH and SABAR EKATA MANCH visited MOYAD village of Prantij Taluk, where digging of a village pond was in progress. Following was the situation at the work site:

- All together 207 workers were working on the site.
- Inadequate facility of drinking water and there was no shade for the workers, which is a violation of the NREGA.
- Child labourers were present. For example, Sarojben, age 13 years, studying in 7<sup>th</sup> standard, had come for work in lieu of her mother who was ill and the clerk had asked her to get doctor's certificate.
- Pregnant women were also working. They were engaged in digging and carrying loads on their head like other workers.
- Muster records were kept in the rough notebooks by the person Incharge. There were no printed Muster Rolls.
- There were no formal applications made/taken from the persons working on the site and no receipts of the applications were given. So,

the workers had no proof of his/her working on any site under this Act.

- Even after two weeks of commencement of the work job cards were not filled properly. The job cards were not filled with the date of issue, name of the Taluk, village code, date of commencement of work and type of work, record of the measurement of any work done by the job card holder and amount of payment made to them.
- People were illegally asked to pay from Rs. 20 to Rs. 50 for the photographs to be pasted on the job card.

The document further points out that in another village named BALISANA, in Prantij block of SBARKANTHA, over 700 workers had been deepening a village pond for 18 days under NREGA that was initiated on 14<sup>th</sup> February 2006. After three weeks of their work, the payment received by them was at the rate of Rs. 4 to Rs. 7 per day per person. Out of this daily wage, only 50% had been given in cash and rest will be given in the form of food coupons and that is still due. According to the officials, payment has been done on the basis of piece rate wages and as per the Schedule of Rates of the Government but there was no official proof with the workers of the total quantum of work done by them as neither there were proper muster rolls or records nor were they mentioned in any job card.

The document also mentioned that the workers had to spent on an average Rs. 250 for buying spade, container, and other tools for the work to be done. Moreover, the soil at the work site is very hard and the workers had to spent Rs. 30-40 per week for sharpening their tools.

The document further refers to the damaging effect on Local Agricultural Wages. It says that since people received Rs. 4 to Rs. 7 per day as wages under NREGA, local wage rate dropped down immediately to Rs. 20 from that of Rs. 30 earlier. Whatever bargaining power that the poor had on determining their wages by, in some villages, standing united is lost. Now the local landlords threaten the poor to either work on their fields at low wages or go to the NREGA works and get lesser. As per villagers of BALISANA one of the officials in fact told the workers that since they were in any case going to get Rs. 4 to Rs. 7 per person per day why did they not go and work on the local landlords' fields for Rs. 20 or so (which was in fact lesser than the wages prevailing prior to the NREGA works).

The document also points out that the State is not taking the Act in its right spirit. It says that the guidelines issued by the state are confusing and are wrongly interpreted as the payment for the work shall be for the quantum of work or the minimum wages, whichever is lesser. All officials kept talking of the guidelines but no one has shown this to the team even when they asked for them. **This is complete violation of the NREGA (Chapter3, clause 6(1) and also Minimum Wages Act.**

## **National Rural Employment Guarantee Act (NREGA) Review of Uttar Pradesh (2006 - 2007)**

By:-

Arundhati Dhuru based on  
the inputs provided by  
Movement for Right to Food  
and Employment in UP.

Oxfam (India) Trust  
Lucknow

### **Bird's Eyeview**

This document reviews implementation of NREGA in 22 districts of Uttar Pradesh. It says that out of these 22 districts in Uttar Pradesh a study was conducted in 15 districts and covered 112-Gram Panchayats and 139 villages with 653 households using two types of questionnaires. One was with for Focus Group Discussion with workers and second was for covering at least five individual families of workers who have worked under NREGA or denied employment in spite of job cards.

The document says that the study reveals that NREGA in Uttar Pradesh is a tale of broken promises..

It further says that NREGA in UP as per government guidelines this Act is 'People's Act' and this Act confers entitlement upon people and puts their demands at centre stage. For people to know their rights under this Act, effective communication of information about the Act and the scheme is essential.

It also says that as per the survey, only twenty percent of people were aware of the NREGA. Many were confused about the job card and ration card. Out of these twenty percent only 28.89 percent had knowledge regarding job application process. People were kept in dark about their rights as no communication and awareness programme was undertaken.

NREGA in Uttar Pradesh was ridiculed since the start. Hence it is not a surprise that UP guidelines were prepared only on 8th February 2007, that is, a year after the Act was implemented. This coupled with the feudal set up and labyrinth of caste politics in UP especially in a year when assembly elections were taking place has affected NREGA from realizing its full potential.

