

NREGA AND PANCHAYATI RAJ INSTITUTIONS

Leanings from Kerala

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Introduction

Though the constitutionally-mandated Panchayati Raj system was ushered in more than 15 years ago, most of the mega schemes in the functional domain of Panchayats, since then, have largely ignored the Panchayats or given them only a perfunctory role. However NREGA breaks new ground in this respect. Panchayats have been legally declared as the "principal authorities for planning and implementation" of the scheme made under the Act. Incidentally, NREG Act is the first developmental legislation which assigns a definite and important role to PRIs. Also it is significant to note that National Rural Employment Guarantee Scheme (NREGS) does not entail creation of parallel bodies for implementation; even the ubiquitous DRDA has not been given any functional role. The Act has created the legal framework to enable the political executive to structure effective decentralization. The Guidelines reaffirm this declaring the PRIs as the "key Stakeholders."

Theoretically, with this powerful legal entitlement backed up by substantial resources in a largely untied form, and, reckoning the potential synergy with other schemes like the Backward Region Grant Fund (BRGF), National Rural Health Mission (NRHM), Rashtriya Swasthya Bheema Yojana (RSBY), the launching pad for PRI empowerment and their transformation into "institutions of self-government" has been put in place. It is a debatable issue whether this potential has been fully realized and given concrete shape in practice. Since NREGS is a programme which combines the economic development and social justice functions in a context of local planning and implementation it is only in the fitness of

things that PRIs play the central role as the Constitution itself assigns these two roles to PRIs. Further for realizing entitlements and broadening capabilities of the disadvantaged, democratization and participation are essential and sufficient pre-conditions and only PRI can bring them about.

If the potential for Panchayati Raj empowerment using NREGA as the entry point is not thought through and given operational features there is every danger of converting PRIs into mere agencies, just going through the motions without realizing their central place or even becoming potential cat's paws of the coterie of vested interests dominating the public works scene, snatching public resources for private gains. Thus, the legal empowerment of PRIs along would not automatically lead to their actual strengthening, unless a deliberate and purposive effort is taken to create capacity, develop processes and build systems to enable PRIs to play the intended role.

Legal Provisions

NREGA assigns PRIs the most critical role in its implementation. Some of the salient provisions illustrating this point are summed up below:

- 1) Section 12(1) mandates the inclusion of representatives of the PRIs in the State Employment Guarantee Council which is the paramount institution at the State level in implementing the Act, with wide ranging powers and functions.
- 2) Section 13 declares the three tier PRIs as the “principal authorities” for planning and implementation and outlines the functions of intermediate and district level Panchayats in planning and supervision of implementation. The District Programme Coordinator, who, in most part of the country, is the District Collector, is given an obligation by this Section to assist the District Panchayat.
- 3) Section 15 speaks of the Programme Officer at the intermediate Panchayat level (and not at the CD Block level). It further states that all or any of the functions of the Programme Officer can be discharged by the Grama Panchayat or any other local authority.
- 4) Section 16 explains the role of the Grama Panchayat and mandates that at least 50% of the work in terms of cost has to be implemented through the Grama Panchayat. Further it has given the responsibility of allocating employment opportunities among the applicants to the Grama Panchayat.

- 5) Section 17 endows the Grama Sabha with the authority to conduct social audit and monitor execution of works.
- 6) Schedule II explains the duties of the Grama Panchayat in registering the household, issue of job cards, assigning of work, maintenance of records etc.

Thus the NREG Act assigns a wide ranging role to PRIs right from registering of workers up to monitoring and social audit. It vests powers of planning and implementation (at least 50%) with the PRIs and casts an obligation for transparency and accountability on them, especially on the Grama Panchayat. Probably the only deficiency with reference to PRIs is the non-mentioning of the District Planning Committees in the Act. Ideally the DPCs should have been assigned the task of coordinating the planning and preparation of the Perspective Plan, Labour Budget and the Annual Plan.

