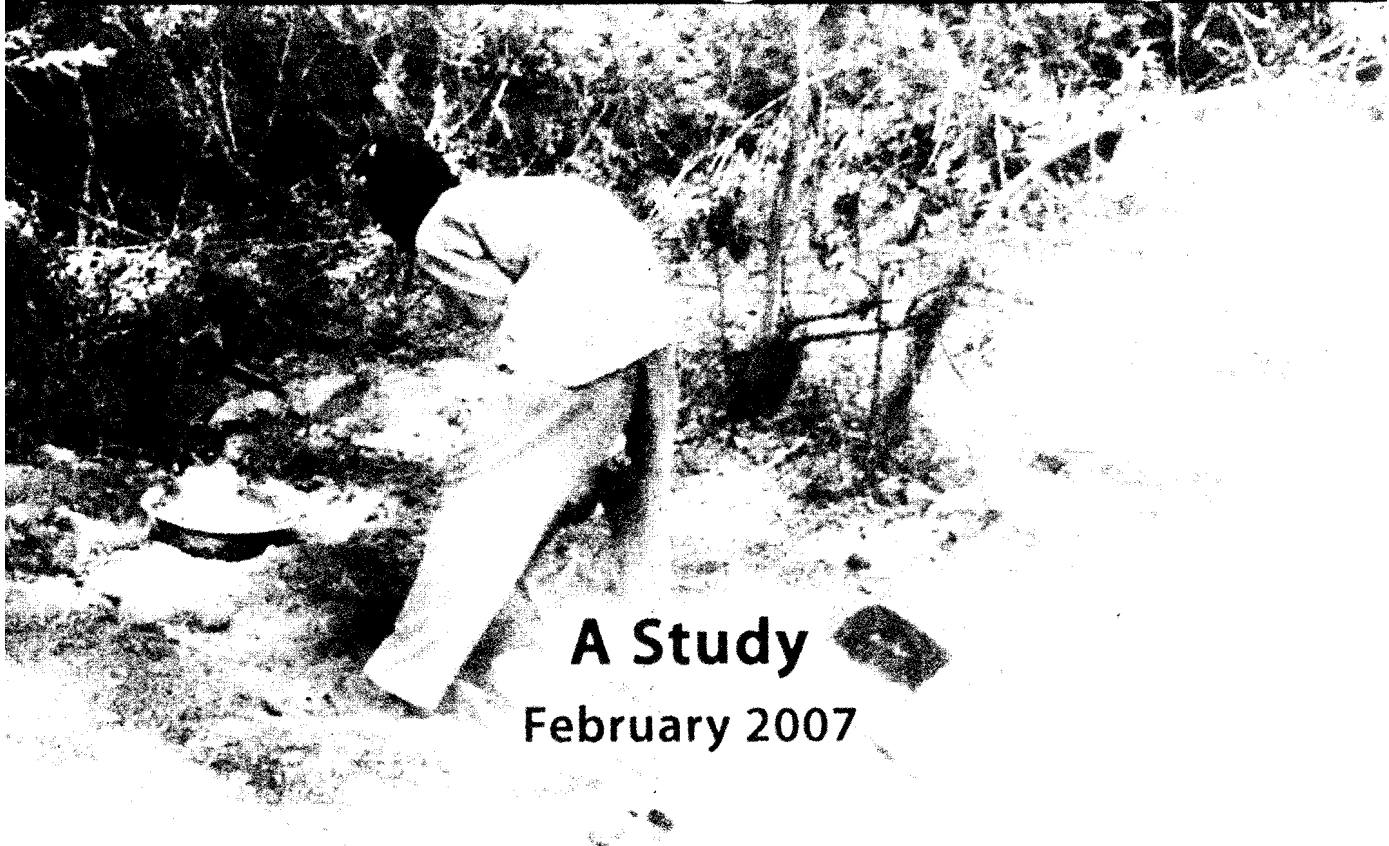


# ***Dado Uge Ne Dadi Male***

Work Guarantee Must Be As Certain As the Rising of the Sun

## **Will NREGA Ensure Security**

## **Against Hunger ?**



### **A Study**

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By

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## Introduction

The National Rural Employment Guarantee Act (NREGA) was passed by the Lok Sabha on August 23, 2004. It got its final approval from the President of India on September 5, 2005. This Act extends to the whole of India, except the State of Jammu and Kashmir. There has been a long-standing demand for the NREGA from various quarters and it has been praised as a major poverty-alleviation and employment creation initiative of the Government of India. From a social and economic point of view, the main objectives of the Employment Guarantee scheme (EGS) to be initiated by the Government under the auspices of the Act are:

- Creation of durable assets
- To ensure there are fewer deaths from starvation in the rural areas
- Stabilize agricultural production
- To provide minimum employment to villagers
- To reduce the pressure on urban areas created due to migration from rural areas
- To strengthen the livelihood resource base, boost the rural economy and to enhance the capacity of the villages to sustain themselves

The main provisions of the NREGA are as follows:

- (i) Each household in the rural areas of India will be entitled to at least 100 days of guaranteed employment every year for at least one adult member. This employment will involve undertaking casual manual labor at the rate of Rs. 60 per day.
- (ii) Only productive works that create long-term assets shall be taken up under the Programme. Some of these are stated under the minimum features of the programme given below in the proposal.
- (iii) Part of the programme's objective would be to provide for the training and improvement of the skills of unskilled laborers.
- (iv) The payment for the labor can be undertaken in either cash or kind and would depend on the decisions made in this regard by the State Council.
- (v) As far as possible, employment shall be provided within a radius of 5 kilometers of the village where the applicant resides at the time of application. If the

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employment is outside this radius, then the transport and other allowances will be provided as per the programme. However, work cannot be provided outside the block.

- (vi) There is a provision for childcare if there are more than 20 women on any worksite. Under the same, one of the women will take care of the children and get paid statutory minimum wage.
- (vii) A proportion of the wages (not exceeding 5 per cent) may be deducted as a contribution to welfare schemes organized for the benefit of laborers employed under the Programme. The schemes to be considered are health insurance, accident insurance, survivor benefits, maternity benefits and social security schemes.

#### Minimum Features of a Rural Employment Guarantee Scheme

(as per the NREGA, 2005)

The focus of the Scheme shall be on the following in their order of priority:-

- (i) Water conservation and water harvesting
- (ii) Drought proofing (including afforestation and tree plantation)
- (iii) Irrigation canals including micro and minor irrigation works
- (iv) Provision of irrigation facility to land owned by households belonging to the Scheduled Castes and Scheduled Tribes or to land of beneficiaries of land reforms or that of the beneficiaries under the Indira Awas Yojana of the Government of India;
- (v) Renovation of traditional water bodies including desilting of tanks;
- (vi) Land development
- (vii) Flood control and protection works including drainage in water logged areas
- (viii) Rural connectivity to provide all-weather access, and
- (ix) Any other work which may be notified by the Central Government in consultation with the State Government.

Among the precursors of the NREGA, we had the EGS in Maharashtra. This scheme has been known for its widespread corruption and its inability to create permanent

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assets in the rural areas. Accordingly, the NREGA tries to anticipate some the problems by emphasizing the need to create permanent assets and to ensure that there is no conflict between the schemes initiated under the Act and agricultural production. Hence, the schemes are expected to be introduced and completed during the lean season of agricultural production as far as possible.

This paper will be looking at the theoretical underpinnings of the NREGA and the operational aspects of the schemes. The paper presents findings from a study involving 1100 respondents that comprise beneficiaries of the NREGS across three states and 8 districts.

## **Objective**

The objective of this paper is to look at the financial and economic aspects of the NREGA. It will be studying the implications for the rural economy as a result of the minimum wage and employment instituted by the Act. Also, the greater bargaining power of the rural workforce and its implications on the job-markets will be looked at. Besides this, the effectiveness in implementation of the scheme will be studied.

## **Scope of the Project**

DISHA, a rights-based NGO working mainly in Gujarat, obtained the data on the implementation of the scheme. Hence, the scope of the field study will be restricted to the initial experience in the ten districts that have been chosen for the first stage of NREGA implementation. Of these, five lie in Gujarat, two in Madhya Pradesh, one in Maharashtra and two in Rajasthan.

## **Methodology**

The project intended to cover three states and 10 districts where the NREGA has been implemented. The research design targeted a sample size of around 1000 from these districts with atleast 25% female responses, keeping in mind the likelihood of a higher male participation under the various schemes. The districts to be covered were Banaskantha, Dahod, Dangs, Panchmahal and Sabarkantha in Gujarat, Dhar and Jabua in Madhya Pradesh, Dhule in Maharashtra and Udaipur and Dungarpur in Rajasthan. There was a constraint on the choice of districts since the national government has implemented the NREGA across 6 districts in Gujarat only. From these 6 districts 5 were

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chosen for our sample and the 2 districts of Rajasthan, 1 from Maharashtra and 1 from Madhya Pradesh were chosen in order to do a comparative study of the tribal belt. The districts chosen from Maharashtra, Madhya Pradesh and Rajasthan are the surrounding ones of Gujarat comprising the tribal belt. Thus, there is some similarity across the districts on demographics. Further all the people surveyed belonged to economically and socially backward regions that were preselected by the government choice for implementation of NREGA.

Once the districts were selected, the field workers approached any one of the Taluka office, the Sarpanch or the local leaders in each of these districts to gather information about the kind of work undertaken under the scheme. On the basis of the data obtained, villages were chosen randomly. The job cards lists were then collected from the Panchayats in each of the villages and people in each of them were chosen randomly. In selecting the places, care was taken to ensure only those samples where work was being done in November and early December 2006 or those where work had just gotten over a week before the actual survey.