### **Problems related to job card application and distribution:**

Under NREGA all households domiciled in a village are entitled to register seeking unskilled employment of 100 days in a year. The Gram Panchayat will issue job cards with photographs of all adult member applicants to every household within a fortnight of receiving the application of registration. The cost of the job cards, including that of a photograph, will be born as part of the programme cost.

The study reveals that issuing this legal document is the first step ensuring labourers rights but the fraud of multiple varieties has taken over this process completely.

Out of 653 surveyed families 48% had applied for job cards out of which only 29% finally got the job cards.

The document reports that in 50% of cases, job cards are with Gram Pradhans or with VDOs (Village Development Officers) and not with the labourers. There is strong discrimination practiced in issuing of job cards. In more than 67% of cases, job cards are only in the name of male heads of the family. Women headed households are discouraged and their names are not mentioned on the job cards.

The report points out that serious violation were found in Sitapur and in Jaunpur districts. In Mahammadnagar village, block Mishrik, district Sitapur widows were threatened that their widow's pension will be cancelled if they want a job card. Similarly, in block Khutan in dist. Jaunpur women were told that this Act is not meant for them.

In 40% of the cases money varying from rupees ten to twenty is either charged for application for cards or for photographs.

The document further says that the most serious violation is that of 'subletting of job cards'. Job cards are kept by Pradhan or contractor who pays a small amount to job card holder and gets the work done by other labourers, paying them below minimum wages or using machines and denying them other labour rights. The records are fudged and money is drawn from government

by increasing job cardholders, fudging muster roles and other records. These complaints were received in all the districts.

**Problems related to application of work, unemployment allowance, and allotment of work:**

The document further says that as per Act, application for work should generally be submitted to the Gram Panchayat/ Programme Officer and a dated receipt for the application for work must be issued to the applicant. The Gram Panchayat /Programme Officer shall be responsible for providing wage employment to the applicant within 15 days of the date of the receipt of the applications.

The report points out that there is total lack of awareness about application process.

70% of job cardholders are not aware that they have to apply for work. In case where applications are made, Pradhans just keep the application with themselves without allotting the work. This becomes possible because three percent families who applied for job got the receipt. Thus the State gets away without paying unemployment allowance and also does not play a role of guarantor.

Information on job card is incomplete and in many cases they are blank.

When people are organized for their rights, they are punished by refusing their demands for work.

The document says that as per the survey, there was lack of drinking water, first aid, crèche and shade in 61.34% thus violating the guidelines of NREGA.

It also says that differently able persons or widows or old-persons are discouraged and are not given employment.

**Problems related to Muster rolls:**

The report says that 'Muster roll' is a very powerful document as it is like attendance register and workers' payments are depended on it. As per the Act 'Muster Rolls' should be available at the worksite. But 'muster rolls' are treated like sacred text - to be seen by Pradhans, contractors and officials but never by workers. In 86% of cases muster rolls are fabricated and non-existent works are shown as completed. This becomes possible as 'muster rolls' are not kept at the site nor do the workers are allowed to sign on them. Almost 86% signatures/thumb impressions are forged. All signatures and thumb impressions are taken on kachcha or temporary muster rolls and many a times on a register or diary of the supervisor. Actual muster rolls are filled later to siphon off money by exaggerating the number of days as well as by including fake names, i.e. people who have actually not worked.

For example, in Hardoi when the social audit started on 26th November 2006, the muster rolls were handed over to the organization from BDO's office and the ink on muster rolls was still fresh.

**Problems with wages:**

The report points out that every person working under this scheme shall be entitled to wages at the minimum wage rate fixed by the State Government as per the Minimum Wage Act, 1948 and equal wages should be paid to both men and women workers as per the provisions of the Equal Remuneration Act, 1976. But the findings reveal that:

- In 34.82% of cases, workers did not receive the minimum wages even for a day.
- Underpayment even up to Rs. 20-25 was found in district Chitrakoot, Lakhimpur.
- The higher government officials confessed on trust of anonymity that corrupt officials have found a way to make more money by making cost estimate according to PWD measurement standards but pay by NREGA wage rate.

The report further says that as per the Act, the State Government shall decide the norms for measurement of work as well as the wage for piece rate work. Each such task should be specified and defined properly and the productivity norms for District Schedule Rate (DSR) should be worked out for each locale in such a way that seven hours of normal work earns minimum wages.