Panchayati Raj in Kerala

Kerala is the acknowledged pioneer and leader in strengthening Local Governments in the post-Constitutional Amendment phase. Following a “big bang” approach resulting in a series of reversals in the conventional sequence in decentralization – giving responsibilities and then building capacity, giving powers and then structuring administrative systems, giving funds and then putting up accountability mechanisms – Kerala launched its decentralization experiment, following a campaign mode which by itself not only set the agenda but generated expectations and forced the pace. Paradoxically, though the push was unorthodox, the principles and practices have been classical in their features. They include:

- (1) Sharp mapping of functions and responsibilities among different tiers of Panchayats and a rational division of labour between the State and Local Governments – in this scheme of things, poverty reduction, human development, local economic development and provision of minimum needs including housing, sanitation, water, power, and connectivity are all predominantly Panchayat responsibilities.
- (2) Devolution of funds matching expenditure responsibilities, in a largely untied manner, facilitating considerable local autonomy in prioritization and allocation of resources - the State gives about a quarter of its Plan Budget in this fashion, with every rupee allocated as per a formula ensuring transparency, fairness, equitability and predictability.

- (3) Transferring staff to Local Governments to discharge the transferred functions and in putting in place a dual control system – even while the State Government is the staff-creating and cadre-controlling authority, Local Governments have full freedom in assigning work, supervising its execution, reviewing performance and even imposing minor punishments, if required.
- (4) Setting up of independent umpiring institutions like Ombudsman and Appellate Tribunal to reduce executive control over local government functioning.
- (5) Enhancing financial and social accountability through due process in budgeting, transparency in decision making, particularly in selection of beneficiaries and in expenditures and mandatory reporting of performance to constituents.
- (6) Participatory planning to ensure incorporation of people's priorities.
- (7) Creating space for formal people's participation in governance – in priority setting, in implementation and in monitoring.

Approach of Kerala

With more than a decade of experience in local level planning and development, the PRIs of Kerala were in a vantage position to take over full responsibility for implementation of a rights based pro-poor programme of large magnitude like NREGA. Therefore Government consciously decided to internalize its operationalisation into the Panchayati Raj system to further empower it. The salient features of this approach are summed up below:

- 1) NREGA was perceived as an opportunity for strengthening and institutionalizing decentralization in all respects and therefore a decision was taken that the whole programme would be implemented through PRIs and, by and large, through Grama Panchayats which are closer to people.
- 2) Right from the beginning an attempt was made at deconstruction and de-schooling vis-à-vis the employment generation schemes of the past so that NREGA does not get contaminated by vestiges of past practice. A clear distinction was drawn between the past schemes and NREGA and communicated to all stakeholders especially the elected leaders of

Panchayats. The differences thus highlighted are summed up in the Annexe.

- 3) Though it was widely realized that NREGA is not the main solution to the unemployment problem of the poor in Kerala where a large number of the poor seek not manual work but self-employment and wage employment in the formal informal sectors, at the same time, the State was able to foresee a niche for NREGA in reducing poverty of at least half a million poor agricultural labourer families who are expected to turn up for works under NREGA and get an additional annual cash income of Rs.12,500 per annum.
- 4) Realising that the vast majority of the workers is going to be women it was decided to involve the Kudumbashree network of poor women in a big way - for awareness creation, for demand generation, for identification of work; for organization of work and for concurrent social audit (Kudumbashree is a unique programme for poverty reduction and women's empowerment under which every BPL family in the State and a few APL families - families in rural areas are organized into - neighbourhood groups (NHGs) at the local level, networked with - Area Development Societies (ADCs) at the Village Panchayat Ward level which are then federated into 999 Community Development Societies (CDSs), at the Village Panchayat level. This large community-based organization work in partnership with the PRIs.
- 5) In a State which has very little public land, to enhance the quality of environment using NREGA, a policy decision has been taken to focus on natural resource management in forest areas, river basins and watershed areas in agricultural land.
- 6) To prevent NREGA from being seen as an extraneous Centrally Sponsored Scheme the processes and procedures were designed in such a way that they could be woven seamlessly into the fabric of the administrative operating systems now existing in Panchayats.
- 7) The potential of NREGA to strengthen good governance at the local level mainly through its consistent and coherent information and accountability systems and transparent and participatory processes was realized right in the beginning and acted on.
- 8) A carefully focused and planned objective was to achieve zero corruption in the implementation of NREGA – whatever be the costs in

terms of time and resources. Interestingly this approach was articulated in unambiguous terms by the political leadership sending powerful signals both to elected leaders and field level officials. It also gave freedom to senior officers to design systems, procedures and processes to attain this policy priority.

