

MGNREGA and Good Governance

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I. Introduction:

Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) applauded as the flagship scheme is a milestone and has marched over a remarkable short span of seven years since its inception amidst a bleak performance routed with unprecedented levels of corruption in most part of the sub-continent. Under the scheme there have been inundation of funds every year and a novel machinery with a very carefully wielded planning both at the macro and micro level is put in place, yet the manner it is functioning is dragged into controversy almost every time. It being an Act of the government that makes it binding for the functionaries at all levels concerned to oblige the stipulations guaranteed as such in it. It is one of the largest employment generation and livelihood security programme in human history and is directed towards the poorest section of the society in the rural areas. However, the basic objectives of the scheme are flouted and everybody in the chain of its implementation pocket a huge volume of funds without letting the intended beneficiaries truly benefit from the scheme. The success is merely reduced to statistics. The reasons are manifold. Good governance as a tool to uphold democratic ideals is therefore questioned. Hence, adequate care at appropriate levels is warranted for successful implementation of the scheme.

II. MGNREGA as an Act:

MGNREGA is an Act passed by the Parliament which mandates 100 days employment guarantee to every household on demand with a provision of social audit to maintain transparency in execution. The principal features that the MGNREGA distinguishes itself from the earlier programmes on removal of poverty and the employment assurance schemes are as follows. That,

it is an act, not simply a programme. It is mandated and passed by the Parliament to provide livelihood security to the rural masses. It provides for universal entitlement of 100 days employment guarantee for a household during a financial year. The mandated nature of the scheme guarantees that in no case the guidelines of the Act are violated. Secondly, it is a demand based employment generation scheme. That means, the employment is provided on demand within 15 days of application for manual work, failing which the applicant is entitled to the benefit of unemployment allowance. In Section II it is stated that, in case wage is not paid in time, labourers are entitled to compensation as per the provisions of the Payment of Wages Act 1936. The work must be allotted within 5 km periphery of the residence of the applicant. Machines can not substitute man-days of labour and the engagement of contractors is completely banned. There must be the provision of safe drinking water, first aid box, etc at the worksite. Every work sanctioned under REGS should have a local Vigilance and Monitoring Committee. The provision of Social Audit makes it unique. Social audit is a mechanism which helps enforcing transparency, accountability, participation in the functioning of the Act. It provides for every individual's right to go into the developments of the work. There is provision of impartial audit of the funds actually allocated for the work and whether the norms of the Act are actually followed or not. It creates a public platform that everybody involved in the MGNREGA has the right to have access to the details of the financial and non-financial aspects of the programme and scrutinize them. Gram Sabha is entrusted the responsibility to make the details of work and payment open for public view. Also, the Right to Information Act is applicable to MGNREGA.

Good Governance:

As UNESCAP puts it, “governance means the process of decision-making and the process by which decisions are implemented (or not implemented)” The analysis of governance focuses

upon the formal and informal actors involved in decision-making and implementing the decisions made. The actors in governance are the government and the civil society. The former is basically designed as the formal actor and the latter as the informal actor. In the rural areas, the informal actors comprise of the local influential landlords, farmer associations, cooperatives, SHGs, NGOs, religious leaders, local political persons, anti-social elements, etc. Another element that has lately emerged is the middlemen in the labour contract process in the rural areas. They influence the decision-making process. Informal decision-making leads to corrupt practices.

Good governance requires the effective integration of the formal and informal actors to ensure effectiveness in delivery and management of public services for realization of human rights. The concept deals with relative effectiveness of the public institutions in fulfillment of the stated objectives as laid down in the plan documents conforming to the basic elements which honour equality and justice to all the concerned beneficiaries of the provision.

Good governance requires that the following norms are strictly followed in the decision-making and implementation of any public funded programme:

1. Participation, equity and inclusiveness: The planning, decision-making and implementation must be participatory. The true beneficiaries must get involved in every stage and they should have their voices and opinions for betterment in the provision.

2. Accountability: This criterion requires that the work should be wielded with full accountability at appropriate levels. There should not be the situation of shift of responsibility to face the eventuality. In no way there should be lack-a-dai-si-cal manner of functioning to elude one's responsibility.

3. Transparency: The entire process of planning and implementing the project must be transparent. They must be kept for open access and review.

4. Consensus oriented: This aspect of good governance gives emphasis on the universal consent upon the execution of the programmes.

5. Efficiency and effectiveness: The provision should be made efficiently to reach all sections of the potential beneficiaries effectively.

6. Rule of law: The execution should not violate the democratic norms and the fundamental rights. The elements of equality and justice need special attention. Mere lubricating the privileged to gain advantage does not conform to good governance.

The Study:

The study was undertaken in Nuapada, one of the backward districts of Odisha, with high density of poverty and illiteracy among the masses. The data was collected from as many as 225 rural households chosen at random from 15 villages in three blocks of the district. The study being a part of the study of the distress seasonal migration from the district dealt with different parameters including the functioning of MGNREGA. It, in addition to other objectives, aimed at analyzing the effectiveness of MGNREGA in generating employment in the district which has around 90 per cent of rural population. As such the basic objectives of the MGNREGA were also dealt with to examine whether they are fulfilled or not in this remote and backward region. Here, in this paper we attempt to examine through the field study data whether the implementation of MGNREGA conforms to good governance principles or not.

