

## **NREGA – AN IMPERIALIST DESIGN?**

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The Mahatma Gandhi National Rural Employment Guarantee Act, 2005 (MGNREGA) was notified on September 7, 2005. The mandate of the Act is to provide at least 100 days of guaranteed wage employment in a financial year to every rural household whose adult members volunteer to do unskilled manual work. NREGA was projected as a tool to ensure inclusive growth in rural India through social protection, livelihood security and democratic empowerment.

Most of the government programs like NREGA when actually planned, are very good plans (at least on paper). The government prepares a holistic perspective for the project. From the experience of other schemes, it may be concluded that when it comes to execution, most of them fail and the NREGA scheme is also no exception. Like any other government schemes, NREGA functions through a Public Distribution System. In that case, loopholes become a part and parcel of the whole execution process. The Beneficiaries are only a very few people.

The NREGA scheme wants to provide 100 days of guaranteed employment to each rural household. Let us explore the scope of activities under this scheme. The NREGA Operational Guidelines 2013, specifies under Chapter 7, the following work and their execution under the scheme:

- i) water conservation and water harvesting including contour trenches, contour bunds, boulderchecks, gabion structures, underground dykes, earthen dams, stop dams and springshed development;
- ii) drought proofing including afforestation and tree plantation;
- iii) irrigation canals including micro and minor irrigation works;
- iv) provision of irrigation facility, dug out farm pond, horticulture, plantation, farm bunding and land development on land owned by households;
- 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 including deepening and repairing of flood channels, chaur renovation, construction of storm water drains for coastal protection;
- viii) rural connectivity to provide all weather access, including culverts and roads within a village, wherever necessary;
- ix) construction of Bharat Nirman Rajiv Gandhi Sewa Kendra as Knowledge Resource Centre at the Block level and as Gram Panchayat Bhawan at the Gram Panchayat level;
- x) agriculture related works, such as, NADEP composting, vermicomposting, liquid bio-manures;
- xi) livestock related works, such as, poultry shelter, goat shelter, construction of pucca floor, urine tank and fodder trough for cattleshed, azolla as cattle-feed supplement;
- xii) fisheries related works, such as, fisheries in seasonal water bodies on public land;
- xiii) works in coastal areas, such as, fish drying yards, belt vegetation;
- xiv) rural drinking water related works, such as, soak pits, recharge pits;
- xv) rural sanitation related works, such as, individual household latrines, school toilet units, anganwadi toilets, solid and liquid waste management;
- xvi) construction of anganwadi centres.

- xvii) construction of playfields
- xviii) any other work which may be notified by the Central Government in consultation with the State Government.

The following works and activities are categorically excluded from the scope of the scheme:

- i) agriculture operations such as land preparation, ploughing, sowing, weed removal, turning the soil, watering, harvesting, pruning and such similar operations
- ii) Agriculture operations of any nature for food grain crops, vegetables, floriculture etc.

The above list and negative list of works clearly demonstrates that NREGA has limitation in improving the rural economy as scope of activities will shrink with days to come as those are mostly aimed at creating short-term assets without any long-term planning for sustainability. After a few years, there will be no scope of further creation of such short-term assets and the scheme for which it was designed i.e. 'inclusive growth' is bound to falter.

The functionality of NREGA should also be introspected to get a clear picture of the benefit(?) to the rural people. The 232 page document on MGNREGA Operational Guidelines containing do's don'ts, rules & regulations, quality management, information system etc. is itself a cumbersome document and unpalatable to the poorly literate rural society. Therefore, like other government schemes, in most cases the middleman comes into picture. Let's have a look at how the whole execution system functions. As per the guidelines of NREGA, it will be difficult for a village panchayat to plan, estimate and prepare DPR for such projects (Section 7.8.2 of the guidelines states that "Details of the dimensions along with activities and sub activities has to be entered for each of the types of works. As of now, work estimates of the types of works above only, can be prepared through NREGASoft"). So, a local contractor is entrusted to make plans for a public project like a school or hospital or anganwadi centre in the village. The contractor takes all the pain(!) to do it himself and places it for approval under the NREGA scheme and gets funds sanctioned say for about 100 labourers for a period of three months. He gets Rs.60 per day per person on the approval of the project. Now at this stage, there is no full-proof methodology to ensure whether the project is really happening as per the proposal or whether the whole project is a dummy one. As in many cases such constructions were taken-up by some other government schemes, the project would end up being on paper and the contractor benefiting from this money. Simultaneously, the contractor has to ensure that the labourer and the local leaders do not make any hue and cry over it. Some 'loud voices' within the village are identified so that they speak for the project and the daily labours are compensated for doing no work. In the Indian society, the weaker ones never get to voice out their opinion. Also due to lack of awareness among villagers or due to the benefit achieved by getting money without any work, there is no protest against such misdemeanor.