It also says that as the payments are piecework based and DSR is unrealistic, even ruling out corruption issues, workers end up getting less than the minimum wages of Rs. 58 per day. Payments are not made according to actual days of work and payment due. The workers are cheated as they are paid less.

The audit clearly points out that only 18% of the actual wages are paid to the workers and there is huge proportion of 81%, which have disappeared down the drain of corruption.

The other serious violation is people are not only loosing on payment but also on their days. As more number of days is shown against their names on muster rolls and job cards they loose number of days from the 100 days of guarantee, i.e. aggregate income which is their right.

The document also says that payments are not made in times, thus drastically affecting their livelihood. Under NREGA workers are entitled to get their payments every week and in any case within a fortnight.

#### **Role of Contractors and machines:**

The document further says that Contractors and Machines are banned under NREGA. But in all the villages visited by it, the survey team found a person who was responsible for checking the construction, managing and employing workers, maintaining attendance and also responsible for payments with a record in his diary. He is popularly known as "Pradhan ka aadmi" who is the actual contractor.

The team members also received reports of machines being used on some sites. For example, in the Buxa block of village Rupchandpur in district Jaunpur machines were used for digging a pond which was stopped when people physically stopped the machine and approached SDM.

#### **Invisibility of Women:**

The document reveals that out of 292 women labourers only 12 percent got jobs under NREGA. 80 percent women labourers got maximum job only for two days. 93 percent women including these 80% got job for less than a week. Only six percent women got job for two to three weeks. Not a single female worker got job for more than 20 days in 15 surveyed districts out of 22 NREGA districts across the states. Only six percent of women worked for a week in comparison to 91% of men who worked for the same period.

The document points out that in Uttar Pradesh even officials are not in favour of employing women. In Districts Lakhimpur Kheri, Sitapur and Chitrakut officials claimed that employing women affects 'output' and secondly when they were questioned about almost nil participation of women, they informed that women in Uttar Pradesh were not ready to work outside their homes. But presence of women in public hearings demanding work and applications received by the team speak of the apathy of government machinery. The document says that women are simply being denied work in violation of NREGA. For example, in district Sitapur, block Mishrikh, in Khanpur hamlet of Gram Sabha Mohammadnagar, six women named Kamala, Ramguni, Shukhrani, Sudha, Rajrani and Kailasa went and joined work being done on a pond on 16th June 2006. In the evening the Gram Pradhan asked them not to come for the work the next day. When the women insisted on working, the work was stopped on 18th June 2006.

In Gram Sabha Mohammadnagar, four widows were told that if they wanted to keep their job cards intact, they would have to surrender their widow



pension benefit. The women panicked and tore their job cards themselves.

#### **Issues related to Transparency, Accountability and Social Audit:**

The document further says that transparency and accountability are alien words to officials. Every attempt is made to thwart people's move to get information whether it is related to payments or work undertaken or muster rolls. Very few work-sites have public display of ongoing work. Most of the public display of work is put up after the work is completed. Muster rolls are never available on site.

As per the Act, social audit is required in every NREGA Scheme. So the UP Government is offering contracts to NGOs to conduct social audits. A Memorandum of Understanding (MOU) has been signed with one NGO for whole of Uttar Pradesh to function as resource agency taking away the process of social audit from people's control.

#### **Use of Violence and repression:**

The report points out that in district Sitapur, block Sidhouli, workers who were demanding work and asking of money taken for photographs were attacked and beaten. The most serious violation was burning their job cards. For example, on 8th August, 2006, about 700 villagers along with All India Agricultural Labourers Association were protesting at the Sidhouli Tehsil of Sitapur District to demand money for the photographs that they had gotten affixed on their job cards. BDO Yashwant Singh provoked President of Laikhpal Sangh Sushil Mishra to attack the villagers along with other Gram Pradhans and goons. 400 bicycles and 1300 Job Cards disappeared in the melee that followed. Seven burnt Job Cards were made available by CPI (ML) activist Dr. Brij Bihari.

No complaint was registered against the culprits involved in these incidents. Even after these protests, the situation has not improved vastly so far as the implementation of NREGS is concerned.

In another instance in district Jaunpur, Contractor and Pradhan beat a disabled woman at the work site. For example, a pond was being dug under NREGS illegally on contract basis where labourers were expected to lift two baskets load of earth simultaneously. When Savitri, disabled with one hand, expressed her inability to lift two baskets, she was beaten up by the contractor. She received injury on her head. She got herself treated with at her own expense, in violation of the NREGA. No action has been taken against people who injured her.

