

What is Unemployment?

Anyone who is able and willing to work but does not find work is involuntarily unemployed. It is a condition of involuntary and not voluntary idleness.

Unemployment in India

India as a nation is faced with massive problem of unemployment. Also there has been a steady rise in the unemployment rates after 1990's. The World Bank's (2005) estimates show that 80% of India's population lives below the international poverty line of \$2 a day. Thus, in India despite the spectacular growth of the economy there is rising discontent amongst the large segments of people who do not find a place in this growth.

Experience with Past Schemes

The National Rural Employment Programme, launched in 1989, was the first of the efforts, followed by the Integrated Rural Development Programme (1981), Jawahar Rozgar Yojana (1989), Employment Assurance Scheme (1993), Jawahar Gram Samridhi Yojana (1999) and the Sampoorna Grameen Rozgar Yojana (2001).

But, NREGA goes beyond poverty alleviation and recognizes employment as legal right.

Defining Features of the NREGA

Under NREGA the government has to provide to every rural household a right to at least 100 days of guaranteed employment every year for at least one adult member, for doing casual manual labour at the statutory minimum daily wage of Rs. 60 and if the government fails to provide work on demand, it is obliged to pay an unemployment allowance. Thus, for the first time, employment was recognized as a legal entitlement in rural India as a whole.

The basic objective of the Act is to enhance livelihood security in rural areas by providing at least 100 days of guaranteed wage employment. This work guarantee can also serve other objectives: generating

productive assets, protecting the environment, empowering rural women, reducing rural-urban migration and fostering social equity, among others.

Performance of NREGA

The performance data for 2006-07 states that out of the 2.16 crore households who ought employment, 2.10 crore households (97%) were provided work of 90 crore person days, an average of 45 days in a year. Out of the Rs. 12,073 crore available for the Programme, Rs 8,823 crore (73%) was utilized.

Problems faced by NREGA

Some gaping holes that needed to be plugged immediately are:

- ⇒ **Lack of awareness:** Most rural labourers who have job cards are not aware of the fact that they must apply for a job in order to get employment under NREGA as it is a “demand-driven” programme. Out of the 3.81 crore rural households who had registered under the scheme only 2.12 crore households had demanded employment
- ⇒ **Shortage of staff:** The lack of manpower adversely affected the preparation of plans, scrutiny, approval, monitoring and measurement of works, and maintenance of the stipulated records at the block and GP level.
- ⇒ **Inadequate provision for administrative expenses:** The shortage of staff is a reflection of the fact that financial allocation for administrative expenses is yet to be raised from 2 per cent.
- ⇒ **Weak redressal procedures:** There are no explicit and automatic penalties even for gross violations of the Act, such as refusing an application for work. Stronger redressal procedures need to be put in place. The status of monitoring, evaluation and social audit was also not up to the mark.
- ⇒ **Maintenance of records** at the block and GP levels was extremely poor. In the absence of maintenance of critical registers, it is impossible to authentically verify critical questions like: How many households demanded employment?, How many households were provided employment, and for how many days?, What was the entitlement of individual households to unemployment allowance? Thus, transparency and accountability is adversely affected. Also, in the absence of these documents, the relevance of social audit is undermined.

Measures for improvement

For the NREGA to be successful and have the intended effect, greater coordination is required on several fronts. It requires the active participation of rural poor, involvement of government officials, mainstreaming of the Panchayat, and also a proactive role by the citizens to ensure effective implementation of the scheme.

- ⇒ The **Right to Information Act (RTI)** can be of great advantage, if put to use, to ensure transparency and accountability in NREGA. The RTI has been put to use very effectively by the urban educated elite. But, the poor and exploited people have not yet become comfortable in using it. The NGO's and activists should come forward and play an active role in facilitating the active participation of the poor.
- ⇒ The State Governments should be advised to ensure conduct of **Social Audits** in all Gram Sabhas twice a year.
- ⇒ State Governments must be directed to ensuring of **affixing of photographs** (at no cost to the beneficiaries) to the **existing job cards**.
- ⇒ **Online data entry of Muster Rolls** (with job-card no. and other details), **Job Card Register**, **Employment Register** (to indicate employment demanded) and **Asset Register** is essential to increase transparency and accountability, besides providing a basis for physical verification. The State Governments should be funded to employ a dedicated computer assistant for NREGA data entry at the block level, along with a PC.

Conclusion

The extension of the NREGA to the whole country, just a month from now, is one of the biggest organizational challenges any government has ever faced. It is also an unprecedented opportunity to build the foundations of a social security system in rural India, revive village economies, promote social equity, and empower rural labourers. It is an opportunity that must be capitalized upon to steer the growth of this country towards a more equitable and participatory trajectory of development.