The above example will definitely indicate that the National Rural Employment Guarantee Scheme is a bane in the form of boon. In 2011, Government spent almost Rs.40000 crores on NREGA. While there is no doubt that NREGA has helped improve rural incomes – as indicated by the sharp increase in rural wages. The ugly fact that it is also ruining work culture rather than enhancing people's ability to earn more by working more. The scheme, though aimed at guarantee of employment, actually generating more leisure than employment.

Another severe problem that is associated with NREGA is inflation. As wages rise, farm labour costs and shortages rise, forcing the government to raise food procurement prices. But since there is no scope in NREGA to raise agricultural productivity, prices have gone up. Easy money from NREGA has reduced people's urge and need for work. Instead of engaging themselves in works related to their traditional skills, they feel satisfied with the current level of income. This absenteeism from the traditional vocations has raised the wage levels in those trades.

Also there was dramatical fall in self employment. The CRISIL centre for Economic Research<sup>1</sup> in 2011 has observed that between 2005 and 2010 the addition in jobs was 27.7 million but the number of self-employed people decreased by 25.5 million. This restricted the increase in number of employed people to 2.2 million. Whereas during 2000 and 2005, overall employment in India increased by 92.7 million in which self-employed segment had expanded by 65.5 million. This decline may be the fall-out of people simply giving up skilled jobs to take up unskilled employment under NREGA. They would have done this because the latter offered better terms. However, the purpose of a social security measure is not to get people off a real job and onto dole, but to help them when they don't have any other means of earning an income.

In some of the cases, NREGA may also be attributed to some social evils. The easy-earned money without any labour is mustered just by giving attendance. The record keepers have to manipulate records to show that work has been done and payment has been disbursed as they are stressed to furnish utilization certificate within a stipulated time. Such manipulations are bound to generate corruption among the beneficiaries and the controlling authorities. Also as the rural people are enrolled under the NREGA programme just for attendance and as there is no work to perform, they stay at home and earn Rs.100/- per day. A major part of this easy-earned money is spent to consume liquor and statistics shows that the state of Andhra Pradesh, where NREGA programme has been depicted as success, liquor worth Rs.15000 crores is sold in a year. It is easy to guess how NREGA is benefitting (!) the rural population.

The loss of productive livelihood is another curse attributable to NREGA. In rural areas of India, people are mostly engaged in agriculture and some in traditional artisan trades. The 'no-work but earn' scenario has made them averse to their traditional and skilled activities. It is needles to mention that even agriculture needs traditional skills. This negative attitude to their traditional livelihood option and long absence from those activities will ultimately convert them to unskilled labour. To cater to the need of society, those traditional workforces will be replaced by machinery and mechanization. As an example, due to non-availability of agricultural labour at affordable price, the farmers are gradually inducting farm machinery to continue with the agricultural activities. In some cases due to fund constraint they are unable to arrange the machinery and selling their land at a premium price. The money obtained by selling the land is kept in fixed deposit of banks / financial institutions to earn interest. The number of dubious financial institutions is on rise and they are luring the hapless farmers with hefty return on their deposits and ultimately, in many cases, duping them.

Significantly the Department of Agriculture, Govt. of India, recently launched a Sub Mission on Agricultural Mechanization (SMAM) under National Mission on agricultural Extension & Technology with a financial overlay of Rs.2000 crores during the 12<sup>th</sup> Five Year Plan. The scopes of the mission among others are (i) Increasing the reach of farm mechanization to small and marginal farmers, (ii) Establishment of 'Custom Hiring Centre' to offset the adverse economies of

scale arising due to small landholding and high cost of individual ownership, (iii) Passing on the benefit of hi-tech, high value and hi-productive agricultural machinery to farmers through creating hubs for such farm equipment.