A cross check with the Census data was also undertaken in order to ensure that the sample is representative of the percentage of Schedule Caste/Schedule Tribes as well as literacy rates.

## Survey Design

The purpose of the survey was to assess the following:

- Studying the operational aspects of the Act
- Information about the schemes initiated by the Government and the initial track record of implementation
- Assessment of the overall package being provided to the rural areas and assessing whether any improvements can be made to the features of the schemes listed in the Act

The survey involved around 25 field workers interviewing with beneficiaries of the scheme to record their responses on various aspects of the NREGA during the period of November 2006 to January 2007. The questionnaire was developed in consultation with senior team of Disha. A pilot study was undertaken with a sample of 100 in Gujarat, on the basis of which the questionnaire was modified.

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## Discussion and Analysis

### Overall Analysis

Responses were obtained for 1093 respondents across 8 districts. There were 764 respondents in Gujarat, 63 in Madhya Pradesh and 266 in Rajasthan. The main work undertaken under the NREGS was in the area of construction of roads, check-dams and ponds, as well as cleaning of ponds, canals and lakes. Of the respondents, 820 were male and 273 were female. The district-wise and age-wise break-up of the sample is given in the tables below.

**Table 1: District-wise break-up of sample**

Survey by Disha District			
S.No	District	Taluka	Panchyat
1	Banaskantha	1	7
2	Sabarkantha	8	16
3	Dahod	4	8
4	Panch Mahal	5	6
5	Dangs	1	4
6	Dhar	1	5
7	Jabua	1	6
8	Dungarpur	2	17
9	Udaipur	2	5
10	Dhule	1	10
		26	84

District	Number of Respondents	Share in Overall Sample
Banaskantha	99	9.06%
Dahod	180	16.47%
Dang	58	5.31%
Dhar	63	5.76%
Dungarpur	210	19.21%
Panchmahal	147	13.45%
Sabarkantha	280	25.62%
Udaipur	56	5.12%
<b>Total</b>	<b>1093</b>	<b>100 %</b>

**Table 2: Age-wise break-up of the sample**

Age	Count	Share
18-25	169	15.46%
26-35	337	30.83%
36-45	340	31.11%
46-55	188	17.29%
56 &	58	5.31%
<b>Total</b>	<b>1093</b>	<b>100 %</b>

**Table 3: Gender-wise break-up of the sample for each district**

<b>Gender Distribution</b>		
	<b>Male</b>	<b>Female</b>
<b>Banaskantha</b>	83	16
<b>Dahod</b>	134	46
<b>Dang</b>	5	53
<b>Dhar</b>	56	7
<b>Dungarpur</b>	149	61
<b>Panchmahal</b>	135	12
<b>Sabarkantha</b>	206	74
<b>Udaipur</b>	52	4
<b>Total</b>	<b>820</b>	<b>273</b>

**Education:** The average education of the sample is 4.48 years. Hence, we can say that the respondents do not have a high level of education. However, there were 174 respondents who had studied at least till 10<sup>th</sup> standard.

On average, our sample had individuals with family-size of 5 members.

**Asset ownership:** 639 (58% of the overall sample) people surveyed had land and the average land-holding was 2.7 acres per family. 164 described themselves as land-less laborers. The fact that the ownership of non-irrigated land is higher across all the districts shows that the farmers do not have the resources to provide sufficient water to their crops. This has a direct negative implication for the crop yield and hence the economic well-being of the people surveyed.

**Table 4: Average holding of irrigated and non-irrigated land in various districts**

	<b>Banas kantha</b>	<b>Dahod</b>	<b>Dangs</b>	<b>Dhar</b>	<b>Dungarpur</b>	<b>Panchmahal</b>	<b>Sabarkantha</b>	<b>Udaipur</b>	<b>Overall</b>
<b>Irrigated</b>	1.60	1.44	5.00	2.91	1.50	1.42	1.77	1.36	1.74
<b>Non- irrigated</b>	1.75	1.69	7.95	3.27	2.70	1.89	1.84	1.79	2.40

Among the sources of income, agriculture was mentioned as a source by 519 people, labor by 814 people and animal husbandry by 384 people. There was a considerable overlap between the first two categories. Majority of the sample, as many as 85% of the respondents, lived in kuchha (mud) housing. This is certainly a very high number and is an indicator of the poor economic status of the respondents. However, there were some positive signs with regard to ownership of cattle. Of the sample, 363 respondents had



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cows, 689 had bulls, 540 had buffalos, 420 had goats and 89 had sheep. Hence, our results indicated that the people surveyed had some assets worth the mention. Also, there were 125 people who owned bicycles, but only 12 who had motorcycles.

**Nutrition:** Another means of finding out the economic and nutritional status of the respondents is to find out consumption of the basic food-grains, milk etc. The table below gives the same. As can be seen, jowar and corn are the main food-grains for the regions surveyed. Corn is the staple food in Dahod, Banaskantha, Panchmahal, Dungarpur and Udaipur. Wheat is the staple in Dhar and Sabarkantha.

**Table 5: Per capita (per month) consumption of basic foodstuffs**

Foodstuff (kg)	Banas Kantha	Dahod	Dangs	Dhar	Dungarpur	Panch Mahal	Sabar Kantha	Udaipur	Overall
Wheat	6.67	4.28	8.59	9.48	7.75	2.54	5.47	2.81	5.59
Corn	9.77	13.50	7.61	8.30	8.64	12.01	3.61	11.53	9.00
Bajra	8.33	7.81	-	-	-	3.32	1.41	-	1.91
Jowar	-	5.00	0.26	8.33	-	3.33	-	-	0.08
Rice	2.15	3.05	0.93	1.45	2.48	2.91	1.67	-	2.23
Vegetable	1.95	5.67	2.16	2.20	1.97	2.61	12.69	0.30	5.72
Milk (litre)	0.90	2.45	1.62	1.66	7.75	2.42	7.79	-	4.01

**Employment:** Of the people who divulged their employment status, only 96 described themselves as fully employed. 497 were half-employed, whereas 475 unemployed. The EGS will have another effect over time, desirable or otherwise. This is to offer a wage rate that is competitive with the market-going rate and hence raise the market wage rate to a higher level. This is because both the government scheme and the market would be competing for the same workers in the labor market.

**Sources of Information:** For a government scheme to be effective, it is important for the public to be properly informed about it. In our survey, it was found that the sarpanch was the main source of information about the survey. Hence, local government is instrumental in making schemes like the EGS a success and the government should ensure that it is incorporated into the decision-making process in the rural areas. After

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the sarpanch, the NGOs became an important source of information. Hence, it is important that the government use these informal sources more for disseminating information about the various schemes run by it. Also, NGOs are becoming a vital resource when it comes to providing feedback about the early implementation of the scheme to the government. In terms of the various districts, NGOs were the main source of information in Dangs (98.28%) and important sources in the rest of the districts in Gujarat. However, their contribution was negligible in both Udaipur and Dungarpur in Rajasthan. In Rajasthan and Dhar in M.P., the sarpanch was the overwhelming source of information about the NREGS. The administration has also been very active in pushing NREGS as a scheme in Rajasthan, hence this result might be expected.

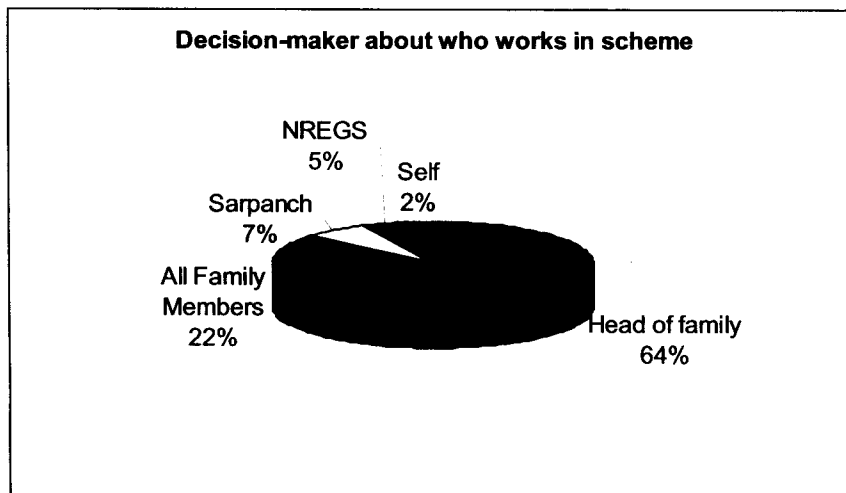
**Table 6: Source of information about EGS (not mutually exclusive)**

Source	Banas Kantha	Dahod	Dangs	Dhar	Dungar pur	Panch Mahal	Sabar Kantha	Udaipur	Overall
Scheme Information	-	-	-	-	-	-	1.43%	-	0.37%
Friends & Family	28.28%	25.41%	-	1.59%	1.43%	1.36%	1.79%	-	7.78%
Newspaper	1.01%	4.42%	-	-	1.90%	-	15.36%	5.36%	5.40%
Radio & TV	-	-	-	-	10.48%	0.68%	1.07%	-	7.69%
Government Offices	-	13.26%	6.90%	4.76%	1.43%	0.68%	32.14%	-	11.44%
Sarpanch	62.63%	77.35%	1.72%	96.83%	94.29%	70.07%	60.36%	89.29%	71.73%
NGOs	33.33%	59.67%	98.28%	6.35%	0.48%	48.98%	48.57%	3.57%	37.79%
Others	-	-	3.45%	-	-	-	1.07%	-	0.46%

**Job-card Process Application:** Of the people surveyed, 301 said that they did not face any difficulties during the process of application for the job-card. However, there were 178 people who mentioned the fact that they faced some difficulties in the job-card application process. (The lower response rate for this question might be due to lack of proper knowledge about the scheme). Among the common problems mentioned were:

- Lack of proper information
- No job-card made
- Only temporary job-cards were made
- Problems with regard to the job-card itself, such as addition of name and photos.