In district Hardoi, Pradhans physically tried to stop the process of social audit and public hearing in the presence of Commissioner Rural Development by intimidating workers and threatening to stop the works.

During social audit, there were instances, in villages of Bharawan and Sandila blocks, of Pradhan and his men threatening the social audit teams with guns. For example, social audit was conducted in Hardoi district from 25th November 2006 to 2nd December 2006. Huge corruption was discovered showing exaggerated number of workdays and fake names on Muster Rolls. Muster rolls were fudged to such extent that when people received them even ink of fake thumb impression was not dried.

During the audit the team was continuously threatened in villages like Atsaliya, Chhanoiya, Puwaman, Gogadev, Panchayat Barriya Kasimabad, Jamu, Parihawan, Sekhwapur, Itaunja Shivpuri either by Pradhans both real and proxy and also by VDOs and secretaries by using abusive language or threatening guns.

In district Jaunpur in block Buxa activist Saantram was beaten and threatened by Pradhan and his goons for his application under RTI for the copy of muster roll.

The document also points out that in district Sitapur the author was personally present when police threatened to use force against women labourers demanding work at the block office.

# Performance Audit of Implementation of NREGA

By:

Ministry of Rural  
Development

Government of India

March, 2008

## Bird's Eyeview

The 81-page document says that in August 2006, the Ministry requested a performance audit of the implementation of NREGA in order to provide assurance that the processes under this Act were being adopted effectively by the State Governments. This request was accepted and a performance audit of implementation of the Act was initiated during 2007-8, covering the initial 200 districts.

The document further refers to **Audit Objectives, Audit Criteria, Audit Sampling and Audit Methodology** adopted.

The main **Audit Objectives** for the Performance Audit were to ascertain whether:

- effective preparatory steps for planning, implementation and monitoring/evaluation of outcomes were taken by the Central and State Governments;
- there was an effective process for registration of households, allotment of job cards, and allocation of employment in compliance with the guidelines;
- NREGA works were properly planned and economically, efficiently and effectively executed in a timely manner, and in compliance with the Act and the guidelines, and durable assets were created and properly accounted for;
- wages and unemployment allowance were paid in accordance with the Act and the guidelines, and the intended objective of providing 100 days of annual employment at the specified wage rates was effectively achieved;
- funds released for NREGA were accounted for, and utilized in compliance with the guidelines;
- there was an adequate and effective mechanism at different levels for monitoring and evaluation of NREGA outcomes; and
- there was an adequate and effective mechanism for social audit and grievance redressal.

## Audit Criteria

The main sources of audit criteria for the performance audit were: a) The National Rural Employment Act, 2005 (NREGA), and notification issued thereunder; b) NREGA Operational Guidelines (2006); and c) Circulars and letters issued by the Ministry.

## Audit Sampling

In each State, 25% of the NREGA districts were selected. In each district, two blocks were chosen, in each block four Gram Panchayats (GPs) were chosen, and in each selected GP, four works (preferably 3 completed and one ongoing) were selected for detailed examination.

Thus, records relating to 68 districts, 141 blocks within the selected sampled districts, and 558 GPs in the selected sampled blocks were selected for detailed examination.

## Audit Methodology

The performance audit commenced with an entry conference with the Ministry in April 2007, where the audit methodology, scope, objectives and criteria were explained.

After the conclusion of field audit, an exit conference was held with the team of Ministry in December 2007, where the draft audit findings and recommendations were discussed. In addition, exit conferences were also held with the State Governments, where the State-specific findings were discussed.

The draft performance audit report was issued to the Ministry in December 2007. The Ministry sent its response on the draft report and also forwarded

the comments of 21 State Governments on the report in February 2008. Further, Ministry of Rural Development also made a presentation highlighting their concerns relating to the issues covered in the draft report.

Subsequent to the original audit, some of the sampled districts were revisited to check the improvement in maintenance of records in February-March 2008, covering 24 GPs in 12 blocks in 12 districts in 6 States from within the original audit sample.

The document also talks about the Physical Performance and Financial Performances.

According to the Ministry's reports, during 2006-7, the **Physical Performances** are:

- 3.81 crore rural households had registered under the scheme;
- 2.12 crore households had demanded employment under the scheme, of which 2-10 crore households received employment;
- 0.22 crore households received the full 100 days of legally guaranteed employment.

While talking about the **Financial performance**, it says that the total financial assistance provided by the Government of India to all the State Governments up to 31 March 2007 was Rs. 12073.56 crore. Of this, the State Government could utilize Rs. 8823.36 crore.