MGNREGA in Odisha

MGNREGA was implemented in Odisha in 2005. However the mandated Act does not truly deliver its very objectives to the intended beneficiaries. The study by Jean Dreze (2007) in Odisha identifies many loopholes in the implementation as well as the functioning of the act at different levels. Another study undertaken in the Mayurbhanj district of Odisha by Nayak et al.

brings out the important facts relating to the functioning of MGNREGA. Several other studies also point out the inefficiencies in its implementation. Recently the report published by the CAG on the functioning of MGNREGA in Odisha brings some important issues to the fore. MGNREGA is marred by large scale corruption at different levels and irregularities. The findings of these studies reveal misappropriation of funds by creating fake labour days and fake names in employment registers, irregularities in payment of unemployment allowance, funds mis-utilisation through 'ghost works', unnecessary delay in provision of job cards, works and wages, violation of MGNREGA guidelines at different levels, etc. Besides, many reports correlate the inefficiency with the migration propelling in the rural pockets of the state. The nexus between the officials, the public representatives at the local level and the contractors creates bug in its efficient functioning. Thus, the principal aim of providing livelihood security to a huge mass of rural population gets vitiated. The findings of the present study reveal gross irregularities as well as violation of the MGNREGA guidelines at the local level. By the way the satisfying the characteristics of good governance in a publicly funded programme is flouted.

Findings:

1. Economic insecurity continues even though the Act is touted as the novel intervention to fight it in terms of providing employment guarantee and food security. The Employment Guarantee Act is likely to strengthen the bargaining power of the unorganized workers in the rural areas where such a mechanism to unionize labourers is absent. But, as the programme suffers from many bottlenecks in the implementation stage at the grass roots level, this can not be expected. The workers also hardly struggle for entitlements like minimum wages and social security.
2. There are complaints that the digging of village pond is carried on during the beginning of monsoon. Hence there is false billing in works. The job card holder is bribed by the local

contractors who earn thousands of rupees. The job card is found filled in but actually the labourer has not worked nor has received benefit to that extent.

3. In some villages, people prefer collecting MFPs for 2-3 months to MGNREGA works. The time when MGNREGA works are carried on, people become engaged in collecting MFPs. The MGNREGA works clash with the peak period of collecting MFPs and agriculture. Hence participation in MGNREGA works is rare. Proper planning as regards the time of execution is absent.

4. No transparency is maintained while issuing job cards. Mortgage and exchange of job cards is there. In some cases *Gram Sathi* claims bribe for issuing job cards. Even if a household possesses the job card, it does not get job for the mandated period of 100 days during the financial year. The entry in the job cards is completely irregular. Many types of manipulations in allocation of jobs exist. GP functionaries undertake execution and give undue favour to their close relatives.

5. Payment of wage is erratic and irregular. Section 3 (3) of the Act states that wages are to be paid every week and in no case not later than one fortnight of the work done. Even though the payments are made through post office accounts, instances are there how the vulnerable masses are being cheated in getting the amount credited to their accounts. Some complain about the nexus of the post office authorities and the *Gram Sathi*.

6. The labourers out of distress want employment at any wage. In some villages they are paid 25 rupees a day for 6 hours in agricultural operations. The MGNREGA works are also linked to and treated as same as the agricultural works. In MGNREGA the wage rate for whole day (12 hours) is paid as 60 rupees. Farm pond scheme is treated as agricultural work and hence the wage rate is determined in the line of fixation of informal wage in informal agriculture. In farm pond work they are not paid full amount since the works are not completed by labourers. The reason is

that they are paid after long time for which they can not let the hired labourers wait without payment.

7. Most people are ignorant about MGNREGA. They only know the job card work. The women are totally ignorant let alone the mandated reservation of 1/3rd job earmarked for them. Schedule II of the Act states that “priority” should be given to women in the allocation of work, “in such a way that at least one-third of the beneficiaries shall be women”

8. Contractor’s presence almost dilutes the job allocation and wage payment process. The contractors even intervene in the decision to conduct social audits. The social audit is done secretly having false signatures of the workers as the muster rolls are prepared. The influential element needs to be removed from the system and the entire process must be transparent.

9. Most of the people do not get information about the MGNREGA works. Hence dissemination of information is needed, even during the conduct of *Gram Sabha* where full transparency should be maintained in the proceedings.

10. The minimum wage displayed on the notice boards is higher than actually they are paid. This erodes the confidence of the masses on the effectiveness of MGNREGA. Payment of statutory minimum wage is vitiated which is a violation of fundamental rights as contained in Article 23 of the Constitution. Further, schedule II states that gender discrimination in payment is totally prohibited.

11. MGNREGA works are not sufficiently carried on in the villages too. The masses when asked about why they do not apply for jobs they just evade to detail by saying who dares to knock *Gram Sathi* again and again without any result. In many villages job cards are kept by either the contractors or the local word member or the *Gram Sathi* for a long time.

