

Opinion - Leader Page Articles

Delivering on the employment guarantee

Mihir Shah

The black box of the Schedule of Rates should be opened and the rates revised upwards urgently in a transparent manner.

ON FEBRUARY 2, 2006, the most ambitious rural employment guarantee programme ever attempted was launched in 200 districts of India. Based on the National Rural Employment Guarantee Act (NREGA) passed by Parliament last year, it makes work a constitutional right for millions of rural unemployed in the country. In an atmosphere scorched by farmers' suicides and starvation deaths of children, the programme has raised the hopes of the poorest and most neglected people of India. Apart from the work guarantee at statutory minimum wages, the unique features of the programme include a ban on contractors, as also a restriction on the use of labour-displacing machines.

Early reports from the districts where the programme has been initiated speak of problems in providing labourers their legal entitlements. Workers are unable to earn minimum wages. As Adviser to the Commissioner (appointed by the Supreme Court in the Right to Food case), it is my responsibility to monitor the functioning of the NREG scheme in Madhya Pradesh. I have just received a report that labourers who had applied for employment under the scheme in Dhar district refused to come to work when they found the wages too low. Similar accounts are coming in from across the country. Apart from instances of deliberate non-payment that can be conceivably overcome through social audits and civil society action, there appears to be a genuine difficulty, a deep contradiction at the heart of NREG implementation. And that lies in the way work done by labour is measured.

Ever since Independence, work done on rural employment programmes has been measured through the Schedule of Rates (SoR). This is a schedule that provides rates at which work done by labour is to be valued. People are paid according to the value placed on their work by the SoR. How the rates in the Schedule are arrived at and how the SoR is used is neither very well known nor easily amenable to popular understanding. But what the SoR contains can make or break the interests of those who get work under NREG scheme. Based on their experience of watershed work on half a million acres, my colleagues P.S. Vijay Shankar, Nivedita Banerji, and Rangu Rao have shown, in a recent article in the *Economic and Political Weekly*, that the way the SoR is presently conceived makes mechanisation and the use of contractors almost inevitable. And payment of minimum wages virtually impossible. They say this on the basis of a careful study of the SoR of nine States where the NREG scheme is implemented.

The SoR is brought out by State Government departments that have implemented public works programmes over the years. Historically, these have been relief and welfare programmes dependent on the munificence of the state, generally executed by contractors. But the NREGA is different. For the first time, it is workers who have to demand work and the state is legally obliged to provide it to them. The entitlements under the NREGA are legally enshrined in the Constitution. It is not inconceivable, therefore, that courts all over the country are flooded with public interest litigation by aggrieved workers alleging violations of the NREGA. That is why there is an urgent need to reform the SoR to bring it in line with legal entitlements under the NREGA.

The notions of "average" underlying the SoR are endemically unjust. The quantum of work performed by a

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दिनांक 13-4-2006

क्र. सं.	सामान	प्राप्त			बेचान						शेष	
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1	Tsooml दूध पाऊच	-	-	-	15	-	-	-	-	-	-	-
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5	सादा छाछ	17	-	17	4	5	20	-	-	20	5	12
6	नमकीन छाछ	7	-	7	3	1	3	2	6	9	3	4
7	दही	2	-	2	5	2	10	-	-	10	2	-
8	लस्सी	25	-	25	5	1	5	-	-	5	1	24
9	श्रीखंड	16	-	16	7	7	49	1	7	56	8	8
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13	रसगुल्ला	6	-	6	60	-	-	-	-	-	-	6
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स्टोर कीपर

hypothetical average worker acts as the implicit productivity norm for all workers to adhere to. To earn the statutory minimum wage, each worker has to work at a pace equal to that of the average worker. The slower he or she works, the wider will be the gap between actual earnings and the statutory minimum wage. Many factors specific to the location of work could be responsible for slowing down the pace of work. Earthwork excavation takes place across geological strata that vary in hardness and compaction. Geological strata in hard rock areas vary quite substantially within even a small micro-watershed. The various SoR now are unable to address these variations as they lump strata into a few categories. But nature cannot be straitjacketed in this manner. The problem becomes very acute when there are sharp jumps in rates of excavation between strata. Rates need to be devised in a more location-specific manner reflecting more accurately the graduations in geological strata.