The document further refers to **Audit Findings**. Under this exercise the document refers to objectives set for various tasks and their implementations. These are:

#### **1. Framing of Rules and Rural Employment Guarantee Scheme (REGS) Preparatory Steps.**

**Requirement of Rural Employment Guarantee Scheme:** The document points towards the provisions of the Act which says that the State Governments could make rules for carrying out the provisions of the Act. The rules were to determine the grievance redressal mechanism at the block and district levels, lay down the terms and conditions to determine the eligibility for unemployment allowance, and provide for the manner of maintaining books of account of employment of labourer and expenditure. According to the NREGA Operational Guidelines, the State Government should prescribe the time frame for each level.

**Audit Findings:** The Governments of 13 states did not formulate rules for carrying out the provisions of the Act as of March 2007. And Governments of 16 states did not prescribe the time frame for each level i.e. Gram Panchayat, Block and District levels for proposing, scrutinizing and approving REGS works.

The document says that as mentioned above, 13 states had not framed rules. So, in the absence of grievance redressal mechanism, it was not possible to take any action against any government official or provide relief to the aggrieved labourers. As a result, the rural employment seekers were deprived of effective grievance redressal mechanisms. As stated later in this report, instances of non-issue of dated receipts of applications for work, delay in payment of wages and non-payment of un-employment allowance were noticed resulting in not only dilution of the purpose of the Act of providing 100 days' employment as a matter of right but also in violation of the Act. The Act provides that whosoever contravenes the provisions of this Act shall on conviction be liable to a fine which may extend to one thousand rupees.

The document also says that a great deal of responsibility has been cast on the Gram Panchayat for implementation of the NREGA. This implies that Sarpanch has to actively devote his time, attention and energy to the programme, but he is not paid any remuneration for these tasks. So, in the

absence of legitimate incentive and lack of effective grievance mechanism, the Sarpanch's accountability in regard to NREGA could not be ensured.

## **2. State Employment Guarantee Councils (SEGCs) and Employment Guarantee Commissioners (EGCs)**

**Requirement:** The Act stipulate that every State Government should set up a **State Employment Guarantee Council (SEGC)**, which is responsible for advising the State Government on the implementation, evaluation and monitoring of the scheme, deciding on preferred works to be implemented under REGS, recommending the proposals of works to be submitted to the Government of India by the State Government, and preparing an Annual Report on REGS, to be presented to the State Legislature.

The NREGA Operational Guidelines require each State Government to designate an officer responsible for ensuring that all activities related to the objectives of the Act were carried out as intended.

### **Audit Finding:**

- While 22 State Governments had constituted SEGCs, the Governments of Gujrat, Haryana, Sikkim and Uttarakhand had not done so as of March 2007.
- SEGCs of Meghalaya, Jammu & Kashmir and Arunachal Pradesh had not prepared the list of preferred works and Annual Reports.
- In Punjab and Arunachal Pradesh the SEGC had neither reviewed the monitoring and redressal mechanism of NREGA nor minitored the implementation of the NREGA.
- While 16/18 State Governments had designated an officer as State Rural Employment Guarantee Commissioner, the State Governments of 7/9 had not done so as of March 2007.

## **3. Resource Support**

**Requirements:** NREGA, its operational Guidelines issued by the Ministry inter alia envisaged the following:

- As per the provisions of the NREGA, every State Government was required to appoint a full-time Programme Officer (PO), not below the rank of Block Development Officer (BDO), for facilitating implementation of the scheme at Block level.
- It is advisable to appoint an "Employment Guarantee Assistant" (EGAs) or "Gram Rozgar Sevak" (GRSs) in each GP.
- Panels of accredited engineers at the district and block levels for the purpose of assisting with the estimation and measurement of work.
- Appointment of Technical Resource Support Groups at the State and District levels to assist in the planning, designing, monitoring, evaluation and quality audit of various initiatives.