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**Figure 1. Making the decision about who works in the scheme in a family**

**Choice of individual to work in scheme:** As the figure above shows, the head of the family (64%) usually decides who from the family shall work in the scheme. In 22% of the families, the decision is taken by the family as a unit.

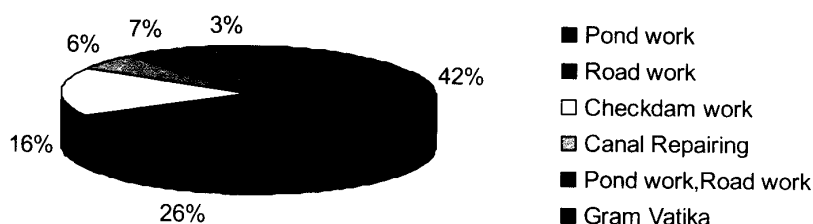
**Period of employment provided under the scheme:** Of the people who have been able to obtain the job-card, we find that the average period of employment is around 39 days. Since the scheme has started only sometime in the last six months, this is a significant period of time. The frequency of days of employment for the overall sample (among those who responded) is given in the table below. In Dangs, Panchmahal and Banaskantha, the implementation of the scheme has been really weak and only 5, 11 and 20 days of employment has been provided respectively. However, in Dungarpur (63 days) and Udaipur (67 days), the implementation has been really strong.

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Table 7: Number of days of employment under EGS

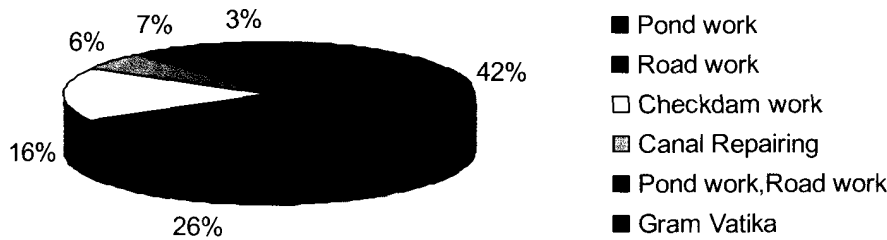
Number of days	Banas Kantha	Dahod	Dangs	Dhar	Dungarpur	Panch Mahal	Sabar Kantha	Udaipur	Overall
>90	-	1.11%	-	4.76%	19.52%	0.68%	11.07%	16.07%	7.95%
80-89	-	2.22%	-	6.35%	13.81%	-	5.71%	10.71%	5.39%
70-79	-	2.22%	-	1.59%	14.29%	-	10.36%	21.43%	6.95%
60-69	-	20.00%	-	11.11%	11.90%	3.40%	8.21%	19.64%	9.78%
50-59	-	1.67%	-	3.17%	11.90%	-	6.79%	8.93%	4.94%
40-49	15.15%	7.22%	-	11.11%	4.76%	2.72%	11.07%	3.57%	7.50%
30-39	12.12%	27.78%	-	9.52%	6.67%	9.52%	11.43%	8.93%	12.25%
20-29	25.25%	19.44%	-	9.52%	6.67%	6.12%	7.86%	5.36%	10.42%
10-19	33.33%	3.89%	10.34%	22.22%	3.81%	10.88%	13.57%	-	11.15%
0-9	14.14%	14.44%	89.66%	20.63%	6.19%	66.67%	13.93%	5.36%	23.67%
<b>Average</b>	20	35	5	35	63	11	48	67	39

Kind of work provided



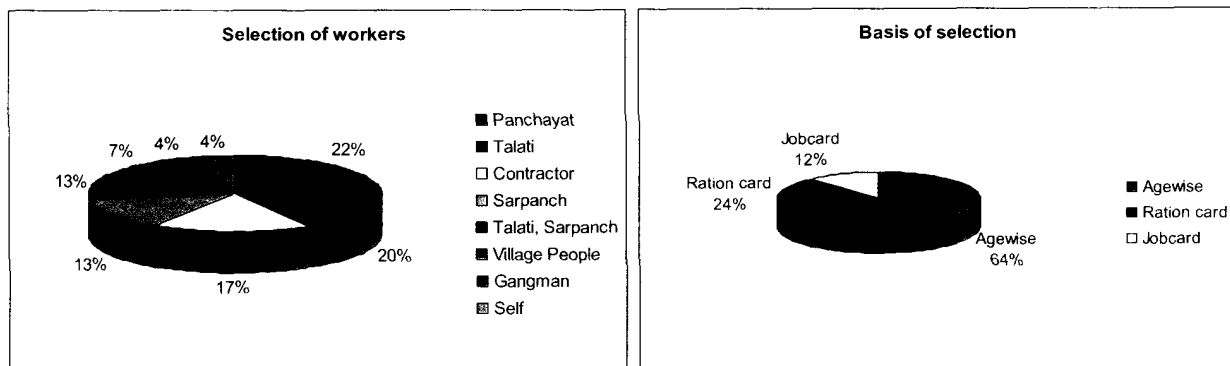
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**Kind of work provided**



**Figure 2. The nature of work provided by the government**

**Nature of work provided:** In 42% of the cases (figure 2 above), creation of new ponds and deepening or cleaning of existing ones was undertaken. In 26% of the cases, work related to road construction and maintenance was provided. Check-dam related work formed 16% of the cases.



**Figure 3. Selection of workers and basis of selection for the scheme**

**Selection of workers and the basis for selection:** As figure 3 shows, the selection of workers is done by the Panchayat (22%), talati (20%), contractor (17%), sarpanch (13%) etc. While the NREGA prohibits the use of contractors specifically, we found that they were still used in Dungarpur in Rajasthan. The basis of selection was mainly age (64%), ration card (24%) and job card (12%). Hence it is interesting that although the job card is meant as the sole form of identity and basis of selection for the scheme,

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and ration-card are also taken into consideration. In fact the job card was used in only 12% of the cases. As the EGS becomes more prevalent and matures as a scheme, this trend could change and we hope to find that the workers themselves might be consulted with regard to which projects to be a part of. This would increase their involvement and provide greater incentive to work more efficiently. Also, many of the workers would already have various skills they would have acquired. Over time, the government can create greater flexibility within the EGS and expand the kind of the projects the workers can work on. Hence, we can see a move away from simply menial jobs to skilled jobs which use the existing skill-sets of the workers. Also, the scheme can include some initial training for the workers. This would allow them to develop new skills that can be used elsewhere as well. The idea is to use the EGS as a means of adding value to the workers, instead of just being a means of providing them basic sustenance.

**Facilities for workers:** An aspect that shows the seriousness of the government and the local officials towards the scheme is the facilities provided to the workers. As table 8 shows, drinking water and first-aid boxes are available. However, a place to rest is not so common. Even more importantly, only 26 respondents mentioned availability of a crèche. This is important since the EGS is expected to be an attractive place to work for women, since the place of work has to be close to their homes as per the stipulated rules. However, if crèche and similar facilities are not available then it will not be convenient for women to work in the EGS. It is important for the government to look into this aspect and make it a more convenient place for people with young children to work. In districts in Gujarat especially, the availability of facilities is low. Except for Sabarkantha, Dahod, Banaskantha and Panchmahal show a lack of provision of facilities.

**Table 8: Availability of facilities (Percentage of respondents)**

Facilities	Banas Kantha	Dahod	Dangs	Dhar	Dungar pur	Panch Mahal	Sabar Kantha	Udaipur	Overall
Drinking water	42.42%	20.00%	-	79.37%	99.52%	40.14%	93.57%	91.07%	64.87%
First-aid box	6.06%	16.67%	-	-	98.57%	32.65%	58.21%	50.00%	44.10%

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Crèche	1.01%	5.56%	-	-	0.95%	-	0.71%	1.79%	1.46%
Resting place	9.09%	12.22%	-	-	-	32.65%	34.64%	-	16.10%

In terms of the various districts, Dungarpur, Sabarkantha and Udaipur have basic facilities like drinking water and first-aid boxes. But resting places for the workers and crèches have not been provided adequately, as the figures show.

The inspections under the EGS have been regular and were conducted by the following officials:

**Table 9: Officials conducting inspections**

Engineer	Block Development Officer
Sarpanch	Panchayat members
Taluk Panchayat members	Supervisor
Village Clerk	Talati
Patwari	Village sevak
Sachiv	Overseer

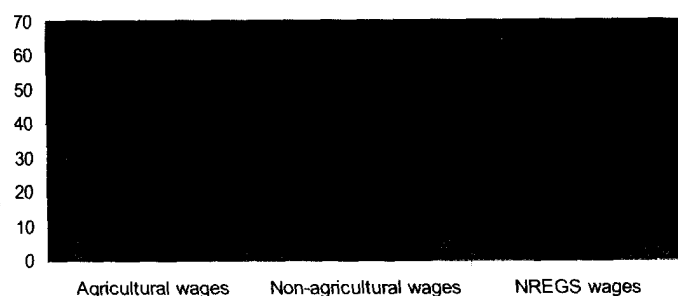
The frequency of inspections has been mentioned as weekly and bi-weekly by the workers. This is as per expectation since the scheme has taken a central place in government expenditure.