Features in implementation

The following features were purposefully designed to strengthen decentralization and Panchayati Raj.

- (1) Capacity building was targeted at elected representatives and officials of the Panchayati Raj Institutions. Each member of every Panchayat was guided through the entire Act as well as key features of the guidelines. The “Operational Guidelines” issued by Government of India was circulated to all PRIs in its Malayalam translation.
- (2) The roles and responsibilities of PRIs were clarified in minute detail. The Grama Panchayat was assigned the major responsibilities of awareness building and environment creation to spread the message of NREGA, mobilizing and registering the job seekers, issue of job cards, making special efforts to include outliers like tribals, preparation of shelf of projects and their approval, and technical clearance for execution, organizing execution, ensuring facilities to workers, making payments through Banks and maintaining records. In such a scenario the District Collectors as District Programme Coordinators and Block Development Officers as Block Programme Coordinators have become motivators, facilitators and monitors, assisting and enabling Panchayats and not directing or controlling them or using them as passive agents or mindless rubber stamps just to comply with the letter of the law.
- (3) Taking cue from People’s Planning highly participatory processes have been designed for the planning and implementation of NREGS as outlined below:

a. Identification of Works.

- i) Meeting of Neighbourhood Groups (NHGs) of Women who are part of the Kudumbashree network and identification of suitable works.

- ii) Consolidation at the level of the Village Panchayat Ward by the Area Development Society (ADS) which the network of NHGs at the Ward level.
- iii) Meeting of Workers' Grama Sabhas at the Ward level to give their preferences not only of works but also of time and locality.
- iv) Full Grama Sabhas to integrate these with their development demands so that NREGA priorities and People's Plan priorities merge properly.
- v) Working Group at the Village Panchayat level to put together the draft Action Plan – the Working Group is a unique contribution of People's Plan; it is a multi-disciplinary multi-stakeholder group headed by an elected member, convened by the official concerned with experts, activists, practitioners and officials. The objective of this variegated group is to provide multiple perspectives and come out with a well-rounded set of proposals for the Panchayat to decide.
- vi) Convene Workshops at the Village Panchayat to bring about linkage with People's Plan schemes.
- vii) Village Panchayat Committee meeting to finalize the Action Plan.

b. Implementation.

- Organizing the workforce and co-ordinating the work through a “mate” identified by the ADS of Kudumbashree.
- Reading of the 'people's estimate' of the works to the labour gang and explaining the piece rates they are entitled to.
- Provision of facilities to the workers through the ADS.
- Maintaining of muster rolls by the “mate”
- Functioning of Vigilance and Monitoring Committees for each work for concurrent social audit – having seven members of which four are women and at least three belong to SC/ST.

c. Transparency

- Project initiation meeting, just before the work starts, of workers, mate, technical staff, local people where all details of the work are explained in layman’s idiom, photograph of meeting taken and minutes filed.
 - Citizen’s signboard displaying details of works.
 - Photographs of work site at pre, mid and post–execution stages.
 - Work diary by mate where every detail is recorded and on which workers, officials and public are free to write their comments.
 - Completion report by Vigilance and Monitoring Committee before payment
 - Project file containing all these and other records relating to payment are kept in the Village Panchayat office for public scrutiny, inspection, and audit.
- (4) The PRIs especially the Village Panchayat have been strengthened to take up the additional work in the following ways.
- a) A Data Entry Operator and a Graduate Engineer (in case of non-availability a Diploma holder) have been posted in all Village Panchayats. The decision to increase the staff for Village Panchayat spending more than Rs. One crore per annum has been taken. Similarly all Block Panchayats have got an additional Engineer and IT professional
 - b) The existing Overseers, Engineers and Agricultural Officers of Village Panchayats have been given powers of technical supervision, measurement etc.
 - c) Wherever there is shortage of manpower, Village Panchayats have been given the power to utilize the services of other engineers including non-government engineers on payment of a fixed fee.