In a recent research report in USA titled "India Agricultural Equipment Market Outlook to 2017 - High Labor Scarcity and Government Subsidies Driving Agricultural Mechanization" it has been stated that:

- (a) The Indian agricultural equipment market is experiencing a rapid growth with expected strong potential for future growth as well. In the year 2011, the demand for agricultural machinery in Asia-Pacific region was more than twice than in any other region. In Asia-Pacific, India has remained one of the primary nations which fuelled the growth of the agricultural equipment market. The tractors, power tillers, combine harvesters and rice trans-planters are some of the equipments for which a surge in demand has been witnessed over the past few years.
- (b) The tractors market in India has grown with a CAGR of 11.8% during FY'2006-FY'2012
- (c) The combine harvesters market in India have grown by a CAGR of 28.9% since FY'2006
- (d) The future growth of the threshers market is estimated at a CAGR of 5.2% during FY'2013-FY'2017
- (e) The rotavators market in India is expected to grow at a CAGR of 20.4% from in FY'2013

In a Nordic collaboration project, researchers from Norway, Sweden, Denmark and Finland aim to find out more about the soil's tolerance for load and the environmental consequences of soil compaction due to use of heavy machinery in agricultural fields. The findings are as follows:

- a) Heavy agricultural machinery results in more permanent damage to the soil than previously believed. This may lead to poorer crop yields and increased pollution from agricultural land. The result is called soil compaction and it concerns the negative effect of driving heavy machinery on soil that is used for growing plants.
- b) Soil compaction is characterised by increased density of the soil, reduced air volume and a reduced ability to drain off surplus water. Compaction of the soil reduces the land's long-term ability to produce food. Poorer soil structure leads to more erosion and greater loss of nutrients and pesticides.
- c) Compaction in the surface soil (0-25 cm) can reduce the crop yield by 5 to 15 per cent. This problem will be temporary if the soil is properly managed afterwards. However, in layers of soil that are located more than 50 centimetres below the surface, the yield reduction can continue on to the next generation, or, in the worst case scenario, forever.
- d) Poorer soil structure reduces the effect of added nitrogen. In compacted soil, the plants are only able to absorb between 60 and 65 per cent of such substances. Moreover, compacted soil loses nitrogen to the atmosphere more easily because nitrate is converted into nitrous oxide, which is a greenhouse gas.

If an analogy is drawn from the NREGA program, the Sub-mission of the Agriculture Department of Govt. of India and the above Research Reports, it may be concluded that:

- i) Rise in use of farm machinery is by design and is definitely the fall-out of the rise in un-productive and unskilled workforce in rural areas created by the NREGA programme that was launched in 2005.
- ii) In a country like India where it is not expected that the farm machinery will not be used in a scientific and judicious manner, the productivity of land is bound to fall in years to come causing food-shortage
- iii) The ultimate target of the NREGA may not be social welfare but opening the huge agricultural market to transnational companies who are manufacturer of farm machineries. The long term target may be to make India a food-deficient country and thus dependent on external world to meet the demand of its vast population.

Now what will happen if India cannot continue with the NREGA programme due to financial or political reason after some years? The consequences will be far-reaching. Firstly the rural people will lose their easy earning option and will become agitated. Secondly, since they have by now lost their traditional skills due to non-performance, they cannot find any means of engagement or self-employment. As by that time manpower has been replaced by machines, those people will get no scope for engagement as manual labour also. This will create a huge and unprecedented unrest in the country, in much delight of the imperialist countries – who will be all-out to cash the riotous situation. The whole country will riddle under joblessness, lawlessness and anarchy. Therefore, It may be concluded that the well-crafted so-called social welfare programme called NREGA is nothing but a meticulous imperialist design to destabilize the largest democracy in the world.

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<sup>i</sup> [http://crisil.com/pdf/corporate/EmploymentInsight\\_CRISILResearch\\_Aug2011.pdf](http://crisil.com/pdf/corporate/EmploymentInsight_CRISILResearch_Aug2011.pdf)