**Time taken for wage payments:** The frequency of wage payment differs from place to place. In a few cases, the salary has not been paid. But in most places this is not the case and the payment has been made. The time taken for the payment is shown by the table below. Except Dhar and Sabarkantha, the wage payment takes more than two weeks in the various districts. In Udaipur, it is even worse than most other districts and 62.5% of the respondents got their wages after more than four weeks. But Panchmahal was the worst, as 44.9% of the respondents did not get their wages paid at all.

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**Table 10: Time taken for payment of wages**

Time taken to pay wages	Banas Kantha	Dahod	Dangs	Dhar	Dungar pur	Panch Mahal	Sabar Kantha	Udaipur	Overall
Less than one week	24.24%	1.11%	-	3.17%	-	2.04%	2.50%	8.93%	4.12%
Between one and two weeks	17.17%	23.33%	0.00%	93.65%	17.62%	16.33%	52.50%	8.93%	33.03%
Between two & four weeks	43.43%	58.89%	93.10%	3.17%	79.05%	36.73%	31.07%	19.64%	50.32%
Above four weeks	-	15.56%	6.90%	-	3.33%	0.00%	11.43%	62.50%	11.07%
Not paid at all	15.15%	1.11%	-	-	-	44.90%	2.50%	-	1.46%

**Wages comparison****Figure 4. Comparison of wages (Rs.)**

**Comparison of wages:** As figure 4 shows, non-agricultural wages (Rs. 62 on average) were the highest, as compared with NREGS (Rs. 56) and agricultural (Rs. 49) wages. This is in line with expectations. Usually non-agricultural wages are higher than agricultural wages. Also, the NREGS wages are higher than agricultural ones, which is the main reason the large farmers' lobby is against the overlap of the scheme work with the peak agricultural season. Such an overlap would push agricultural wages to a higher level than present and create pressure on the large farmers. This is seen as desirable from the workers point of view.

Undertaking an analysis of the averages wages paid in the different types of work across districts shows that in many instances (shown in bold italics), the wages paid are even below the minimum agriculture wage level decided by the government (Rs. 50 per day



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for Gujarat, Rs. 73 for Rajasthan and Rs. 63 for Madhya Pradesh). This is something that the government needs to look at. Otherwise the purpose of the NREGS is defeated.

**Table 11: Comparison of wages paid across districts**

	Banas kantha	Dahod	Dangs	Dhar	Dungar pur	Panch mahal	Sabar kantha	Udaipur
Canal repairing	<b>40</b>	<b>20</b>				53		
Check dam		<b>37</b>	50			<b>25</b>	67	
Gram vatika	50	50					53	
Mud work							<b>43</b>	
Pond work	<b>35</b>		<b>49</b>	60	58	52		
Road work		<b>40</b>		56			56	<b>39</b>
Pond & road work				60	63			

**Table 12: Comparison of wages paid for pond-work**

Panchayat	District	Wage rate
Surata	Dungarpur	61
Bhoshari	Dungarpur	59
Padali Gujarakh	Dungarpur	57
Podri	Dungarpur	56
Saspur Padli	Dungarpur	57
Fothri	Dungarpur	58
Bhinda	Dungarpur	51
Beda	Dungarpur	60
Bhilwa	Dungarpur	61
Mahadev	Sabarkantha	50
<b>Sardoi</b>	<b>Sabarkantha</b>	<b>36</b>
<b>Pogala</b>	<b>Sabarkantha</b>	<b>43</b>
Pogan	Sabarkantha	51
Kanipol	Sabarkantha	54
<b>Chhitadra</b>	<b>Sabarkantha</b>	<b>36</b>
<b>Sanali</b>	<b>Banaskantha</b>	<b>35</b>
Bhidol	Dahod	50
<b>Chokaiya</b>	<b>Dangs</b>	<b>40</b>
Morzira	Dangs	60
Dhursal	Dhar	61
Dckava	Panchmahal	52

In order to give us a better idea of the kind of differences in wage payment the same work can have across the various work-sites, we have studied the average wages for pond-work (building and maintenance of ponds) for a number of panchayats across the various districts. The panchayats which had the lower wages are shown in bold italics.

Three of the six highlighted are in the Sabarkantha district and all are in Gujarat.

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Rajasthan by comparison has a more uniform and higher rate of wage payment for this kind of work. The lack of uniformity in wage payment for pond-work in Gujarat can be attributed to various reasons, the main one being a lack of standardization in the way measurement of work done is undertaken. The government needs to ensure greater precision for the same. Also, lower wages can indicate that the local administration is not paying full wages for some reason.

**Effect on the Labor market:** An important aspect of the job market is whether there has been a change in the wage rates in the local job market since the inception of the EGS. At first it was believed that it is too early for there to be any tangible change in the wage rates. However, as many as 174 respondents claimed that there has been a change in the local wage rates since the EGS began. However, 327 workers also stated that there had been no change in the wages since the EGS started. Except for Dangs and Panchmahal, in most of the districts few respondents believed that there had been an effect on the wages. After some time, it would be interesting to study the dynamics of the labor market and understand the positive and negative effect the EGS has had on it.

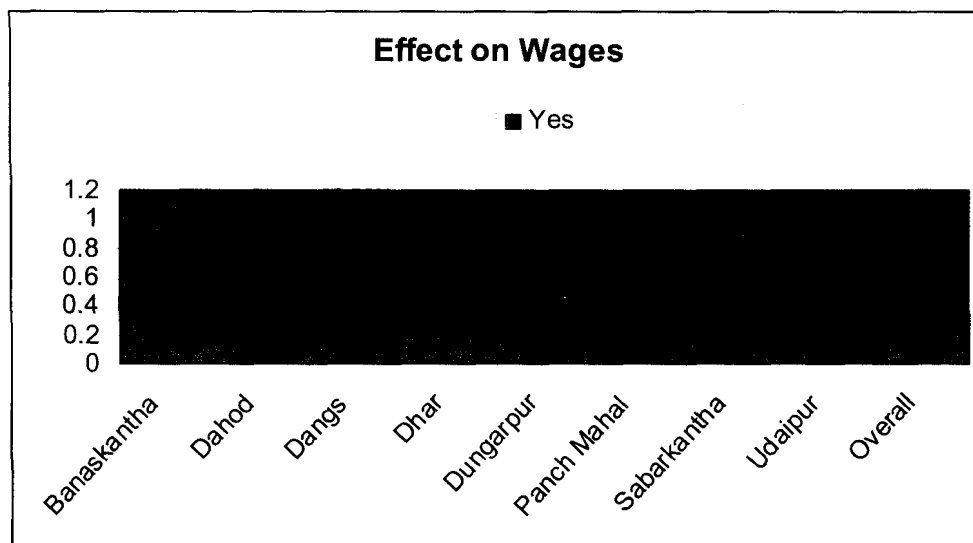
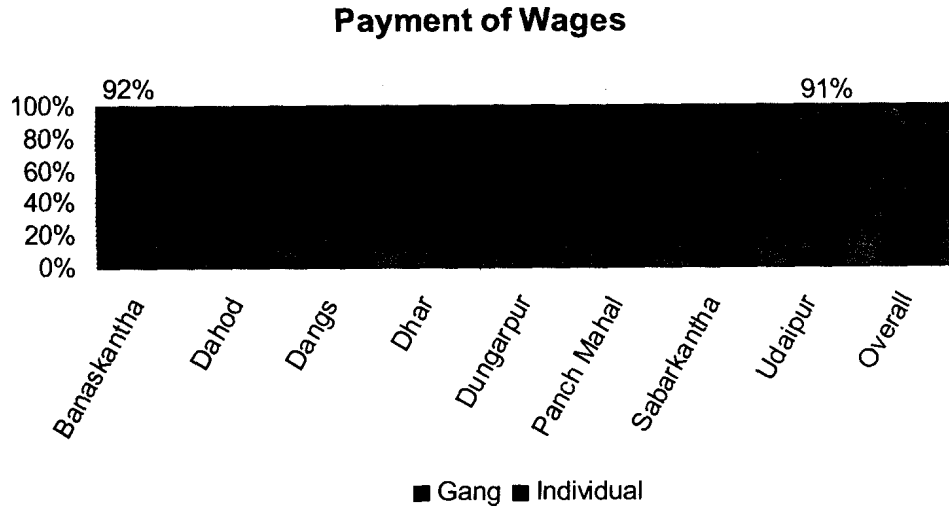


Figure 5. Effect on wages (percentage out of those who responded to the question)

**Payment of wages:** As can be seen below, the wages are paid either to the entire gang and divided among the gang by the leader, or they are paid directly to the individual worker. The mode of payment can have different effects on the workers. On the whole,

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payment of wages to the gang-leader increases the chances of corruption and non-payment. Wages were paid to gang-leaders mainly in Banaskantha, Dahod and Udaipur. In all the other districts, the majority of the respondents got their wages paid on individual basis.



**Figure 6. Payment of wages**

The wages are paid mainly on the basis of the amount of work done by the workers and not on the basis of the time taken to do the work. Similarly, the payment is made on the basis of measurement and standard practices rather than in the form of a lump-sum. The measurement is undertaken by any one out of the engineer, supervisor, overseer or clerk, depending upon the project.