- d) To ensure transparency and to bring in collective experience, the committee system for giving Technical Sanction another People's Plan innovation has been put in place at the Village Panchayat level. The committee consists of the Panchayat engineers, the NREGS contract engineer and one or more engineers from the public or private sector or from academic institutions. For larger works the existing committee at the Block-level issues the Technical Sanction.
 - e) For overall coordination, popular committees under the elected President has been set up at the Village and Block and District Panchayat levels. A similar committee has been set up at the ward level also under the elected member.
 - f) Soon the online MIS would start functioning at the Village Panchayat level instead of the Block Panchayat level as of now. Computers have been installed in all but 30 Village Panchayats and action is under way to provide connectivity.
- (5) A conscious effort has been made to integrate People's Plan with NREGS especially in the agricultural sector. As the first step watershed management activities are taken up under NREGS, giving priority to watersheds having paddy fields. This is followed up with Panchayats providing necessary inputs like seeds and fertilizers and subsidizing the cost of cultivation utilizing their People's Plan Funds. This is expected to improve local food security even while giving additional employment to the agricultural labourers.
- (6) Even though NREG Act provides for implementation of works through departments, the reverse has been decided on in Kerala. Village Panchayats have been allowed by the Forest Department to carry out eco-restoration work within the NREGA framework in forest areas following the same processes and procedures with the only proviso that officers of the Forest Department would be involved in the Technical Sanction and supervision and measurement stages. This has created a scenario whereby Village Panchayats have emerged as the organizers and fund providers of Forest development projects.
- (7) An elaborate social audit system has been prescribed. In order to ensure independence and credibility of the process even while the Village Panchayat supports in the organization, the social audit team is selected by the Grama Sabha and is headed by an expert from outside the Ward (which is the area co-terminous with the Grama Sabha in

Kerala) and consists of another outsider and three local members; this team also co-opts the services of a technical person not associated with the implementation of the NREGA to assist it. This team presents the report in the Grama Sabha and a panel oversees the process. This panel is interestingly chaired by the person who received the highest number of votes from among the defeated candidates in the last Panchayat election.

Assessment of Performance

Initial evidence from the field shows a lot of positive features in Panchayat empowerment even while throwing up challenges and concerns. The are summed up below:

A. Positive features.

Experience of the last two years has revealed that even in a State with proven track record in participatory planning and with strong Panchayat Raj institutions, NREGA could further consolidate Panchayat empowerment. The visible results include:

- (1) The Grama Sabha had been a weak link in Kerala's Panchayati Raj. With NREGA there has been a perceptible strengthening especially in the functioning of sub-Grama Sabha fora like Workers Grama Sabha and Neighbourhood Groups of women. Also, two trained facilitators assist the Grama Sabhas in their deliberations relating to NREGS, enabling informed decision making.
- (2) The planning capacity of Panchayat especially the Village Panchayat has increased in response to the challenge of planning for NREGA as it has multiple dimensions of space and time linked to both human and financial resources. Whereas the annual plan budget requires only matching of works and schemes against available resources, the labour budget calls for identifying works location-wise with reference to specific time-periods to match the demand from a specified number of labourers and then to seek the funds required to pay the workers and meet the cost for the non-labour components.
- (3) From simple planning now Panchayats are being guided by experts to move on to more complex areas of planning of works related to natural resource management where the inter-relationships and sequencing related to land, water and biomass present a formidable but interesting challenge.

- (4) NREGA has improved the organizational and administrative capacity of Panchayats for, organizing works without a middleman and keeping the well-designed set of records and ensuring their consistency and currency are testing tasks.
- (5) The elected member of the ward has gained in capacity as well as credibility. Defacto, NREGA revolves around the elected member and its success is directly related to the commitment of the elected member. A new political culture depending on delivering development resulting in political acceptance and reward seems to have emerged in areas where NREGS is working well. It appears that good work has its own returns which could offset commissions, rents and illegal profits.
- (6) Panchayats have been able to forge a closer relationship with the poor through a two fold path – constant contact with the working poor in finding out their preferences and direct partnership with Neighbourhood Groups of poor women in organization of work, maintenance of records and general feed back. This has helped the Panchayats understand better the features of poverty at the local level and the poor to interact with Panchayats with confidence.
- (7) Since natural resource management has been given policy priority in Kerala, NREGA has brought the Village Panchayat into direct engagement with the small and marginal farmers. It is widely believed that this positive relationship has drastically reduced the number of farmer suicides in Wayanad. Now with the accent on watershed management and food security this interface is expected to be more productive.
- (8) Successful Village Panchayats have shown that they can bring about local economic development as well as provide social security through NREGA. By providing tangible benefits without patronage and corruption, the respectability of Grama Panchayats has grown.
- (9) Incidentally E-governance has received a big boost. Though Kerala has been struggling for nearly 10 years to introduce e-governance in Panchayats, the well designed set of IT modules related to NREGA could be operationalized without much difficulty, so much so, the entire State is now on the verge of moving on to online mode with Village Panchayats taking the leadership.

