

Chapter-1: About the Study

1.1 Background-

1.1.1 NREGA comes on the scene: Series of Schemes, one after another, with an aim to provide wage employment to the manual workers in rural areas had come into operation both at national level and in States ever since India adopted a planned process of development in the wake of attainment of independence from British rule. However, except the State of Maharashtra that experimented for some time the idea of replacing a Government orchestrated rural employment scheme by a full fledged law providing for the workers entitlement to manual jobs as a matter of right, the country on the whole experienced the implementation of a series of schemes, each given a distinct title along with a specific set of physical targets and financial allocations. The latest instances of such schemes operating at national level prior to the enactment of NREGA are SGRY (Sampoorna Grameen Rozgar Yojana) and NFFWP (National Food For Work Programme).

1.1.2 A unique legislation: The enactment of NREGA (National Rural Employment Guarantee Act) 2005 can be viewed as a watershed in the transition from the era of Government-driven schemes to that of legally enforceable workers' entitlements in the field of rural employment. The chief rationale for introducing an altogether new law called 'The National Rural Employment Guarantee Act 2005' through the Parliament covering the whole country has been spelled out in the Preamble of the Act thus, 'An Act to provide for the enhancement of livelihood security of the households in rural areas of the country by providing at least one hundred days of guaranteed wage employment in every financial year to every household whose adult members volunteer to do unskilled manual work and for matters connected therewith or incidental thereto'. As evident from this pronouncement, the core concern of this new law is to provide a guarantee to each rural household of the country of not less than hundred days of manual wage employment in a year with a view to improve the security of their livelihood. Of course, in the earlier regime of rural employment schemes introduced by the Government, the expression 'guarantee' formed a part of the title of some such schemes. But it in effect didn't carry by implication any legal problem for the State even if the promised guarantee was not translated into reality. But as one learns from the explicit provisions made under Section 7 of NREGA, the word 'guarantee' has a legal tag. If a person having applied for the manual job is not given the job within the stipulated period shall be awarded with unemployment allowance by the State, for which he needn't have to apply.

1.1.3 Phased enforcement at national level: NREGA after being passed in Parliament received the assent of President on 5th September 2005 and got notified two days later on Official Gazette dated 7th September. As envisaged in the Section 1(3) of the Act, the new Act would take effect covering all the rural districts of the country within 5 years of the date of its enactment. In fact, by now all the rural districts of the country have already come under its coverage, of course, batch after batch in 3 Phases. The First Phase commencing 2nd February 2006 covered 200 districts of the country including 19 from Orissa, while additional 130 districts including 5 of Orissa were covered in the Second Phase commencing 15 May 2007, and the remaining 266 districts including 6 of Orissa were covered under the Third/Final Phase with effect from 1st April 2008.

1.1.4 Phased coverage of districts in Orissa: In the 1st Phase commencing 2nd Feb. 2006, such nineteen Districts of Orissa were covered under the Act as Bolangir, Boudh, Deogarh, Dhenkanal, Gajapati, Ganjam, Jharsuguda, Kalahandi, Kandhamal, Keonjhar, Koraput, Malkanagiri, Mayurbhanja, Nawarangapur, Nuapada, Raygada, Sambalpur, Sonpur &

Sundargarh. In the 2nd phase commencing from 15th May 2007 five more Districts were included under the purview of Act namely Angul, Balasore, Baragarh, Bhadrakh and Jajpur. In the 3rd phase commencing from 1st April, 2008 remaining six Districts were included, such as Cuttack, Jagatsinghpur, Kendrapada, Khurda, Nayagarh and Puri.

1.1.5 Mandate for the States: The NREG Act 2005 stipulated that within six months of its enactment every State Govt. should formulate and notify a scheme to operationalize the provisions of the Act, especially giving effect to the minimum features and workers entitlements mentioned respectively in the Schedule-1 and Schedule-2 appended to the Act. The Act further stipulated that until such notification is made, the money allocated under NREGA would be spent as per the norms of the then continuing rural employment oriented schemes of Govt of India such as SGRY or NFFWP. It was however found that though Govt. of Orissa proclaimed with much fanfare the inauguration of NREGA-2005 with effect from 2nd February 2006, it continued to spend the NREGA money in accordance with the older schemes as and where these were in operation. In fact, the notification of the Scheme proper by the Govt. of Orissa under the nomenclature 'Orissa Rural Employment Guarantee Scheme 2006' came much later i.e. on 16th of December 2006. Besides the Govt. of Orissa didn't give any publicity to the provisions of the OREGS as it should have as per the obligatory mandate of the Section 4 of the Act. Further the Government of Orissa in the Department of Labour notified the revised rate of minimum wages for unskilled workers, which came into force with effect from 1st May 2007 along with its applicability to NREGA workers. It is worthwhile to mention further that the Operational Guidelines brought out by the Ministry of Rural Development, Govt. of India did also carry in its Appendix-1 a list of salient provisions constituting a possible framework for a state scheme. While controversy was raging within and outside the Orissa around the alleged bungling of NREGA money, an obvious question was raised by a section of civil society groups as to how far the OREGS-2006 notified on Orissa Gazette and renamed subsequently as NREGS, Orissa squired upto the mandates and expectations of the Act and Operational Guidelines.