### **Audit Findings:**

- 20 states did not appoint full-time dedicated POs in 102 test checked blocks. The existing BDOs were given the additional charge of the Scheme;
- 11 states did not appoint Technical Assistants in 57 test checked blocks;
- 18 states did not appoint Gram Rozgar Sevaks in 303 test checked GPs;
- 18 states did not constitute panels of Accredited Engineers for the purpose of assisting estimation and measurement of work;
- 22 states did not set up a Technical Resource Support Group at State/ District level;

### **Registration and Issue of Job Cards**

**Requirements:** Before demanding employment under REGS, rural households have to register themselves, and get a job card. The process for registration

of households and issue of job cards, as per the NREGA Operational Guidelines, is as follows:

- Households may submit an application for registration, or submit an oral request;
- A Gram Sabha shall be convened when the Act commences, for the purpose of explaining the provisions of the Act, mobilize applications for registration and conduct verification;
- A door to door survey may also be undertaken to identify persons willing to register under the Act;
- Job cards should be issued within a fortnight of the application for registration. Photographs of adult member applicants should be attached to the job Cards.

#### **Audit Findings**

- While an introductory Gram Sabha meeting at the time of commencement of the Act was to be convened, in 340 GPs in 24 States, such a meeting was not conducted or no documentary evidence of such meeting was available in 120 GPs in 12 States.
- Door-to-Door survey to identify persons willing to register was not conducted in 323 GPs in 20 States.
- While job cards were to be issued within 15 days of application for registration in 261 GPs in 23 States, delays in issue of job cards were noticed in 196 GPs in 16 States.
- Photographs of the applicants were not attached to job cards in 251 GPs in 13 States.

The document mentions about **Special Findings** of some states. These are:

- In Haryana, in 5 test checked GPs, against 637 registered households, 968 households were reported to have been issued job cards; in addition, 72 minors had also been registered for doing manual work. Also, in 16 test-checked GPs, photographs were not attached in 2238 cases of job cards, out of 3467 registered households.
- In Himachal Pradesh, in Sirmour District, out of 13,650 BPL households, only 5389 households were registered and issued job cards.
- In Manipur, job cards were issued without identification.
- In Karnataka, in the two districts of Devanagere and Gulbarga, out of the total registered households of 2.33 lakh and 3.89 lakh, only 1.55 lakh and 2.01 lakh households respectively were issued job cards.
- In Tamil Nadu, in Cuddalore district, out of 2,24,000 applications registered, job cards were not issued to 1093 households as of March 2007.

#### **Works**

Requirements: According to the Act and the NREGA Operational Guidelines:

- To avoid duplication, a unique identity number should be given to each work;
- Administrative and Technical sanction should be obtained for all works in advance.
- Worksite facilities (medical aid, drinking water, shade and crèche) are to be ensured by the implementing agency.
- Use of contractors is prohibited; tasks shall be performed by using manual labour, and not by machines.
- The ratio of wage costs to material costs should be no less than 60:40.

#### **Audit Findings**

- Out of 558 GPs test checked, unique identity numbers were not allotted



to works in 331 GPs in 19 States.

- In 19 districts of 7 states, the wages-material ratio of 60:40 was not maintained at the district level and in 39 test-checked blocks of 11 states at the block level.
- Out of 558 GPs test-checked, administrative approval and technical sanction of works was not obtained in advance in 95 GPs in 12 states.
- Out of 558 GPs test-checked, worksite facilities were not provided or only partly provided in 227 GPs in 14 states.

The document says that despite the fact that there was no shortage of funds for implementation of NREGA, audit scrutiny revealed that except in Tripura, none of the test checked GPs were able to take up all the works proposed in their Annual Plan for 2006-7. The average shortfall in works actually taken up those contemplated in the Annual Plans ranged from 1% (West Bengal) to 97% (Maharashtra). The shortfall in execution of works affected the provision of the legally guaranteed 100 days of employment.

### **Employment and Wages**

Requirements: The NREGA operational guidelines stipulate that:

- District Schedule of Rates (DSRs) should be prepared for each district, and should be posted at worksites in the local language.
- The States should prepare exhaustive and detailed list tasks required for undertaking works under REGS in different geo-morphological conditions, and the productivity norms for the District Schedule of Rates should be worked for each locale in such a way that seven hours of normal work earns minimum wages on a piece rate basis.
- The State Governments should undertake comprehensive work, time and motion studies for observing out-turn and fixing rates; a matrix of rates for the same task needs to be drawn up for different ecological condition.
- Implementing agencies may provide a description of daily work requirements to facilitate the fulfillment of productivity norms.

