

UGC MAJOR RESEARCH PROJECT
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EXECUTIVE SUMMARY OF THE STUDY

A STUDY ON THE IMPACT OF NREGS ON ERADICATION OF POVERTY AND
ENHANCEMENT OF SOCIAL SECURITY

NREGS is widely acclaimed as one of the best programmes ever introduced and implemented by the government with a view to have a direct attack on poverty at the grass root level covering the entire nation. The objective of the programme is to provide guaranteed employment of 100 days to an adult member of any rural household to do any public work related unskilled manual work at a statutory minimum wage. The salient features of the programme emphasize not only a guaranteed employment but also a right to employment with more transparency in its activities. Social audit reinforces accountability of all the stakeholders.

Studies about NREGS revealed that the programme faces many challenges during implementation right from the beginning i.e., registration of job, identification of projects, delayed payments and discrimination between male and female in work allotment, lack of transparency at the Gram Panchayat level. It is also found that lack of awareness among various stakeholders and lack of capacity among the supervisors and monitors are the reasons for the poor response from the people. Despite all the weaknesses, this scheme provided employment to those who demanded job.

Sivaganga district is one among the backward districts of Tamil Nadu. Understanding its backwardness, NREGS is implemented in the district during the first phase of its implementation. Employment generation in the district for the past six years from 2008-09 to 2013-14 showed that the job demand had considerably increased over the years. NREGS job demand in the district in 2009-10 was 2.25 lakhs households. Net addition of employment in the year 2010-11 was 2820 and

the net addition in the year 2011-12 was 9347. There was a sudden spurt in the employment demand and the net addition increased to 11632 households in the year 2012-13. However, this up-trend had not last long and the subsequent year's employment demand decreased to 2338 for the year 2013-14. Those who demanded employment were given employment in the NREGS. Nevertheless, the net increase in the turnout for work was 7395 in 2010-11 and 14766 in 2011-12. The net turnout had turned to negative to -1287 in 2012-13 and further to -34194 in 2013-14. Despite the poor environment for better agricultural operation in the district, there was a gradual decline in the households who had completed 100 days of employment. This accounted 8 – 15 per cent of the employment demanded from 2009-10 to 2013-14. Thus, taking into account all these factors, it is an attempt to analyse the impact of NREGS at the grass root level.

Objectives:

The main objectives of the project are

1. to understand the functioning, structure and implementation of the NREGS programmes at the grass root level;
2. to analyse the additional employment created through NREGS;
3. to assess the social and private assets created through NREGS;
4. to evaluate to what extend social security is guaranteed through minimum wages act and inclusiveness is provided through NREGS; and
5. to suggest measures for effective implementation of NREGS.

Sampling Design:

Sivaganga district is the universe for the study. The district has twelve community development blocks which are a functional unit of the Panchayat Raj system for decentralized development efforts. In order to give equal and extended geographical representation, all the twelve blocks of the Sivaganga district had been chosen for the present study.

- ★ Under each block two village Panchayats were selected randomly. Under each village 20 samples (40 samples per CD Block) were identified by using a method of ratio to total participants under each segment totaling 480 samples in the district as a whole.
- ★ For the purpose of comparison, the total participants were divided into four segments on the basis of income earnings from the NREGS. The first segment consisted of those who earn an income of below ₹4000, and those who earn an income of ₹4001-8000 formed the second group. The third segment is formed by an income earning of ₹8001-12000 per annum and the last segment is those who earn an income of ₹12001 and above.
- ★ The NREGS wage for the year 2013-14 is ₹148 per person per day who worked for 8 hours. The current wage rate at present is ₹167.
- ⊕ NREGS is effectively implemented in Tamil Nadu under the existing structure right from the PRIs (Panchayat Raj Institutions) with an effective coordination of the community development blocks and active cooperation of the district coordinating authorities. In Sivaganga district, the NREGS is implemented effectively with the assistance of panchayat clerk, panchayat president, mates, technical assistant, block development officer and the district coordinating authorities. Seventy-nine per cent of the respondents have registered for NREGS employment in the year of its first implementation of the scheme in the district in 2006 and there is no delay in registration and issuing of job cards. All the work demanded households have received their job cards within fifteen days of their registration. Regarding awareness, despite various modes of gaining awareness about NREGS, people have gained knowledge about the NREGS only through Gram Panchayat. Out of the fourteen special features of NREGS, more than 90 per cent of the households are aware of all the special

features of the NREGS except the complaint number 1299. They are not only unaware of the complaint number but also they are unwilling to make any complaint fearing that they would face the wrath of the authorities.