1.1.6 NREGA in Orissa derailed since inception: Ever since NREGA came into operation in Orissa; it has remained a hot subject of controversy and criticism in the media and as well in the official and non-official circles. The first exposure of a mega scale embezzlement of NREGA funds was done by Sri Parshuram Rai of CEFS, New Delhi in his study report released on 17th August 2007. Soon after this, at the instance of the Govt of India, C&AG the national auditing agency made a performance audit of the NREGA process in different States of the country including Orissa to find out the nature and magnitude of lapses committed by executing agencies at different levels. And as irony would have it, the draft C&AG report, published in December 2007 did make a scathing criticism of the erratic manner involving numerous cases of misappropriation and manipulation with which NREGA had been implemented in Orissa and as well in some other States. Another study on NREGA in Orissa was undertaken during this time i.e. by the noted economist Dr. Jean Dreze and his group, the interim report of which came out on 21st October 2007. This report didn't comment on the magnitude of corruption or misutilisation of NREGA money, but admitted that as many as 40% of the names mentioned in the workers' muster roll were ghost entries and the implementation of the Act in Orissa suffered from ten major loopholes that called for immediate remedial action on the part of the administrative authorities at different levels. Faced with persistent serious criticism from within the Government and outside the Government of Orissa commissioned a more comprehensive study i.e. by National Institute of Rural Development (NIRD), Hyderabad, an autonomous agency of Govt of India in November 2007 with a view to dispel the doubts from public mind, created by the preceding reports, about its role in the derailing of NREGA. But as irony would have it again,

this official report too didn't spare the Govt of Orissa from the blemish of corruption and misfeasance that the preceding ones had underlined.

1.1.7 Orissa's NREGA Scam reaches the Supreme Court: Despite the repeated exposure of NREGA scams in Orissa, made through several official and non-official agencies, the Government of Orissa continued to remain unresponsive to charges made against it. In this backdrop a petition was filed by the Delhi-based Centre for Environment and Food Security (CEFS) in the Supreme Court for issuing appropriate directions to the Centre and State governments including Orissa to ensure effective implementation of the NREGA and the proper utilization of the funds allocated for the same. On 15th May 2008 the Supreme Court issued notice to the Central Government and all the State Governments including Orissa to file their response on the charge of widespread corruption in process of implementation NREGA. The petition quoted the findings of the CEFS field survey conducted in sample 100 villages of Orissa's 6 KBK districts, which had revealed that out of Rs 733 crore spent under NREGA in Orissa during 2006-7, more than 500 crore was siphoned and misappropriated by the contractors and corrupt government officials thereby denying crores of poor people their Fundamental right to livelihood. The petition prayed inter alia for ordering a CBI probe or a thorough enquiry by a special commission of enquiry to be appointed for the purpose into the charges of corruption and misfeasance, particularly around NREGA in Orissa. The petition also urged the apex court to hold the Chief Secretary of a State and concerned District Collectors primarily responsible for corruption of NREGA money and subject them to disciplinary action as deemed appropriate. While the apex court is yet to deliver its verdict, the whole country including Orissa, are eagerly looking forward to hear it.

1.2 Mission of the Study

1.2.1 The leitmotif for the current study: Given the cloudy scenario that prevailed all through the process of implementation of NREGA in Orissa and that too thanks to series of exposures made by both official and non-official bodies, there was little doubt in public mind that corruption of NREGA money and consequent deprivation of the rural workers of their legitimate entitlement was more or less an incontrovertible truth, that deserved concerted remedial response on all hands rather than a self-defensive exercise on the part of the Government to push it under the carpet. The current study while taking the earlier studies as its point of departure, did therefore decide to address to the moot problematic of NREGA process in Orissa i.e. how was it that despite a considerable number of legislative and quasi-legislative instruments there being in place such as the NREG Act, Operational Guidelines and NREGS Orissa coupled with a large and powerful hierarchy of administrators from State Secretariat down to Block Office constituting the monitoring mechanism, the lion's share of NREGA money could be siphoned off to a league of corrupt officials and contractors instead of reaching to the poor rural households who were entitled to it.