Average rates prescribed in the various SoR also have no reference to the climatic conditions where work takes place. For instance, in areas characterised by hot summers, work slows down considerably during peak summer months. In coastal plains and hot sub-humid regions, humidity can be a very important factor reducing the quantum of work done in a day. None of these considerations is factored into the SoR of these areas. The underlying notion of the SoR is also that the workforce is healthy and capable of hard work ("good workers"). The daily productivity of a poor, malnourished and physically challenged worker will be lower than this average. Hence, even when the SoR is strictly implemented, such persons ("slow workers") get weeded out. The notion of the average worker does not allow for gender and age differences in productivity. Studies have shown that particular communities such as the Primitive Tribe Groups (like the Sahariyas in Madhya Pradesh and Rajasthan) have for a variety of historical reasons inherited a weaker constitution. In all such instances, payments should be made only on time-rates and no reference should be made to the Schedule of Rates. Special provisions for extra rates above the normal should be provided in the SoR for work undertaken in severely drought-prone, malnourished, hazardous, disability-prone, and tribal areas.

In all such cases, contractors would typically pay less than minimum wages on the grounds that "the workers have not worked enough." Alternatively, the contractor would extend the working day so that the average productivity norm is achieved. At times, this happens "invisibly," whereby the productivity target is given to a group of workers and they are asked to do it "at their convenience."

This means that the time taken for the task is not reflected in the payment made or in other words, no compensation is provided for "overtime" work. Unpaid work is sometimes also increased by contractors employing children. If we want to prevent this under the NREGA, the labour rates in the various SoR will have to be revised upwards.

Outdated minimum wages

The task rates in the SoR are supposed to be derived from the statutory minimum wage of the district. But since the SoR is revised only once or twice in a decade, the rates are often pegged to very outdated minimum wages. A standard indexing procedure needs to be followed by which SoR must always be raised in tandem with the rise in statutory minimum wages.

Very often the list of tasks in the SoR includes composite items within which many different activities are lumped together. At times certain activities are not mentioned at all. Many of these end up becoming under-paid activities. There is a need to break up these kinds of composite items into distinct activities, many of which have (or need to have) separate rates within the SoR. The most onerous sub-activity should be pegged at the minimum wage. SoR contain an in-built incentive to replace labour with machines. Since the productivity of machines is higher than that of labour, the required quantity will be achieved faster and at a lower cost by employing machines. Once machines are banned, with the existing rates it will be impossible to meet the costs of employing labour that is paid minimum wages.

If rates are not revised upwards, village panchayats that pay statutory minimum wages and avoid using machines under the NREGA will find it impossible to complete works within their sanctioned costs. This will act as an incentive for corrupt practices, such as exaggerating the physical quantity of work done. Outlays will not be matched by outcomes (except on paper). Or labourers will not get their due.

Indeed, the entire process of arriving at these rates needs to be made much more transparent and participatory. The making and revising of the SoR is entirely shrouded in mystery. The SoR never comes out in the open about how rates for different works are arrived at. This is a highly centralised departmental affair. The SoR generally prescribes a "Competent Authority" (usually a Government Executive Engineer) who can effect a change in it.

Under the NREGA, a working group should be set up in each district to carry out this exercise. This group should include village and district panchayat representatives, local NGOs, independent professionals, and government officials and engineers. The role of this group should not only be to prepare and revise the District Schedule of Rates but also to arrange for the dissemination of these rates in gram sabha meetings across the district. Only this way can the black box of the SoR be opened up and a check placed on a major source of corruption.

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Subject: RE: [ncpriworkingcommittee] Agenda for WC meeting on 18 May
From: Trilochan Sastry <trilochans@IIMB.ERNET.IN>
Date: Tue, 16 May 2006 10:03:19 +0530
To: ncpriworkingcommittee@yahoogroups.com

Dear Shekhar,
We decided to do some work on JNURM and other privatization projects using RTI and other means. The majority of the group's members are not part of NCPRI. It may not be correct to say this is being done on behalf of NCPRI since this has not even been discussed in our meetings. While I can occasionally provide information and seek help of NCPRI, it may be better if we do not say that this work is being done by me or on behalf of NCPRI. It may create problems in the work if others who are not part of NCPRI and are doing a lot of work object. In fact let me take this opportunity to ask other NCPRI members that if they are aware of large projects under privatization, subcontracting leasing out and so on in their area, please inform me. thanks.

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-----Original Message-----

From: ncpriworkingcommittee@yahoogroups.com
[mailto:ncpriworkingcommittee@yahoogroups.com] On Behalf Of shekhar singh
Sent: Monday, May 15, 2006 9:08 PM
To: NCPRI WC
Subject: [ncpriworkingcommittee] Agenda for WC meeting on 18 May

Dear WC members,

The agenda papers are enclosed. The meeting will begin at 11 am (on Thursday, 18 May, at C 18A Munirka) and would most likely go on till the evening as we have a heavy agenda. As lunch is being organized, I would be much obliged if you can confirm your participation.

Thanks.

Shekhar

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