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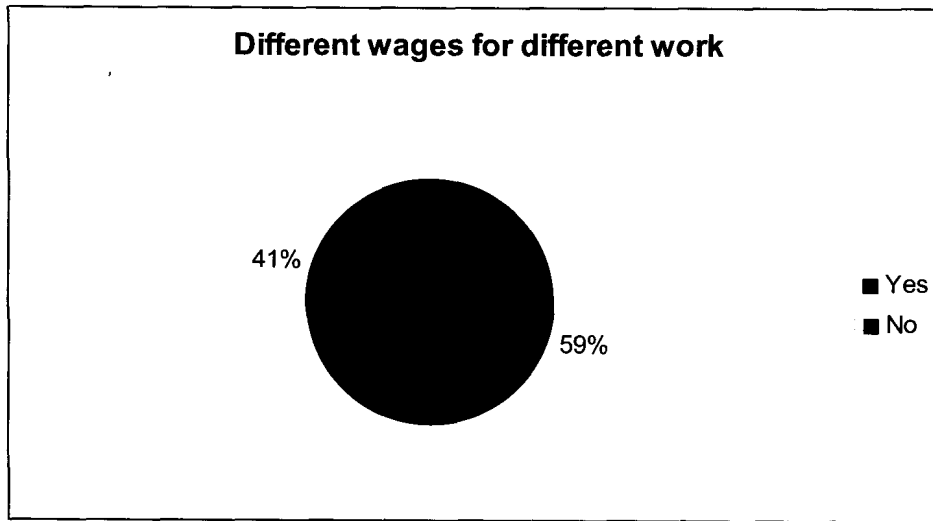


Figure 7. Difference in wages for different types of work for a respondent

**Difference in wages:** In figure 7 above, it was found that majority (59%) of the respondents thought that different wages were paid for different types of work.

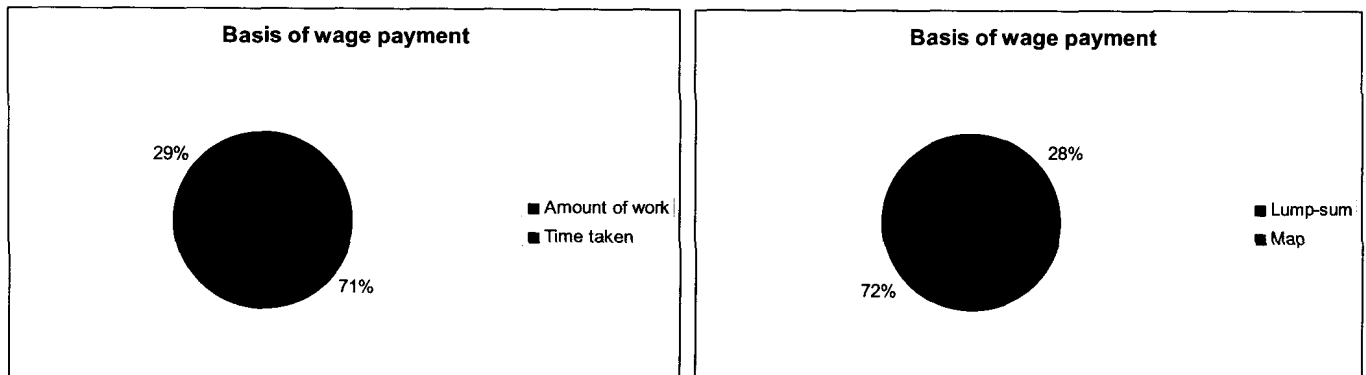


Figure 8. Basis of wage payment

**Basis of wage payment:** The main basis of wage payment was the amount of work undertaken (71%) by the workers. Time taken to complete the work formed the basis in only 29% of the cases. In terms of lump-sum or measurement, the majority of the payment was undertaken according to measurement of the work (72%) done, with lump sum being used in 28% of the cases.

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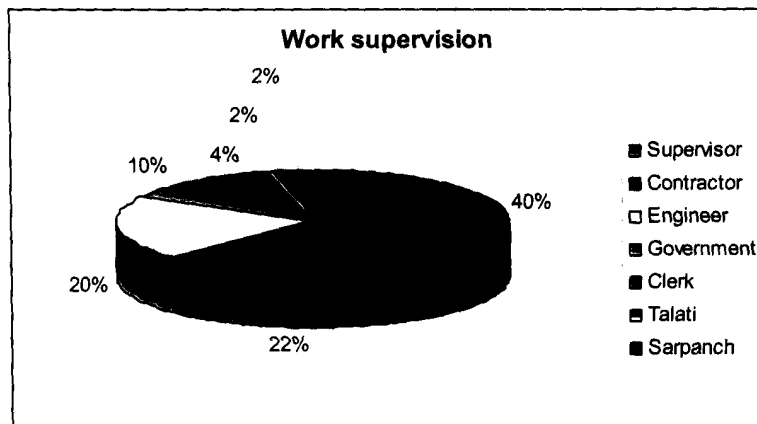
**Table 13: Opinion about wages paid under EGS**

	Share of respondents
Wages are fine	25.84%
Wages are not fair	74.16%

**Fairness of wage structure:** The majority (726 respondents, 74.16%) of the workers believed that the wages paid under the EGS are not fair and that there should be an increase in the wage rates. However, 253 respondents accepted the wages to be fair.

**Usefulness of Assets Created:** In contrast a very high number of respondents (89.12%) believe that the assets created by the EGS will be of use to them. This is a welcome development in light of the EGS run in Maharashtra where it was often found that the assets created often were not fit for use by the local people as attention was not paid to the location, quality etc. of the assets.

There have been some instances of corruption, but very few have been quoted by the respondents. However, the EGS is in a very early stage and it will take some time for the irregularities in the work practices to come out.

**Figure 9. Supervision of work done**

**Supervision of work:** Supervisors (40%) undertook majority of the supervision (figure 9). In spite of the fact that the NREGA does not allow use of contractors, they were used in 22% of the cases. However, this was done only in Rajasthan. The engineers undertook supervision in 20% of the cases.

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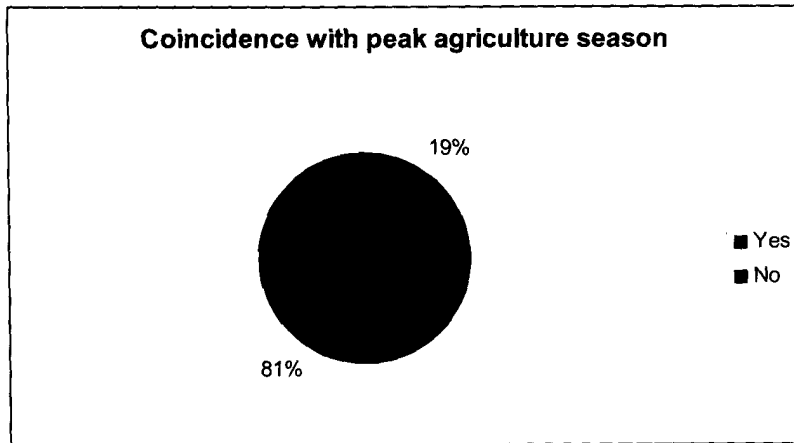


Figure 10. Coincidence with peak agriculture season

**Seasonality of EGS:** It was found that there is no tangible pattern regarding which season the schemes were started in the rural areas. But 81% of the respondents believed that the scheme did not coincide with the peak of the agriculture season (figure 10).

**Effect on other Schemes:** With regard to the other schemes run by the government, only 160 of the workers believe that there has been a detrimental effect of running the EGS on the other schemes of the government, as compared to 409 respondents who believe that there has been no change in the running of the other schemes. This is important as the EGS is becoming one of the most important government schemes and will take quite a lot of the government resources.

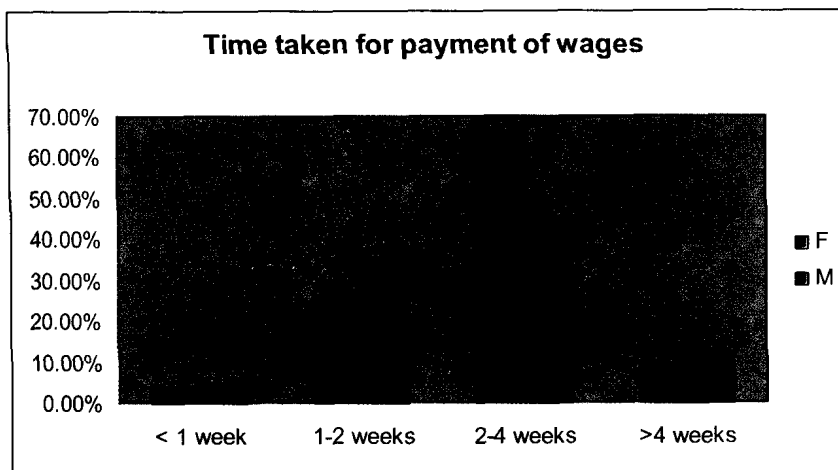
**Dependence of workforce on EGS:** Another important aspect to be studied is whether the scheme is breeding any dependence on part of the workers. In case there is any, it would have a negative long-term effect on the employability of those workers who work under the EGS. 680 of the respondents said that they still looked for work outside the scheme, while 144 of them stated that they were not looking for any additional work. While it is too early to conclude on this matter, it is a good sign that majority of the workers still look around for better opportunities when it comes to working in the EGS.

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**Employment opportunities in the off-peak season:** The opportunities differ from region to region. In some places, forest work is available. In others, work in nearby towns is a possibility. Daily wage labor in non-agricultural activities such as construction and working in the Rozgar Yojana is also an option for some people. Some of the women prefer to do housework rather than seek employment in the off-peak season.