- (10) Several good governance features have become part of the Panchayat Raj system through NREGA. This includes proper maintenance of records, responsiveness to demand from the workers and Kudumbashree, increased transparency in all aspects related to execution of works, prompt grievance redressal and a totally corruption free environment.
- (11) The very fact that more than 80% of the workers are women has imparted a positive gender dimension also. In a State where female work participation rate is low, a surprisingly large number of first-timers have turned up for work. Receiving wage only through individual bank accounts has not only boosted savings but also given a new respectability to public works. And for the first time, equal wages is a reality. A gender-sensitive development process is emerging.
- (12) Accountability both formal and informal has improved tremendously. For the first time a functional social audit system is in place. This complements a systematic inspection schedule from different levels.
- (13) Manipulation by middlemen and corruption by power-brokers which proved to be the bane of the earlier employment generation work have more or less vanished so much so the optimists envisage a reverse influence of NREGS on the public works under People's Plan to fully free them from corruption – for now there is a robust working model for community execution.
- (14) Panchayats have gained tremendously by getting flexible resources and, almost by definition funds have flowed to the backward pockets bringing in the element of equity in local level development. It is expected that once NREGS is in full steam, flow of funds to Village Panchayats would match the already high flow under People's Plan.
- (15) Social capital has increased through networks of women NHGs, agricultural workers, farmers, activists and local leaders, paving the way for a cooperative model of public action.

B. Challenges and concerns.

The challenges and concerns in relation to implementation of NREGS by PRIs are:

- (i) The work burden has increased tremendously particularly on the technical staff and those persons directly responsible for maintaining the registers and accounts, for the administrative system enshrined in NREG Act and guidelines does not brook any delay. It is clear that Panchayat requires additional support in manpower and this would translate into higher administrative costs.
- (ii) The present system of execution of public works is totally inappropriate for direct execution of works through a mixed group of labourers of differing capacities. The standards and specifications and the schedule of rates of the Public Works Department are designed for works to be executed by contractors through specialized workers over whom they have total control. Therefore at best they only serve as a baseline with reference to which open competitive bids are sought. And this system gives arbitrary powers to the engineer and it is opaque in all stages and is not amenable to social scrutiny. This points out to an urgent need for basic reform in the public works execution system to make it amenable to NREGA objectives by facilitating community contracting and public oversight.
- (iii) Even in a literate and aware society like Kerala with a high degree of organization, it has been realized that a large number of eligible persons are not aware of even the basics of the scheme, let alone their entitlements. Therefore there is need for continuous awareness creation, calling for launch of a specific programme for NREGA literacy. Otherwise there is risk of the already excluded poor being continuously excluded.
- (iv) Village Panchayats have tended to take up small works to satisfy local demand. But from the perspective of returns on investment and sustainable local development, there is need for more substantial works. Also to an extent, the restriction on taking up works of local and direct relevance for the poor like housing, maintenance of public assets, anganwadis and primary schools, local sanitation work and care services for the destitutes and the sick has narrowed the scope of local decision making.
- (v) Material procurement and hiring of skilled labour pose a major challenge in maintaining the corruption free environment. Appropriate systems for procurement are not yet in place.

- (vi) Availability of public land is very low in Kerala. This has limited the scope in extremely vulnerable coastal areas and in areas of failed and closed plantations.
- (vii) The integration with People's Plan is still not to the desired extent.

