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## Shovelling for their supper

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The world's biggest public-works project just got bigger. In some places it is working better than many feared; but by no means everywhere.

OUTSIDE Ajit Pura village, in India's arid state of Rajasthan, 42 women and a man scrape earth into panniers, hoist the panniers to their heads, and walk the contents up to a low embankment rising on the edge of the work-site. It is designed to slow the passage of monsoon flood-water, encouraging more of the precious liquid to infiltrate Ajit Pura's dusty soil. This should help irrigate just a few peasant plots for a year or two, before the embankment is washed away. And yet, modest as that sounds, to some development wonks this site is revolutionary.

Its creation was a policy cornerstone of the coalition government led by the Congress party: a guarantee of 100 days' employment on public works each year to any rural household that requests it. As an eye-catching promise—in a country where some 260m exist below the poverty line—it helped Congress win power in 2004. And with an eye to India's next general election, due by May 2009, the party's leaders are now making brave claims for its success. Last year, operating in 330 districts, the "National Rural Employment Guarantee Scheme" (NREGS) provided 30m families with an average of 43 days' work. This month, to much fanfare, NREGS went India-wide.

India has a history of rotten public-works schemes. At best, these have produced nothing of much value: Rajasthan, a drought-prone region, is littered with their residue: ditches and dykes as mysterious in function as crop circles. Worse, public-works budgets have made easy plunder for corrupt officials. By Congress's own rule of thumb—attributed to Rajiv Gandhi, the party's murdered leader, in the 1980s and since parroted by activist and politician alike—85% of welfare spending fails to reach its intended recipients.

To devotees of the scheme, including several fiery campaigners who helped design it, NREGS is different: above all, because its provisions are enshrined in the law. Wherever it applies, Indians may demand employment as their right. If it is not provided within 15 days, they are entitled to receive unemployment benefit. What is more, many safeguards have been written into the scheme, in an effort to make it more transparent and less misused than its predecessors. To exorcise ghost workers, NREGS muster rolls are read aloud at work-sites each morning. Many of these lists are available online. To chase away dodgy contractors—a main beneficiary of some works projects—at least 60% of the funds devoted to NREGS must be spent on wages for manual labourers.

Another beauty of the scheme, for its supporters, is that these poor folk are self-selecting: only a genuinely needy man would be likely to labour under an Indian sun for 60 rupees (\$1.50) a day, the national minimum wage stipulated under NREGS. In tandem with one or two other recent efforts to hold the underperforming Indian state to account—for example, a right to information law, passed in 2005—NREGS represents for some starry-eyed acolytes the basis for a social-security system in a country that has more poor people than any other.

In Rajasthan, at least, it is working well. With its history of public works, and with fairly well-established local governments to run the scheme, the state last year came closer to honouring its prescriptions than any other. In the fiscal year that ended this March, Rajasthan provided an average of 85 days' work to some 2m households, a threefold increase in public-works employment offered by the state.

Better still, in Rajasthan NREGS employees came mostly from India's poorest groups: including 19% from dalit (formerly "untouchable") castes, and 46% from tribal groups. Nearly 70% were women. Earning 73 rupees for a day's labour—the minimum wage set by the state—they did better than their sisters working in agriculture. In 2005 the average agricultural wage for women in Rajasthan was 48 rupees a day.

In Ajit Pura, in Rajasthan's southern district of Jalor, these benefits are manifest. According to the muster roll displayed at its work-site, 19 of the 43 workers belong to marginalised groups. They include the only man, Rajesh Harijan, from the Hindu sweeper caste, who shares street-sweeping duties in the village with his brother, rotating annually. The brothers are paid for this with sporadic gifts of bread.

### Victory for digging

Another shoveller, Hiri Bawari, presents an even starker vindication of the scheme. As a temporary crutch for agricultural labourers, NREGS was designed to tide them over the lean season between sowing and reaping, and thus stanch temporary migrations to India's cities. Thereby, it is hoped, NREGS should ensure that the education of rural children is not disrupted—and in the case of Ms Bawari's children, that is so. A resident of Ajit Pura, she used to migrate to Punjab and Haryana, making and hawking plaster statues of Hindu gods. Together, Ms Bawari, her husband and their ten-year-old son used to earn 50 rupees a day for this work. Now she earns 73 rupees. Her husband earns 100 rupees as a farm labourer (happily, local wage-rates have risen, allegedly because of competition from NREGS). And the couple's three sons are in school.

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It is a hopeful tale, but not typical. In a state that has embraced NREGS, Jalor is an especially well-run district. Its top official, or district magistrate, has made several improvements to the scheme—defying local mores, for example, by insisting that at least one-third of work-site foremen are women. Elsewhere, alas, NREGS frequently offers little obvious improvement on the rotten works schemes of the past.

Enthusiasm for NREGS among state governments has been patchy, with some of India's poorest and most populous states, such as Bihar and Jharkhand, slow to adopt it. Others have politicised NREGS, viewing it through the prism of their relations with the central government: Uttar Pradesh's 180m people, for example, saw no benefit from the scheme until mid-2007, when they elected a state government less hostile to the one in Delhi.

Even where the scheme is working well, it has hiccups. Jalor, for example, is supposed to have 27 locally hired engineers, to provide technical advice to the local governments. But, in a poor district, only five engineers can be found—of whom four have in fact been dragooned from other government service.

Elsewhere, a surfeit of pointless earth embankments is the least of the trouble. A report on NREGS by an autonomous government auditor, released in January, pinpointed many examples of error and abuse. Another, by researchers at Allahabad University, estimated that 33% of NREGS wages in Jharkhand were being trousered by corrupt officials (the government disputes this). Hardly any unemployment benefit has been paid to millions of people who are currently being denied all or part of their 100-day entitlement. India's rural development minister, Raghuvansh Prasad Singh, admits some of these “shortcomings”, which arise, he says, “because so many dishonest people are there”. But he is confident that, because of the transparency and checks in the scheme, the failings will be put right in a year or two.

That the states' bad behaviour makes NREGS so far neither national nor guaranteed does at least ease one big concern: its cost. This was originally projected at \$11 billion a year. According to Mr Singh, however, though NREGS may overshoot its provisional budget of \$4 billion this year, it is unlikely to cost more than \$6 billion annually. Its opportunity cost may be another matter. According to a recent World Bank simulation, more Indian peasants would be withdrawn from poverty if the government just handed them cash—without first making them shovel dirt.

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