### **Audit Findings**

- The Governments of 16 States did not prepare separate District-wise Schedule of Rates specially for NREGA.
- In Jammu & Kashmir, in Doda district, DSRs for NREGA were prepared by modifying the approved schedule of rates.
- In Maharashtra, separate Schedules of Rates were prepared circle-wise for 4 circles.
- In Orissa, separate rates for earth work in different types of soil had been notified.
- In Rajasthan, while time and motion studies were being conducted for tasks in different ecological conditions, a 20% reduction from PWD rates in tasks for labour payments had been prescribed on the basis of interim studies.
- In Tamil Nadu, a rural schedule of rates was prepared, based on the tests conducted in the six NREGA implementing districts, with a separate schedule of rates for Sivagangai district.
- In West Bengal, time and motion studies for earthwork was conducted, and rates revised.

### **Payment Wages**

Requirements: Every person working under REGS is entitled to wages at the minimum wage rate fixed by the State Government for agricultural labourers. Wages may be paid on a time rate or piece rate basis. The NREGA Operational Guidelines further stipulate that wages should be paid on time.

In the case of delay beyond 15 days, workers are entitled to compensation as per the provisions of the Payment of Wages Act, 1936.

Measurement must be recorded transparently, whereby individuals may verify their measurement on a daily basis.

#### **Audi Findings**

- In 79 GPs in 12 States, the workers, even after working for seven hours, were getting paid wages less than the minimum wage rate.
- In 213 GPs in 19 States, workers were not being paid wages on time. No compensation was paid to them. REGS works were not measured daily in 383 GPs in 21 States.

#### **Employment Generation in Test-checked GPs**

The document says that the primary objective of NREGA is to enhance livelihood security by providing at least 100 days of guaranteed wage employment on demand. Audit conducted a review of the employment provided ( as per Monthly Progress Repots (MPRs) of March 2007) in 465 GPs in 111 Blocks in 26 States.

Data in respect of households demanding work could not be calculated for 373 GPs in 95 Blocks of 16 States, out of 558 GPs, as detailed data, at the GP level, on number of households demanding employment and provided employment was not available.

#### **Unemployment Allowance**

Requirements: Under NREGA, the State Government is required to provide employment to a registered applicant within 15 days of demand, failing which unemployment allowance at stipulated rates is payable. Unemployment allowance is to be paid from State Government funds, and not from GoI funds.

#### **Audit Findings**

- In 282 GPs in 21 States, dated receipt of applications for demand for work were not given, and in 329 GPs in 19 States, Employment Registers were not maintained. In the absence of recorded date of demand, the entitlement to unemployment allowance could not be easily established.
- However, audit scrutiny in 58 Blocks in 17 States revealed that unemployment allowance was not paid to those workers, who could not be provided with employment within 15 days from the date on which work was requested for.

#### **Muster Rolls**

Requirements: According to the NREGA Operational Guidelines, Muster Rolls (MRs) issued from Block level, each with a unique identity number, were to be maintained by the GPs and other implementing agencies, in a proforma suggested by the Ministry. Further, photocopies of the MRs were to be kept for public inspection in every GP/Block. MRs were also to be digitized at the PO level.

#### **Audit Findings**

- MRs maintained in 269 GPs in 18 States did not bear Unique Identity Numbers.
- In 134 GPs in 12 States, it was observed that the MRs did not contain requisite detailed viz., the name of the person on work, job card number, days worked/absent and wages paid.
- In 246 GPs in 15 States, copies of MRs were not available for public scrutiny in the GPs.

#### **Record Maintenance of Reports**

Maintenance of Registers at GP and Block Levels. Requirements:

- Maintenance of records under NREGA is critical to ensuring verifiable compliance with the legal guarantee of 100 days of employment on demand and payment of unemployment allowance. The NREGA Operational Guidelines have specified details of records and registers to

be maintained at levels.

- In particular, the most important records are: a) **Application Registration Register** - which records applications/request for registration of households; b) **Job Card Register** – which gives details of job cards issued to households; c) **Employment Register** – which records details of employment demanded, employment allotted and employment actually taken up; d) **Asset Register** – which is a register of all works sanctioned, executed and completed; e) **Muster Rolls** – which is a record of attendance and payment of wages for individual works; f) **Complaint Register** – which records details of complaints made and action taken.

#### **Audit Findings (GP and Block Levels):**

- In 200 GPs of 19 States, the Application Registration Register was not properly maintained i.e. it did not contain the names of the applicants, date of receipt of application/request and date of issue of job card.
- In 253 GPs in 14 States, the photographs of applicants were not found attached to the job cards, as per the job card register.
- In 329 GPs and 104 Block Offices of 19 States, the Employment Register did not indicate the details of employment demanded, employment allotted and employment actually taken up.
- In 223 GPs of 19 States, the applications for employment did not have the job card registration number, date from which employment was required, and the number of days of employment required.
- In 319 GPs of 16 States and 103 Block Offices of 19 States, Asset Register, in computerized form based on the date of asset registers was not maintained or was incompletely maintained.
- In 206 GPs of 16 States and 8 Block offices of 4 States, the Muster Rolls Receipt Register was not maintained or was incompletely maintained.
- In 312 GPs in 20 States and 62 Block Offices in 16 States, the Complaint Register was not maintained or was incompletely maintained.