New initiatives

In order to address the challenges and concerns and enhance the quality of NREGA implementation through PRIs certain new initiatives have been launched. They include:

- (1) A time and motion study is underway. The intention is not to limit its application to NREGS works but move ahead in a phased manner within a limited time period to cover all public works implemented by PRIs.
- (2) In order to make up the deficiency in availability of technical manpower, it has been decided to train "barefoot" engineers from among poor girls from the Kudumbashree network. While this would be of relief to Panchayats, it would open opportunities to the Kudumbashree members in the construction industry in the State.
- (3) Government have decided to organize Labour Banks at the Village Panchayat level with multiple objectives. Since there is no middleman to organize works and, whatever be the law, it is not easy to match demand with supply in all respects, it is felt that organization of workers utilizing the lessons of the SHG movement would make up this deficiency. Labour Banks could act as workers' collectives to articulate their performance in terms of time, locality and work and negotiate their rights properly. Further depending on their capacity, the skills of workwers could be increased through interventions from People's Plan so that they can graduate to higher forms of employment.
- (4) To get over the problem of small works certain ambitious programmes are on the drawing board like rejuvenation of Bhrathapuzha and Kabini rivers. A joint meeting of Panchayat leaders, environmentalists and top professionals in river management was held recently. Once the idea gets fructified possibilities of joined-up action by Panchayats could be opened up.

- (5) Forests constitute the only viable commons in State. Government have put in place a system by which Village Panchayats can use this potential using NREGS, leading to work opportunities, eco-restoration and additional gains from accessible usufructs.
- (6) An important priority initiative is preparation of an Anti-Poverty Sub Plan with NREGS as the nucleus. The components of this Sub Plan would be:
- NREGA } for supplementary cash income
 - NRHM } for health
 - Health Insurance } for health
 - ICDS } for education
 - SSA } for education
 - Special nutrition- through ICDS } for food security
 - Mid-day Meals } for food security
 - PDS } for food security
 - Pensions } for social security
 - Asraya of Kudumbashree } for social security
 - People’s Plan - for minimum needs like housing, sanitation, water supply, electricity
 - Kudumbashree - for skill development and self employment

Since all these are in the ambit of PRIs, community-led convergence to break the ratchet effect of different causes of poverty is eminently realizable.

Conclusion

The most important lesson from the Kerala experience is that, just as People’s Plan was the motive force which pushed decentralization in the State, NREGA could be used for strengthening Panchayati Raj in the country. In that sense NREGA could be called “mother of all local development schemes”. The possible ways in which the NREGA can contribute to Panchayat empowerment if properly planned, include the following.

- ❖ Providing much needed staff to PRIs
- ❖ Introduction of improved administrative systems

- ❖ Making available modern office equipment especially computers.
- ❖ Strengthening the planning and implementation capacity
- ❖ Improving governance functions
- ❖ Enhancing accountability
- ❖ Vesting Panchayats with status and credibility vis-à-vis the poor people and vis-à-vis other departments by enabling them to play an important role in local level development.

To realize this potential it is necessary to move on to a concerted capacity building exercise with focus on Panchayat empowerment in the context of NREGA. Probably a policy shift is needed to make NREGA as much an instrument for Panchayati Raj empowerment as an instrument for poverty reduction. A great opportunity already exists in the BRGF districts. Once it can be proved that NREGA could strengthen PRIs then it could emerge as a nucleus around which other major programmes like SSA, NRHM, ICDS, Mid Day Meals, PDS, SGSY, Health Insurance, RSBY etc could converge into a viable anti-poverty initiative – to achieve inclusive growth through participatory development led by democratic institutions.