12. Social audit is not conducted at all in the villages under study thus making the influential masses more powerful to enforce corruption.

13. The economics of exploitation: Labour supply is perfectly elastic. It is determined by non-availability or inelastic work opportunities and mainly poverty. Migration completes the rural employment cycle – filling the livelihood gap, mainly in agricultural employment and MGNREGA.

MGNREGA vis-à-vis Good Governance:

The modus operandi of the MGNREGA at the grass roots level has been riddled with corrupt practices starting from the job application stage to the final allotment of work and the wages received by the labourers. The social audit provision which assures a public review and scrutiny of the way of functioning of the Act is utterly absent leading to a lackadaisical manner of the functioning of the bureaucrats at the grass roots level and the local political authorities. Social Audit is the important component of MGNREGA. It seeks to enforce good governance norms in the functioning of the Act. It safeguards the rights of the common people by sharing with the planning, execution, monitoring and evaluation process.

Social Audit is referred to as, “a process in which, details of the resource, financial and non- financial, used by public agencies for development initiatives are shared with the people, often through a public platform. Social Audits allow people to enforce accountability and transparency, providing the ultimate users an opportunity to scrutinize development initiatives,”

Since social audit is avoided by the G.P. functionaries and local bureaucrats in the study villages, the people do not have access to it. Even the contractors and other influential persons involved in the corruption chain in work execution prevent it from being conducted. Most of the

rural masses do not know about the provision of social audit. MGNREGA has not been successfully implemented for the reasons that

1. The government/G.P. level functionaries are not so committed to their accountability
2. Lack of public awareness- People hardly knock the competent authorities to get work on demand as per the provision
3. The contractors or the unauthorized middlemen act to the detriment of workers' right in terms of labour-engaging and payment of wages.
4. Transparency is not maintained at the grass roots level.
5. The efficiency and effectiveness of the MGNREGA is questioned due to the mala fide intention by the public representatives at the local level and the grass root bureaucrats.

Thanks to the initiation of the process of bringing in effectiveness in the MGNREGA by the government of Odisha very recently. Beginning 2nd October, 2012 awareness programmes were organized on a massive scale and *Gram Sabhas* were organized very effectively in all villages throughout the state.

Suggestions for improvement:

1. Conduct of Social Audit with adequate participation of the beneficiaries should be done regularly.
2. MGNREGA works should be properly planned to adjust with time so that work schedule does not clash with the period of MFP collection, migration, peak agricultural activities. The digging of village pond and farm pond should not be undertaken during rainy season to elude workmen days.

3. Job cards provision should be disseminated among the people by creating awareness that all irrespective of APL or BPL families are entitled to hold it.
4. There should not be any use of equipments as a substitute of labour.
5. For ensuring livelihood security, financial assistance to form groups to work as cooperative entities in addition to guaranteeing employment through MGNREGA will be more effective.
6. Government should also promote permanent employment generation activities. In addition to MGNREGA, Government owned and regulated farm house, dairy, packaged drinking water, etc. to provide permanent engagement on the basis of cottage industry employment generation/small scale to the maximum such families. The plan should be along SHG lines.
7. Entries in the job card must invariably be done and payment be done regularly without delay.
8. Mortgage and exchange of job card should be strictly taken care of.
9. Most people do not get information about MGNREGA works. Hence there should be proper dissemination of information, through loudspeakers or otherwise.
10. Erratic payment in MGNREGA should be dealt with seriously. As the families need immediate redress mechanism to meet their survival necessities, they can not wait for such a long duration of 3 to 6 months for payment. Moreover, the probability of receipt of the dues is uncertain. Contractors and middlemen in the process should be completely eliminated and the G.P. level functionaries should not act as their substitute.
11. The payment of wage and unemployment allowance should be strictly paid through the bank or post office accounts.
12. Instead of guaranteeing 100 days manual work to each household, efforts should be made to divide the 100 days by 12 months and accordingly the families should be provided 8 days of

work every month. This will ensure regularity of their employment and regular income. This is because, in most cases, the labourers get jobs in two or three tranches to complete the total 100 days if possible to get. The rest periods they remain idle or migrate. Three times engagement with adequate gap among the turns does not allow them to escape misery. Moreover the strategy of work allocation throughout the year with monthly allotments can check seasonal movement of workers more effectively.

13. Display of muster rolls on the notice boards must invariably be done.

14. Grievances redress system at the local level need to be strengthened to ensure justice to the workers. A committee may be constituted in each village comprising some educated persons to decide upon different labour issues concerning MGNREGA and also to help the labourers in the social audit procedure.

Conclusion:

However, mass consciousness is the need of the hour. The role of government as the formal actor in the process of good governance is important by ensuring that those who violate the act are subjected to legal action. The role of informal actors, if unwarranted, should be completely wiped out and the deserving beneficiaries should be directly benefited. The process of participatory decision making must be disseminated among the people to safeguard their basic entitlements through MGNREGA.

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