1.2.2 Search for Answers: As already mentioned, the main thrust of the study was to find out the status of implementation of NREGA in Orissa, not so much in quantitative terms, but in regard to its compliance or lack of it to the legally enforceable mandates of the concerned legislative and quasi-legislative instruments made under the concerned Act. In furtherance of the need for getting a more definite and creditable response on this important question, a six-month period from 1st April to 30th September 2008 of NREGA process in Orissa was chosen as focus of the study. More specifically speaking, the current study aimed at finding answers to the following questions centring round the performance of NREGA in Orissa-

- How far the operational process of NREGA in Orissa during the above 6-month period accorded with the letter and spirit of the Act, Operational Guideliness and State Scheme;
- How far the Scheme notified under NREGA by the Orissa Govt. accords with the mandates of the Act and Guidelines; and
- How far the authorities designated at different levels under NREGA acted in consonance with the provisions of the Act and Guideline.

1.2.3 Search for Incongruity if any: Like any other sample study of a beneficiary-oriented State programme, the primary aim of the present study was to conduct a reality check at the ground level in a randomly chosen but representative set of areas, and then compare the findings so derived with the officially projected data on the Internet and other media, and if any discrepancy of serious nature be discovered between the two, analyse the same on the basis of the norms and parameters laid down in the legislative and/or quasi-legislative instruments of the State made for implementation of the concerned scheme.

1.3 Modus Operandi of the Study

1.3.1 The Choice of sample Districts: Though the proposed study sought to identify the dominant trends that mark the process of NREGA implementation in Orissa as a whole, the limited time-span and available resources didn't permit the coverage of all the 30 districts of the State within its compass. From the standpoint of feasibility alone, only 10 Blocks belonging to 9 sample districts were taken up in respect of collection of primary data. However, while analyzing the findings from such sample areas, the laws, rules, schemes, guidelines and other such instruments which have been framed at national level for application to the country as a whole or by the Government of Orissa for application to the State as a whole were taken into account. It needs now to be explained as to why the choice of the Study fell on the particular set of 9 districts as its universe. In fact, the need for a combined consideration of more than one criterion went into the choice of the districts in order to lend a representative character to the findings of the study. The first criterion was geo-political. Orissa may be geo-politically divided into 4 regions, such as coastal, central, western and southern. One or more districts from each geo-political region were selected. For instance, Puri falls under Coastal while Dhenkanal and Angul under Central, Sundargarh, Sambalpur and Nuapada under Western and Gajapati, Nawarangpur and Malkangiri under Southern region. The second criterion meant to cover districts from each of the 3 successive Phases of NREGA implementation. For instance, Puri entered into NREGA process in the latest, that is, 3rd Phase, while Angul in the middle i.e. 2nd Phase and remaining districts in the 1st Phase. The third criterion was the relative forwardness or backwardness of the Districts to be chosen. For instance, Malkangiri represented the lowest rung in the socio-economic profile of the state, while Angul represented the middle and Puri the upper one. The fourth criterion was the demographic profile of the districts. The tribal population, which constitutes a sizable chunk of Orissa's demography i.e. about 22% of the total is concentration in some districts compared to others. For instance, districts such as Malkangiri and Nawarangpur were chosen for the highest concentration of tribal population, while Dhenkanal and Angul for having a marginal size of tribal population and Puri for having almost nil of tribal population. At this stage it needs to be mentioned that out of 9 sample districts chosen, the district Nuapada dropped out midstream from the study process owing to some difficulties faced by VISWAS, the partner NGO, which had been entrusted with the responsibility for the said district. As a result, ultimately, a total of 8 districts covering, as we shall just see, 12 Blocks constituted the broad geographical universe of the study.

1.3.2 Choice of the Survey sites-

Further, broadly speaking, from each of the 8 districts a single block was chosen except two cases. In case of Gajapati district, two Blocks namely Mohana and R.Udayagiri and in case of Sundargarh district four Blocks, namely Sadar, Kuarmunda, Lahunipada and Koira were chosen. Again in each Block, broadly speaking, four GPs were taken as sample areas, with the exception of Sundargarh, where two GPs were selected from each Block. Further down the line, in each GP two villages were selected for focused attention in respect of data collection and interaction. Thus a total of 72 villages from from the 36 GPs belonging to a total of 12 Blocks in the selected 8 districts of the State were adopted for the purpose of study.

While selecting the two villages from each GP the following considerations were kept in view-

- One village where NREGA has been reportedly implemented with relative success, and another village where the implementation of NREGA is almost a non-starter;
- One village located far-off form the GP headquarters, while another in its vicinity;
- One village where ST or SC population preponderates, and another village where such marginalised population is low.
- In respect of districts having hilly terrains such as Gajapati, Malkangiri and Nabarangpur, one village from the hill-top area while another from the hill foot.