### ***Gender-Wise Comparison and Analysis***

This section discusses the analyses of the responses separated by gender. The intent was to see if there are any differences in the patterns of responses for men and women. The main difference that came up was in the wage rates. Women get paid an average rate of Rs. 34 in normal agricultural work, as compared to Rs. 44 for the men. Under the NREGS, women are getting Rs. 53 per day as opposed to Rs. 63 for the men. Another discrepancy was with regard to the payment of wages, where the time taken for payment of wages for women was longer than that for men, as indicated in figure 11 below. Other than the issues regarding the wage rate, largely it was found that most responses followed similar trends, indicating no statistically significant difference in responses by gender.



**Figure 11. Time taken for payment of wages (gender-wise)**

### ***Caste-Wise Comparison and Analysis***

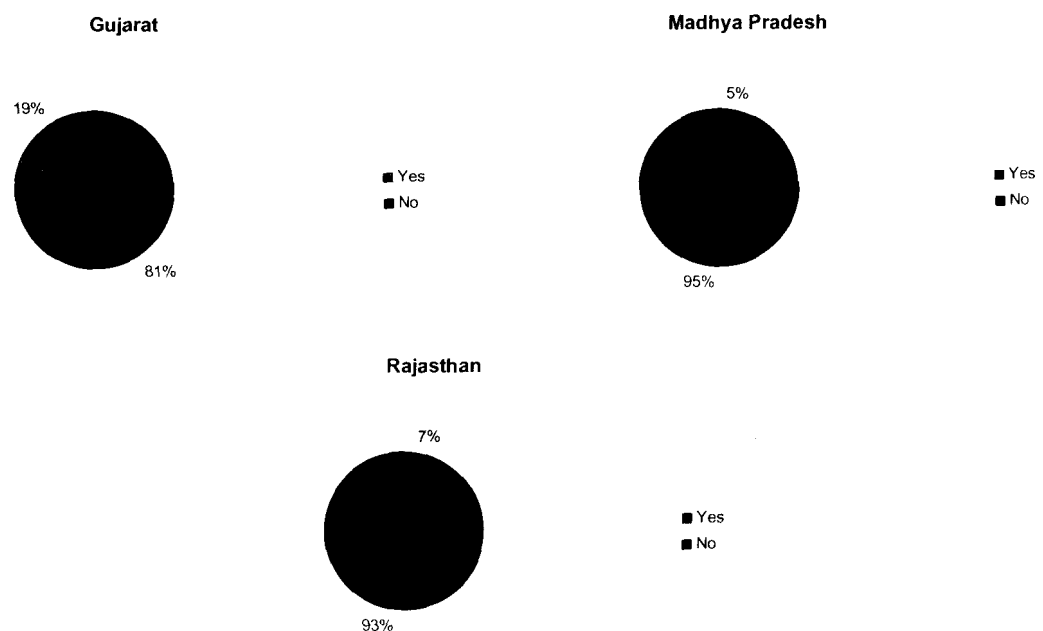
In the caste-wise analysis for the backward castes, we found that the average agricultural rate for SCs was Rs. 46, whereas it was Rs. 44 for STs and Rs. 47 for *Dado Uge Ne Dadi Male - Work Guarantee Must Be As Certain As the Rising of the Sun- A study*

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OBCs. The NREGS wage rate was Rs. 50 for SCs and Rs. 47 for STs, but only Rs. 19 for the OBCs. The figure for OBCs seems very low, but we had a small sample size in this case (so it is not necessarily representative). Hence, we need to look at this difference in wages further to ascertain if there is any discrimination.

### ***State-Wise Comparison and Analysis***

Here we must keep in mind that the sample size differs across states. There were 764 respondents in Gujarat, 63 in Madhya Pradesh and 266 in Rajasthan. However, the numbers are still significant enough to allow us to do a comparison and draw some preliminary conclusions about the implementation of the NREGS.



**Figure 12. Problems with the registration process**

Of the respondents who answered to the question illustrated in figure 12, Gujarat had 81% respondents saying that they had problems with the registration process. In some places, the absence of a photograph being taken meant that the card was not created. In Rajasthan it was found that in some villages, the job card was either not provided at all, or was kept by the Talati or Sarpanch.



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**Table 14. Average employment provided**

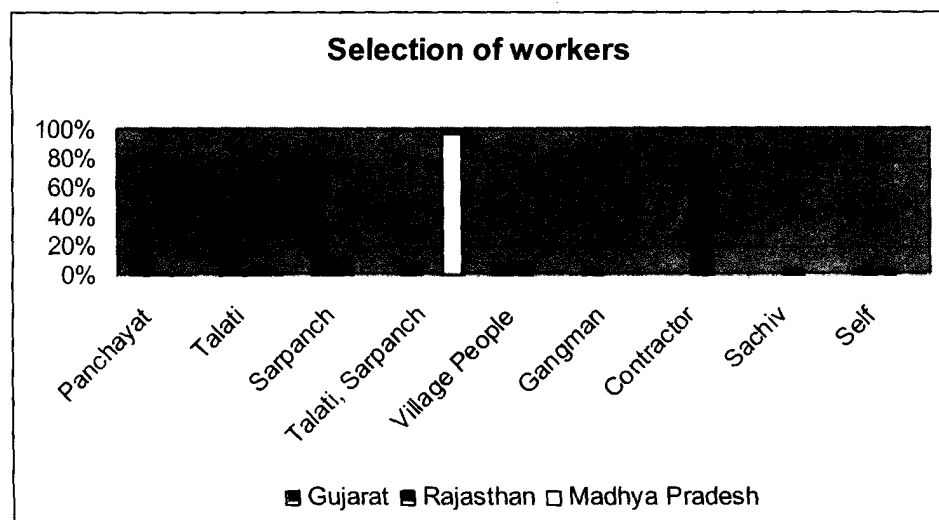
State	Duration (Days)
Gujarat	31
Madhya Pradesh	35
Rajasthan	64

The duration of average employment (Table 14) provided was the highest in Rajasthan (64 days), followed by Madhya Pradesh and Gujarat. In this parameter, as in others, presently Rajasthan seems to be doing better than the other two states.

**Table 15. Type of work provided**

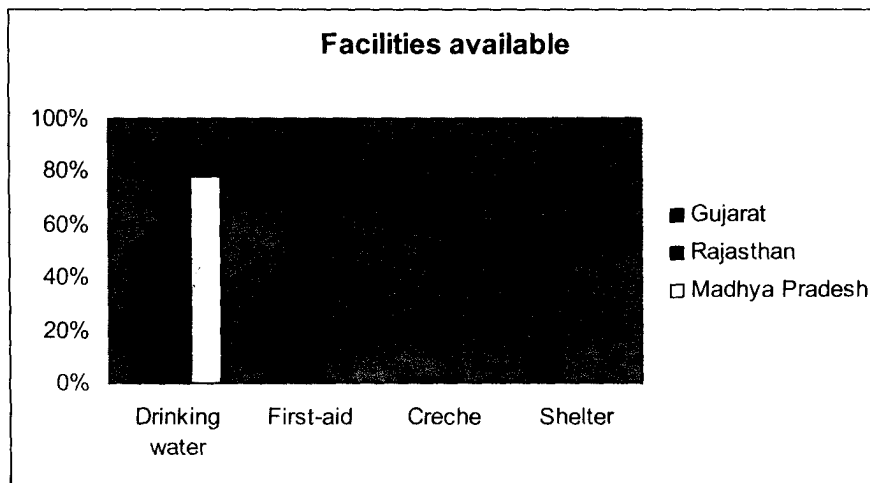
Type of work	Gujarat	Rajasthan	Madhya Pradesh
Road work	26.77%	20.87%	67.21%
Pond work	33.01%	79.13%	32.79%
Gram vatika	4.58%	-	-
Check-dam	24.41%	-	-
Canal repairing	8.74%	-	-
Pond work & road work	2.50%	-	-

As can be seen in Table 15, road work and pond work are the two important types of work provided by the scheme. Unlike Rajasthan and Madhya Pradesh, Gujarat has managed to have a more balanced choice of the kind of work undertaken in the scheme.

**Figure 13. Selection of workers for the scheme**

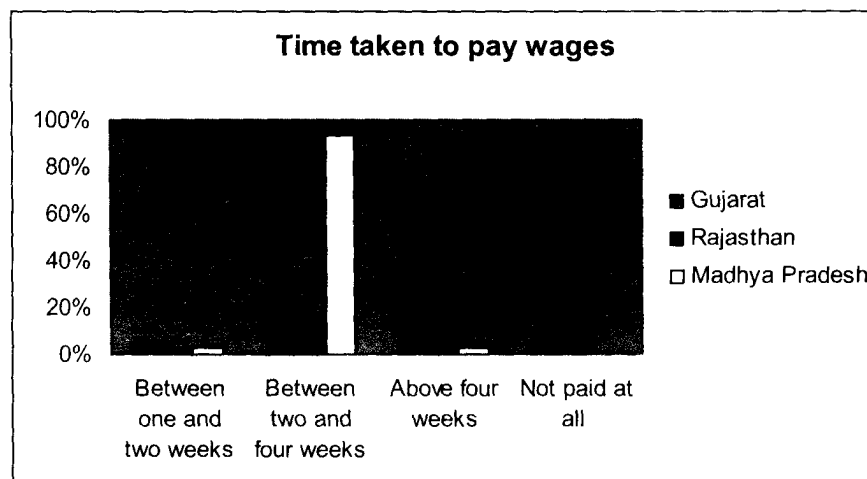
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The **selection of workers** is done mainly by the talati and the sarpanch in Madhya Pradesh. In spite of the contractor not being allowed under the NREGA, we find that contractors still have a large role to play in the scheme in Rajasthan. In Gujarat, Panchayat, talati and the sarpanch are the main functionaries who chose the workers for the scheme.