◆ Regarding employment, records show that there is a steady increase in the number of households, who have registered for employment from 2009-10 to 2013-14 in the district. However, among the registered, around 70 per cent have demanded employment from 2009-10 to 2012-13. In the year 2013-14, only 56 per cent have demanded employment. Among the employment demanded, only 8 to 15 per cent have completed 100 days. The reason for the poor participation is attributed to three types of problems viz., work related problems, facilities related problems and wage payment related problems. Regarding the work related problems, ever since the government has made it compulsory that work performance is a sine quo non of NREGS, the elders particularly above 50 years of age find tough to complete the pre-determined workload to earn full wage. Work completed below the norm reduces their wage, which also discourage their participation. Work assessing authorities who were previously very considerate and liberal have turned now to be very tough and inconsiderate which reduce their participation.

◆ On facility related problems, the study finds that ninety-five per cent of the workers record that they are not given proper worksite facilities which not only discourage their participation but also increase the health related problems and the expenditure. 32.71 per cent suffer due to headache, 54.99 per cent due to physical pain, 3.48 per cent due to stomachache and 8.82 per cent due to giddiness. They spend in the range of ₹ 500 to ₹1500 per month for medical expenses. Therefore, a part of the income earned through NREGS has

been spent on meeting the medical expenses of the households, which also discourage their participation.

⊕ Regarding the payment related problems, government has made it mandatory to credit their wage in the bank from 1st April 2014 in order to plug the leakage and misuse of funds. Nearly 30 per cent of the households find comfortable through banking transactions and 70 per cent find discomfort. Their discomfort is due to delay in wage payment, increased transport cost, Banker's poor response and inability to handle banking transactions due to illiteracy of the workers. 34.82 per cent of the households complain that there is an inordinate delay in wage payment. This delay confuses the workers and makes it difficult to find out which period of their wage is credited in the bank. Neither the bank officials nor the Panchayat come to answer their queries. Panchayat officials who were very cordial when they disbursed the wage to the workers have now distanced themselves. This has considerably created vacuum in the social relationship of the community. Financial inclusion through bank payment of wage has to some extent given way to social exclusion within the community. 21.43 per cent of the households complain that the additional transport cost and related expenses to visit the bank site reduce their disposable income of the workers. Another 22.62 per cent have reported that banker's poor response towards the NREGS worker irks them a lot as they are merely withdrawees and not the depositors. Apart from that, banks are facing shortage of men and machines to handle numerous transactions at a stretch. Despite all the weaknesses and problems, they do not want to lose the employment in the NREGS. Going to the bank in a working day is treated as a loss of the day's work. 10.21 per cent of the workers have expressed that they have lost a day's work.

✦ The ability of the NREGS to create durable assets has been variable at best. Even with all its shortcomings, the NREGS is the best institutional mechanism available to cope with two challenges India will face in the coming years. The first is to provide and preserve the resource base for food production and the second is to bring resilience of Indian agriculture through renovating the small irrigation sources under the changing climate. This small irrigation sources are very vital particularly to the poor farmers holding small lands. In this perspective, preserving the existing social asset is important that it benefits a lot to the society and enhances the agriculture productivity in particular. NREGS facilitates to develop individual asset through Individual Beneficiary Scheme (IBS). In Sivaganga district, since the inception of NREGS, 268 individual schemes have sought help. Among them, thirty-six works (23.5%) have already been completed and 162 works (60.4%) are ongoing. Further, there are 70 works (26.11%) approved under the IBS. Regarding the social asset creation, 95 per cent of the started works have been completed since 2009-10. The year 2010-11 has recorded the highest level of work completion to the tune of 99.15 per cent and the subsequent year has recorded 97.63 per cent. The year 2013-14 accounts 87.6 per cent, which is comparatively less. The reason is attributed that the employment of the NREGS participation rate is very low compared with the preceding years.

✦ The extend of social security guaranteed is measured in terms of additional income earned through NREGS. To have a better understanding, NREGS workers have been classified into four segments. They are below ₹4000, ₹4001 - 8000, ₹8001- 12000, ₹12001 and above per annum. Out of the 480 respondents, 259 sample respondents who constitute 53.96 per cent earn an income between ₹8001 and ₹12000 per annum. Another 139 respondents (28.96%) earn an income of above ₹12001 per annum. Aggregating these two

segments constitute 82.92 per cent of the total respondents who earn an income of between ₹8001 and above per annum. The expenditure pattern of the NREGS shows that 59.79 per cent of their wage income is expended to meet food expenditure, 15.83 per cent meets the medical expenditure and another 20.21 per cent helps to meet the educational expenditure of their wards and only 4.17 per cent is to repay small debts. The share of NREGS income is 12.31 per cent of their total annual income of the NREGS households. This income is not only supporting to meet the consumption and health expenditures particularly during the lean season but also support to repay small loans borrowed from the SHG and friends and relatives. This uplifts women power at the household in the patriarchal society by empowering them through financial security.

