

THE NATIONAL RURAL EMPLOYMENT GUARANTEE PROGRAMME

■ Dr. M.N. Buch

There are two lines of thought which are diametrically opposite, in the matter of how to tackle rural poverty. The western capitalist and the Chinese and Soviet Socialist view of this problem has been that farming should be treated almost as an industry, the surplus rural population should be encouraged to migrate to urban areas and nonagricultural employment should be increased in order to absorb the surplus rural population. This would call for a major demographic shift from village to town till the majority of the population becomes urban dwelling. This line of thought is based on an assumption that farming can only become efficient when small farms are abolished and merged into industrial scale farms which are more dependent on mechanical farming than the old model of peasant farming which is labour intensive.

The second line of thought is that we should increase rural employment to a level where people can be gainfully employed in the village itself and, therefore, migration to urban areas is at a slow pace and there is an equilibrium between the urban and rural settlement pattern. In India it is this line of thinking which prevails and quite rightly so. Even today, despite the fact that the urban population is growing at a faster pace than the rural, there is still an excellent equilibrium between village, small town, middle level town, city, metropolis and mega city. A little over seventy percent of the population is still rural and if we add to this the population of small town India where the employment characteristics are strongly rural, then the ratio would become approximately 80:20. Madhya Pradesh is a fine example of this where, though urbanisation is increasing, it is doing so at a relatively slow pace. This is one of the reasons why there is no primate city in India, unlike Mexico City in Mexico or Bangkok in Thailand. Even Kolkata in West Bengal or Mumbai in Maharashtra are not primate even within their own States because as a percentage of the total population of the States in question they have a very small share.

The main policy instrument adopted for maintaining this equilibrium can be divided into two parts. The first relates to our policy for the urban sector. The National Commission of Urbanisation, which was the first such a commission set up by any major country to suggest an urban policy for the whole country, noted with appreciation the basic settlement equilibrium and recommended its strengthening. The Commission found that only four metropolitan cities were growing at a fast rate and that the bulk of the towns which were growing at above the national average came in the medium towns category. The Commission identified 349 such towns, well distributed throughout India and recommended their development both to provide for greater and more decentralised employment opportunities and to act as major service centres for their own hinterland. Thereby these towns and the rural hinterland would grow in tandem without competing with each other. The Commission concluded that mega cities do not have an identifiable hinterland because the whole country is their hinterland, but if the settlement equilibrium is to be maintained then greater emphasis must be paid to those towns with an identifiable hinterland with which they interact. Perhaps the JNNURM is an outcome of the recommendations of the Commission, giving new hope to decaying towns.

The other initiative takes the form of rural development. There were a number of rural development programmes which have now virtually been merged into the NREGS. Some of the older programmes such as watershed development were aimed at developing rural infrastructure. NREGS, however, is basically aimed at providing one hundred days per annum employment to rural beneficiaries, especially those below the poverty line. Whereas the objective is to create rural infrastructure through manual labour, the programme has largely become one of providing employment

and, therefore, putting some money into rural pockets. One cannot but help think that government has got its priorities wrong. The objective should have been to create permanent rural assets which could have a long term beneficial effect on the rural economy, with employment naturally flowing from the works which are undertaken. When the Community Development Programme was first launched there were a survey of every village in which the infrastructural needs of the village were identified. Thereafter works were taken up according to felt needs, expressed by the willingness of the villagers to contribute about half the cost of the work through voluntary labour, supply of materials or even payment in cash. A genuine interest of the workers in the work was created because about half the cost was met by their own investment of time, labour, materials and money. Because of this many of the works undertaken in the sixties and seventies of the last century are still surviving because the villagers ensured that the officials spent their money wisely and well.

From about the mid-sixties onwards the philosophy of community development changed and now schemes were taken up for implementation through government grants only. The participative approach more or less withered. Because the villages no longer had a personal stake in the work, the incidence of corruption dramatically increased. There has been no significant change in this position even after decentralised panchayat raj was introduced.