**Figure 14. The facilities available to the workers**

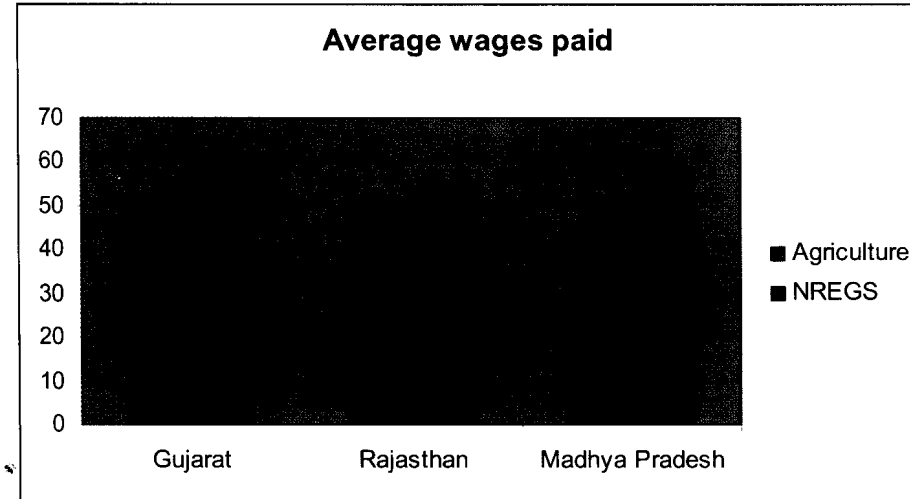
Drinking water is available in most of the states. But the proportion is slightly less in Gujarat. However, the rest of the amenities are not provided well, with only Rajasthan having sufficient work-sites with first aid. For menial work, first-aid is a basic need. But even that is not provided everywhere.



**Figure 15. Time taken to pay wages**

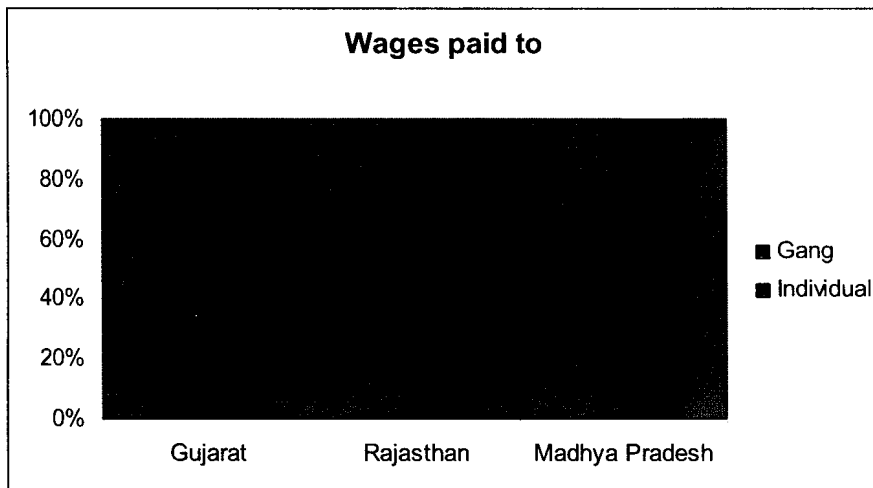
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The time taken to pay wages is higher for Gujarat and Rajasthan than for Madhya Pradesh. In the first two states, some workers have not been paid the wages at all.



**Figure 16. Average wages under agriculture and NREGS**

In all the states, the wages paid under the NREGS are higher than agriculture in all the three states. Hence, NREGS has led to an improvement in wages. But the wages for non-agriculture workers are generally higher than NREGS, as shown previously in this paper.



**Figure 17. Wages paid to gang or individual**

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In Gujarat, wages paid to the gang-leader are quite important means of wage-payment. While this is different from Rajasthan and Madhya Pradesh, it does give the entire group an opportunity to unite together and air their concerns through the gang-leader. The downside is that the individual worker is at the mercy of the gang-leader for his/her wages to be paid.

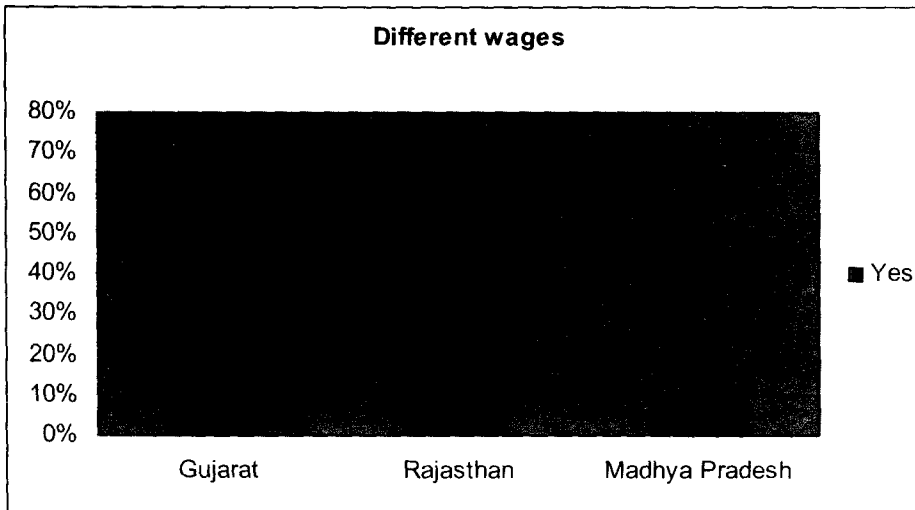


Figure 18. Whether wages are different for different work under NREGS

In Gujarat and Rajasthan, wages are different for different kinds of work. This is not so much a case in Madhya Pradesh, according to the respondents. Different wages are to be expected, as some work can be much more strenuous than others.

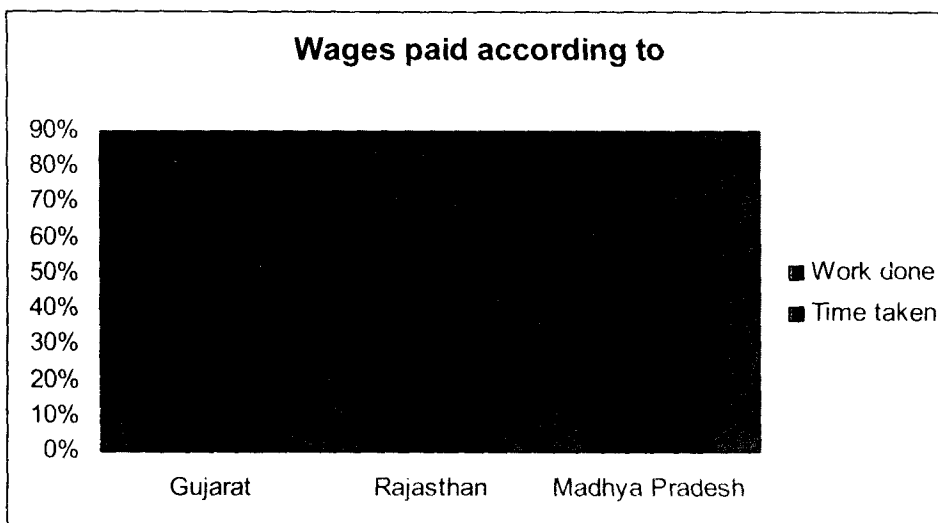
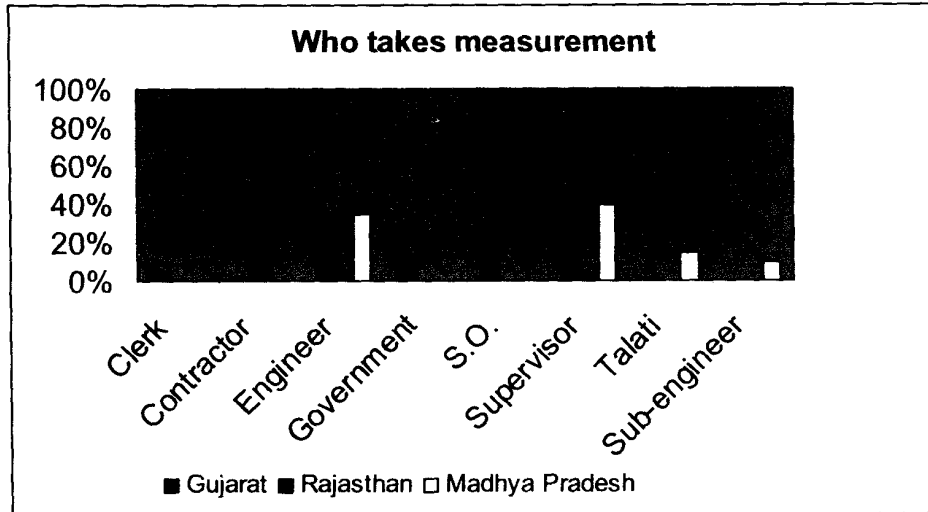


Figure 19. Payment of wages

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The payment of wages is mainly done according to the work done in Gujarat and Rajasthan. In Madhya Pradesh, in majority of the cases, the time taken to do the work is the main factor.