✦ Equally, the social benefit is felt at large due to the NREGS. 42.08 per cent of the households who had so far gone on seasonal migration have completely stayed in their village due to NREGS. Particularly the women folk are happy that the social stigma slapped on them due to migration will no longer prevail. Now they are not moving away from home as the NREGS provides employment in the village itself.

✦ Secondly, NREGS helps to maintain social harmony in the diversified caste and religious and social set up. This provides a platform to know each other with better understanding among the workers irrespective of their diversified social set up. Participation in the social and religious festivals has considerably been increased among the NREGS workers crossing their village, caste and social boundaries.

✦ Thirdly, NREGS in the district rules out the apprehension that it affects agricultural operation both in terms of reducing the supply of the labour and increase the cost of cultivation. 81.67 per cent of sample respondents say that the NREGS work has not affected the agricultural operation. This agricultural operation takes place only for four months from October to January and the district is frequently hit by scanty rainfall and drought. Therefore, NREGS work is considered a blessing. The effect of the NREGS is visibly seen among the marginal and agricultural labourers who participate in large numbers. Conversely, the remaining 18.33 per cent of the households say that NREGS affects the agricultural operation. These people have more cultivable lands who encounter some problems during cultivation. Their problems have been classified into three viz., shortage of labour, increased labour cost and declining work culture. Contrary to this view, it is found that the NREGS has helped to regulate overall wage and has made revolutionary change in the minimum wages act, which was hardly known to the people before the implementation of NREGS. This has considerably reduced the exploitation of the landowners during agricultural operation, as workers do not have alternative employment. With the rising inflation, NREGS to some extent helps to maintain wage parity compared with employment of the other organized industrial and service sector.

Suggestions:

The study recommends the following suggestions for effective implementation of the programme with greater participation of NREGS workers.

➡ NREGS workers are aware of the importance of regular participation of Gram Sabha meeting. Greater and regular participation would help solve many problems relating to choosing of work site, work site facilities, distance of the worksite, work assessment and

payment related problem. However, their participation is very irregular and their attitude is irresponsible. This is the main reason for the occasional worksite unrest. Therefore, Gram Panchayat should make sincere effort to conduct Gram Sabha meeting with greater participation and active involvement of NREGS workers.

- Mates are in fact, performing an important job, like allocation of work based on the age, community, sex etc., marking attendance, supervision and reporting to the higher authorities. Therefore, sufficient number of trained personalities is the essential prerequisite for effective implementation of the NREGS work. This would considerably increase work performance and reduce the work tension, which simultaneously would enhance greater participation. Biometric or electronic method of marking attendance at the work site would help wipe out the fake entry at the worksite.

- Like any other government servant, the NREGS workers are entitled to receive their payment immediately, irrespective of any delay in receipt of funds from the government. If this is set right, it will considerably reduce the confusion confined in the banking transactions and encourage greater participation. The spatial spread of banks is uneven in the district. Therefore, mobile banking services to disburse the wages at the work site or in the panchayat office would provide a complete solution to eliminate all the finance related problems. Another alternative way is Aadhaar Enabled Payments (AEPS). This system was introduced through a pilot study in Jharkhand in March 2012, which would be a better alternative for the banking system. Above all the proactive role of village Panchayat would help a lot for successful implementation of the NREGS.

- During the initial stage of the implementation of the NREGS work, almost all the Gram Panchayat had provided worksite facilities like drinking water, medical kit. But, these facilities have been stopped all of a sudden. Therefore, the Gram Panchayat should make sure that these facilities are provided to the NREGS workers at the worksite. This would enhance their participation.
- The general provision of employment in the NREGS Act is 100 days of employment per household per annum irrespective of the family size. This raises some serious questions that the family size of two have the 100 days per annum and the family size of four would have the same 100 days of employment. How could a family of four and above thrive with 100 days of employment? This they feel insufficient to meet both the ends. Therefore, the days of employment should be enhanced to 150 days if their family members are four and above.