A muster roll based programme cannot be run honestly anywhere in the world because the muster roll is so easy to manipulate. An assets creation programme, however, can be run honestly because the beneficiaries of that asset can be co-opted to the machinery for asset creation and the project could thus become participative. We need to bring about this fundamental change in our approach to rural development so that a government grant based programme becomes a participative one in which the participants keep corruption at bay. The real bonus would be that as assets are created the village economy would improve. This has been amply demonstrated by the successful implementation of watershed management programmes in districts such as Jhabua, hitherto notorious for drought and large-scale seasonal migration in search of jobs. In every one of the micro watershed where there has been proper treatment of the watersheds, there is a dramatic increase in ground water levels, surplus availability of fodder and general soil and moisture conservation through the development of vegetation on barren hills. From these villages there is no seasonal migration because there is adequate employment in the village itself.

To return to NREGS, in its administration there is substantial corruption and whereas some works have been done, that has been managed by the sarpanch substituting machinery for labour. Earthwork done by machines cost about a third of what it would through manual work. It has been widely observed that of every rupees hundred, rupees thirty go into paying for the work done by machines. Another rupees thirty go to the villagers who should have been employed on the work but in fact have not been so employed. This payment is based on muster roll entries which are obviously false. The balance rupees forty out of every rupees hundred are divided between the sarpanch, local officials and, where necessary, officials at a higher level. This practice is widespread enough to be almost universal. It is necessary that NREGS in its present form be objectively reviewed. The creation of village assets through manual labour should become the primary objective of the scheme, instead of being an offshoot of employment generation. Village participation should be increased by encouraging contributions as were the case under the CD programme. The present system of monitoring should be further strengthened to ensure that the wages due to the workers in the villages are in fact paid to them.

Despite all the aberrations NREGS does seem to have had, at least partially, the desired effect of slowing down migration from rural areas to the towns. It is widely reported that Bihari labour which migrated to the Punjab in large numbers during the agricultural season now largely remains behind in

the villages in Bihar because new employment opportunities have been generated. Now large farmers in the Punjab have to pay much more attractive wages and provide many more facilities if Bihari labour is to be attracted. In other words, the migration pattern of Bihari labour which at one time was poverty induced is now changing slowly to one which is demand based. This is a very healthy sign.

There are economists who even now insist that we should scrap our programmes for rural employment because this is only slowing down migration from rural areas, thus depriving urban centres of cheap labour, through whose exploitation some of our industries would like to gain a competitive edge. One suspects that the anti NREGS campaign has the full backing of industry in the developed world which would like to set up units in the poorer countries where cheap labour is available. This has to be firmly resisted because if our new employment programmes and infrastructural development programmes increase the capacity of rural India to retain labour, then both in terms of employment and in terms of the settlement equilibrium, this would be a significant achievement by India.

The real importance of programmes which try and retain population in rural areas through gainful employment is that India, in contrast with China, has sixty percent of its land area arable, with only ten percent being unculturable waste land. The balance thirty percent of the land is available for forest cover, which makes India one of the most fortunately placed countries in the world in respect of land productivity. In China only ten percent of the land is arable and sixty percent is unculturable wasteland. In India the dominant land holding pattern is of ryotwari or peasant proprietorship. In China the land holding pattern was generally of landlords and tenants at will. In China collectivisation of land, though painful, was still a process which did not meet widespread peasant resistance because in any case the cultivator was not the owner of the land. In India the cultivator is the owner of the land and it does not make economic common sense to deprive him of a productive asset and force him into an employment for which he is ill-trained and ill-equipped. Why force unhealthy urbanisation on a country whose settlement pattern has a very distinct place for the village? It makes much more sense to invest in improvement of agriculture so that a small farm becomes economically viable and can sustain a farming family. It makes both economic and environmental sense to develop small, nature friendly systems of water supply and sewerage in village settlements than to put in huge centralised systems in cities which are exploitative of resources and very capital intensive. It also makes more sense to retain decentralised population in easily managed small settlements than to congregate everyone in what ultimately degenerates into a huge urban slum. The Indian model of development may be less industrialised than that of other countries, but it is also more environmental friendly and socially equitable than the enormous differences of wealth generated by large cities. This is not a Jeremy Bentham Utopian argument – it is an argument based on economic and environmental common sense.