**Figure 20. Responsibility for taking measurement of work done**

In Gujarat and Madhya Pradesh, the supervisor and the engineer are important when it comes to the measurement of the work done. This is an important aspect as the payment of wages is done mainly after taking the work done into account in most places. In Rajasthan, the contractor is important in this regard.

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## **Field workers' observations**

### **Gujarat:**

- ❖ There was a lack of information provided about the scheme and even government officials felt that they had not been adequately briefed
- ❖ No work demanded by the people (which was the original aim of the scheme) and the decision to provide work was taken by the senior government officials or local officials like sarpanch or talati
- ❖ In many instances, only one job-card has been provided per family and also often only one job-card has been issued per ration-card (which itself is issued one per family)
- ❖ Job cards often kept by the sarpanch or talati and hence respondents do not have direct information about their wage payments
- ❖ Wage payment often delayed or wages not paid at all
- ❖ Families living near cities are not willing to working in NREGA due to low wages

### **Madhya Pradesh:**

- ❖ In many villages job-cards are being kept with sarpanch or the talati
- ❖ Measurements of work done are being taken by contractor kept by panchayat (contractors not allowed under NREGA)
- ❖ In order to obtain any information, written requests have to be submitted, can be difficult and time-consuming
- ❖ Many people have not received their wages
- ❖ People are not aware about the legislation
- ❖ Often the worked is stopped in between and the workers are rendered jobless

### **Rajasthan:**

- ❖ In some instances the job-cards was kept by the sarpanch or talati
- ❖ Corruption found in wage payment
- ❖ Very high dependence on government officials (e.g., collector in Dungarpur) for the scheme to function properly, little push from grassroots

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### **Maharashtra:**

- ❖ Job-cards are not being distributed properly
- ❖ Government is not putting applicants' photos onto the cards (unlike, say, Gujarat), hence there is a delay
- ❖ Of the 10 panchayats surveyed, only in only 2 have the people got job-cards
- ❖ In eight, either the job-cards is with the Panchayat office, or has not reached at all
- ❖ Many sarpanch do no have information about the NREGA
- ❖ In the general public, very few people have information about the NREGA
- ❖ Confusion between state-wise EGS and NREGS
- ❖ Lack of clarity about the aegis of which schemes the existing work is going on

### **Findings**

- ❖ Education level of the most of the job card holders was average 4.48yrs, but 174 respondents had studied till 10<sup>th</sup> standard.
- ❖ Average land holding of the respondents was 2.7 per family but majority of the land was non-irrigated, with 164 respondents describing themselves as land less laborers.
- ❖ Majority of the sample, as many as 85% of the respondents, lived in kuchha (mud) housing. This is certainly a very high number and is an indicator of the poor economic status of the respondents.
- ❖ With regard to status of the employment only 96 described themselves as fully employed. 497 were half-employed, whereas 475 unemployed.
- ❖ Sarpanch was the main source of information After the Sarpanch, the NGOs became an important source of information. While in both Udaipur and Dungarpur in Rajasthan the administration has been very active in pushing NREGS as a

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scheme in Rajasthan, In Dhar , M.P., the sarpanch was the overwhelming source of information about the NREGS.

- ❖ 301 respondents said that they did not face any difficulties during the process of application for the job-card. However, there were 178 people who mentioned the fact that they faced some difficulties in the job-card application process. The common problems mentioned were: Lack of proper information, No job-card made and/or only temporary job-cards were made, Problems with regard to the job-card itself such as addition of name and photos.
- ❖ Of the people who have been able to obtain the job-card, we find that the average period of employment is around 39 days. In Dangs, Panchmahal and Banaskantha, the implementation of the scheme has been really weak and only 5, 11 and 20 days of employment has been provided respectively. However, in Dungarpur (63 days) and Udaipur (67 days), the implementation has been really strong.
- ❖ 42% of the cases creation of new ponds and deepening or cleaning of existing ones was undertaken 26% of the cases, work related to road construction and maintenance was provided, Check-dam related work formed 16% of the cases. Rest of the cases comprised of work like canal maintenance and mud-work (digging and carrying). Hence, it is clear that the emphasis is on creation of assets which form a part of the basic infrastructure for the community.
- ❖ The selection of workers is done by the Panchayat (22%), talati (20%), contractor (17%), sarpanch (13%) etc. While the NREGA prohibits the use of contractors specifically, we found that they were still used in Dungarpur in Rajasthan. The basis of selection was mainly age (64%), ration card (24%) and job card (12%).
- ❖ The time taken for the payment except Dhar and Sabarkantha is more than two weeks in the various districts. In Udaipur, it is even worse than most other districts



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and 62.5% of the respondents got their wages after more than four weeks. But Panchmahal was the worst, as 44.9% of the respondents did not get their wages paid at all.

- ❖ An analysis of the averages wages paid in the different types of work across districts shows that in many instances, the wages paid are even below the minimum agriculture wage level decided by the government (Rs. 50 per day for Gujarat, Rs. 73 for Rajasthan and Rs. 63 for Madhya Pradesh). This is something that the government needs to look at. Otherwise the purpose of the NREGS is defeated.
- ❖ Effect on Labour market it is too early for there to be any tangible change in the wage rates, however, as many as 174 respondents claimed that there has been a change in the local wage rates since the EGS began. However, 327 workers also stated that there had been no change in the wages since the EGS started. Except for Dangs and Panchmahal, in most of the districts few respondents believed that there had been an effect on the wages. After some time, it would be interesting to study the dynamics of the labor market and understand the positive and negative effect the EGS has had on it.
- ❖ The wages are paid either to the entire gang and divided among the gang by the leader, or they are paid directly to the individual worker. Wages were paid to gang-leaders mainly in Banaskantha, Dahod and Udaipur. In all the other districts, the majority of the respondents got their wages paid on individual basis.
- ❖ The wages did differ in some places depending on the type of work. However, in most places there was little change in wages depending on the type of work undertaken. Also, the wages are paid mainly on the basis of the amount of work done by the workers and not on the basis of the time taken to do the work. Similarly, the payment is made on the basis of measurement. It was found that there was no standard method of measurement used. Different ways of

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measuring the same work led to differing wage-payment across the villages and districts.

## **National Rural Employment Grantee workers Union- Gujarat**

To deal with the widespread complains regarding inefficient implementation of the NREG scheme by the state government it was felt necessary to form a union and to raise the issues of NREG Act workers of Gujarat. With consensus of the 5000 people gathered on 17<sup>th</sup> June at Godhara in a Sammellan a ***National Rural Employment Grantee workers Union*** formed. The NREGA workers union- Gujarat is the first registered trade union to voice the issues of NREGA workers employed in Gujarat.

NREGA Workers Union ensures the proper implementation of the ACT. It will seek and secure the entitlements to the 100 days employment guarantee for the rural people and facilitates its effective implementation and monitoring. It will train community to demand for work, which will start with *How to write an application to demand work*. It ensures the enforcement of the minimum wage. In case of violation it will file a complain and fight for the rights of the NREGA workers

Apart from this union will facilitate the community in preparing the micro level plan for NREGA. At the end of the December 5643 job card holders are members of the Union.

The president of the ***National Rural Employment Guarantee workers Union*** is MS Vimalaben Kharadi and the General Secretary of the union is Ms. Paulomee Mistry. The union has the eleven member's executive committee from the representation of the all Six NREGA implemented districts of the Gujarat.

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## **Demand of National Rural Employment Grantee workers Union- Gujarat**

1. Workers who have not received the job cards yet should be given the job cards immediately.
2. Every Saturday workers should be given payment.
3. Job cards should be regularly filled at the working site and all the details should be properly filled.
4. Payment should be given according to the minimum wages of Rs. 60/- Equal wages should be given for equal work
5. At the working site a board should be displayed indicating the wage rate, name of the workers, details of the work etc.
6. There should be facilities of drinking water, shade, crèche for small children and primary health facility at the working site.
7. Government should set up a adequate and proper administrative structure to implement this Act.
8. The poster and board indicating 'Right to Work' and "Worker should register their application to get the work" should be displayed in the Panchayat and public places in all villages.
9. A grievance cell should be set up to resolve the complaints related the work.
10. Under this Act not only the construction and irrigation work should be carried but also the work related to land and village development should be given priority.
11. Under this Act not only the unskilled workers but the skilled workers also should be given work.
12. Under the NREGA Act work should be given for 200 days instead of 100 days.

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## **Conclusion**

As we have seen, the EGS is already making a difference to the lives of the people. Yet there is a long way to go. There are some issues in terms of the benefits to be drawn from the assets created by the scheme. Also, the menial nature and the lack of encouragement for both skilled labor and further training is something that is of concern in the long run. Implementation issues like issuance of job-cards on time is also a concern. Facilities for workers would also have to be improved over time. From the labor market point of view, it would be important to create a safety net through EGS for poor people without damaging the labor market and employment prospects. Another vital lesson to be learnt from the EGS in Maharashtra is to ensure that the scheme does not encourage wide-spread corruption. This would really hamper its effectiveness. Safeguards need to be put in place to ensure that this does not happen, something that is easier said than done. In our comparison across states, we find that there are some differences in the implementation of the scheme. The districts in Rajasthan have done well in the initial implementation. However, in terms of the various types of activities and programs covered under NREGS, Gujarat has done better overall.

The next stage of this study will be to prepare a citizen report on NREGA, which will include the budget Analysis, interviews with government officials who are involved with the implementation of the scheme, in order to get a more complete picture of the scheme. As part of the plan DISHA hoped that the study will be turned into a longitudinal one and will assess the implementation of EGS on an annual basis for the next few years.

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