#### **Fund Management**

Requirement:

- The GoI releases funds through the National Employment Guarantee Fund directly to Districts. The state Governments are required to set up revolving funds at the District, Block and GP levels.
- State share funds should be released within 15 days of the release of the Central funds.
- The State Government should design a complete Financial Management System for the transfer and use of funds, for ensuring transparency and accountability.
- Separate bank accounts for funds under the Scheme should be opened at the District, Block and GP levels.
- After utilizing 60% of the earlier funds released, the DPC may apply for the next installment, along with Utilization Certificate (UC), certificate regarding receipt of State Share. Similarly, The PO will be eligible for the next installment after utilizing 60% of available funds. Likewise, after 60% of the allocation given to a GP has been spent, the GP may apply to the PO for release of additional funds, with a statement of work-wise expenditure and the report of the Vigilance and Monitoring Committee (VMC) approved by the Gram Sabha.
- Monthly squaring of accounts – verifying that all money released under NREGA is accounted for under (a) bank balance (b) advances (c) expenditure vouchers – should be introduced.

#### **Audit Findings**

- In 51 districts of 20 States, the State Share was not released within 15 days of the release of the Central Funds.

- In 58 blocks of 19 states, the Po/BDO did not submit UCs for utilization of at least 60% of funds at their disposal, while applying for next installment.
- While demanding additional funds, 364 GPs in 21 States did not furnish the report of the VMC duly approved by the Gram Sabha.
- 24 GPs of 7 States had spent funds on REGS without obtaining administrative approval and technical sanction.
- Monthly squaring of accounts under three heads viz. money held in bank accounts at various levels, advances to implementing or payment agencies, and vouchers of actual expenses, was not done by 151 GPs of 10 States.

### **Social audit, Transparency and Grievance Redressal**

Requirements:

- NREGA gives a central role to “social audit” as a means of continuous public vigilance. The guidelines indicate two types of social audit:
  - 1) Periodic assemblies in the Gram Sabha for scrutinizing details of projects; and
  - 2) Social audit as a continuous process of public vigilance involving potential beneficiaries and other stakeholders, which covers verification of 11 stages of implementation right from registration of families to evaluation and the Social Audit Forum.
- Updated data on demand received, registration, number of job cards issued, list of people who demanded and had been given/ not given employment, funds received and spent, payments made, works sanctioned and works started, cost of work and details of expenditure on it, duration of work, person-days generated, reports of local communities and copies of muster roll should be made available in a pre-designed format outside offices of all agencies involved in implementing REGS.
- Social Audit Forums must be held twice a year at the Gram Sabha level for all works done in the preceding year.

### **Audit Findings**

- In 354 GPs of 20 States, a Gram Sabha once in every six months to conduct a social Audit Forum was not held.
- The updated data on demand received, registration, number of job cards issued, list of people who demanded and been given/ not given employment, funds received and spent, payments made, works sanctioned and works started, cost of works and details of expenditure on it, duration of work, person-days generated, reports of local communities and copies of muster rolls were not made public in 376 GPs in 21 States.
- In most of the cases, the State Government had not specified the grievance redressal mechanism.

Besides all the above mentioned Audit Findings, the document also contains state-wise defaults in implementing the NREGA including Work, Payment of Wages, Generation of Employment, Muster Rolls, Sharing Reports, Fund Management.

# **Infopack**

## **Popular Information Centre**

[peaceact@bol.net.in](mailto:peaceact@bol.net.in)

[peaceact@vsnl.com](mailto:peaceact@vsnl.com)

**Phone & Fax:**

**(011) 2685 8940**

**(011) 2696 8121**

**FOR PRIVATE CIRCULATION ONLY**

*If Undelivered, please return to:*

**Infopack**

A-124/6 (2<sup>nd</sup> Floor), Katwaria Sarai, New Delhi 110 016

**Telefax : 26968121 & 26858940 # E-mail : [peaceact@bol.net.in](mailto:peaceact@bol.net.in) & [peaceact@vsnl.com](mailto:peaceact@vsnl.com)**