The following Table presents district-wise list of Blocks and GPs along with a list of two villages from each GP selected for the purpose of study.

Table: List showing 78 villages distributed GP-wise in 9 Blocks under 8 districts

Sl.No	Dist & name of partner agency	Block	Gram Panchayat	Village
1-A	Gajapati,UDYAMA	Mohana	Mohana	Mohana
				Badakhani
			P. Govindapur	P. Govindapur
				Badamalai
			Merapalli	Merapalli
				Bhaliasahi
			Malasapadara	Malasapadara
				Halapanka
1-B	Gajapati, SWWS	R. Udayagiri	Sabarapalli	Sabarapalli
				Anjarsahi
			Chhellagada	Purunadhia
				Chhellagada
			Sialilati	Poipani
				Silailati
			Mahendragada	Suguba
				Mahendragada
2	Nawarangpur, AVA	Tentulikhunti	Patrapur	Patraput
				Boriguda
			Anchalaguma	Jhodiaguda
				Nuagada

			Jhariguma	Biriguda
				Kenduguda
			Kantagaon	Gandiguda
				Kusanaguda
3	Dhenkanal, SSS	Sadar	Dhirapatana	Krushnaprasad
				Kamadhenukote
			Bhapur	Sabarasahi
				Mahulapunji
			Mangalpur	Sabarasahi
				Juargasahi
			Talabarakote	Siaria
				Talabarakote
4	Anugul, CDS	Bansapal	Kanjara	Kanjara
				Mahar Sahi
			Talmul	Garh Talmul
				Talmul Sasan
			Sakosinga	Sakosinga
				Kuio Balisahi
			Bonda	Bonda
				Jhajiribahal
5	Puri, SWAD	Satyabadi	Sandhara	Nuasahi
				Jayarampur
			Nua Someswarpur	Pandasahi
				Bariksahi
			Dugal	Atheisa
				Badahata
			Mahura	Alikia
				Ranganisahi
6	Sundargarh, YAVARD	Sadar	Lahandabud	Baghanipani
				Lahandabud
		Kuarmunda	Jharbeda	Tangrani
				Chatain
		Lahunipada	Darjing	Mahura
				Balisoda
		Koira	Koira	Rengalbeda
				Nuagaon
7	Sambalpur, AWARD	Kuchinda	Salevadi	Dulesara
				Lundrudihhi
			K.Jamankira	Bada Mandoloi
				Jaladihi
			Gochhara	Harijanapada
				Guruan
			Bankey	Palssachuan
				Dumermal
8	Malkangiri, PUSPAC	Khariput	Kadamguda	Kasuguda
				Phusuriguda
			Khariput	Majhiaguda
				K. Atlaguda

			Podaghat	Sikhpally
				Amlabhadd
			Madkapadar	Gandhiguda
				Nunkhari

From each village, on an average 10 registered households each having a Job Card were chosen on a random basis for eliciting information from them through various methods. At Gram Panchayat level Panchayat leaders like Sarpanch and Ward Member and Panchayat functionaries like Secretary GP or Executive Officer were interacted with. Since the Office of Programme Officer at Block level is supposed to supervise and ensure the proper implementation of NREGS at GP level, such Block level officials as BDO-cum-PO, ABDO-cum-Additional PO and Junior Engineer were contacted and interviewed for the purpose of collection of secondary data. Moreover, in some cases, PD DRDA, who serves as the Additional District Project Coordinator under OREGS or in his absence, Additional PD DRDA was contacted for a similar purpose.

1.3.3 Sources of Information Collected - To elicit relevant information from all the 3 levels of respondents such as Workers at village level, people's representatives and executive functionaries at GP level and Officials at Block level, both pre-set questionnaires and open-ended discussions with them were used. As a matter of fact, all the information relating to the study was sourced through the following means-

- Interaction with NREGA workers in their respective villages.
- Focus Group Discussions at village level.
- Collection of Primary and Secondary data using questionnaires.
- Interaction with Panchayat representatives like Sarpanchs and Ward Members and with officials at GP, Block and District level.

Broadly two sets of questionnaires were used. The first one comprising 32 questions was addressed to village workers belonging to registered households; and the second one comprising 26 questions to the Officials at GP, Block and District levels. Prior to the initiation of the survey proper, the investigators were collectively trained on the use of questionnaires and the holding of focus group discussions at the village level. Further the investigators also organized village level meetings for gathering the perception and assessment of the villagers in respect of working of NREGA in their respective areas.