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Annexe

**NATIONAL RURAL EMPLOYMENT GUARANTEE SCHEME
AND EARLIER WAGE EMPLOYMENT PROGRAMMES –
A COMPARISON**

NREGS	EARLIER PROGRAMMES
Concept	
Legal guarantee of right to employment – a full blown entitlement – a new vision of rights-based development for the poor	No grand vision – concepts incidental to schemes – based on executive decisions and instructions
Non-exclusive and total coverage	Limited in scope and coverage
Demand-based	Supply-based
Self-targeting	Patronage-based
Focus on employment	Focus on assets
Focus on productive sector – for sustainable development	Focus on public works, predominantly roads
Natural resource management –	Real estate development –
Labour perspective – voice of the worker	Perspective of the bureaucrat / engineer / middleman-contractor
Gender sensitive	Male / machine – dominated
Off season employment	Peak season expenditure
Real participatory planning	Negotiated priorities – decision based on local power relations
Transparent	Opaque
Accountable	Manipulative
Vision-based perspective planning	Short term priority listing
Organic, central role for PRIs	Marginal agency role for PRIs
Planning	
Long preparatory phase	Hurried quick-fix plans
Elaborate communication and extension	Routine motions for form's sake
Real planning from below covering who, what, where, when and how.	Hotchpotch list of works
Elaborate budget – work to match demand	Financial budget – work to match resources
Can be integrated with varied development works	Limited to schematic works
Integrated plan	Isolated works
Statutory across-tier linkages in the Panchayat Raj system	Independent and repetitive plans
Multi-dimensional action plans covering time, space, manpower and resources	Two-dimensional action plan covering resources and works
Results-based and outcome-oriented	Expenditure oriented
Real People's Plan	Bureaucratic/technocratic plan
Organization	
Panchayat in central place – development from within	Middleman-contractor in central place – outsourcing development

Administrative Sanction and Technical Sanction before organization of work	AS & TS in response to middlemen contractor clout
All activities done inhouse <ul style="list-style-type: none"> ▪ Getting together workers ▪ Executing the work ▪ Mustering ▪ Material procuring ▪ Measuring ▪ Paying 	Most of the activities carried out by the middlemen contractor except measurement and payment
Fortnightly measuring and payment	Often once or twice per work
People's estimates	Engineer's estimates
Minimum wages	Market wages
Equal wages – strong subsidizing the weak	Differential wages
Piece rate	Mostly bulk measurement
Local labour	Often outside labour
Payment through Bank	Direct cash payment
Payment by Government	Payment by middleman-contractor
Work without whip – new dynamics of mutual help and group discipline	Ruthless supervision by middleman-contractor
Actual material labour ratio	Notional and fictitious ratio
No abandoned works	Quite a number of abandoned works
Administration	
Outside DRDA	DRDA centered
Clear role for District Project Coordinator, Block Programme Officer etc.	Roles routinised over the years
Real records <ul style="list-style-type: none"> • Estimates • Muster rolls • Vouchers • Measurements 	Often "created" records
Integrated and consistent data base <ul style="list-style-type: none"> ▪ Unique ID of workers ▪ Unique ID of work ▪ ID of muster rolls ▪ Payment vouchers ▪ Bank Accounts of individuals 	No such data base
Close monitoring <ul style="list-style-type: none"> • National level monitoring • State level monitoring • District level monitoring • Inspection schedule 	Routine monitoring
Clear accountability systems <ul style="list-style-type: none"> ▪ Proactive disclosures ▪ Vigilance and Monitoring 	Ritualized and routine

<ul style="list-style-type: none"> ▪ Committees ▪ Social Audit ▪ Penalties 	
Special features	
Difficult to manipulate	Easy to manipulate
Criticality of Panchayat capacity	No such issue
Proactive role of Government of India	Routine role of Government of India
High visibility, watched with interest by supporters and opponents	No such interest
Clearly articulated political will	No such will

To illustrate the philosophical, conceptual and developmental differences between NREGS and its predecessors, the distinctions encapsulated below are significant.

NREGS	EARLIER PROGRAMMES
Qualitative Distinctions	
Rights-based	Patronage-based
Inclusive	Exclusive
Participatory	Co-optive
Redistributive	Rent-seeking
Liberating	Domesticating
Empowering	Exploiting
Transparent	Manipulated
Integrated	Automized
NREGS	EARLIER PROGRAMMES
Qualitative Distinctions	
Engendered	Male dominated
Organic	Disjointed
Ecological	Mechanical
Outcome-based	Target-based
Developmental	Departmental
Democratic	Bureaucratic
Humanistic	Materialistic
Vision-based	Greed-based
REAL	MAKE BELIEVE

The points outlined above look quite obvious in the first reading. But if one reflects in detail and analyses in depth it will be clear how well-rounded a programme NREGS is and provide clues to unlocking the potential of this entitlement. The challenge is in building the capacity required to fully realise the potential.