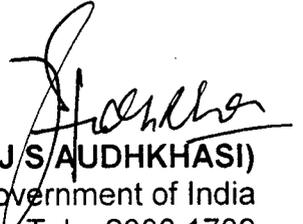


No. J-11011/1/2010-MGNREGA  
Government of India  
Ministry of Rural Development  
Department of Rural Development  
(Mahatma Gandhi NREGA Division)

Krishi Bhavan, New Delhi 110114  
15<sup>th</sup> March 2010

**Subject:- 11<sup>th</sup> Meeting of the Central Employment Guarantee Council**

11<sup>th</sup> meeting of the Central Employment Guarantee Council was held on 22<sup>nd</sup> February 2010. A copy of the minutes of the meeting is forwarded herewith for your kind information and perusal.

  
(J/S AUDHKHASI)  
Under Secretary to the Government of India  
Tele: 2338 1709

**All participants as per Annexure I**

Copy to:

1. PS to MRD
2. PPS to Secretary(RD)
3. PS to JS(S)
4. DS( R)
5. Shri Ritesh, Consultant with the request to post the minutes on the MGNREGA website.

**MINUTES OF THE 11th MEETING OF THE CENTRAL EMPLOYMENT GUARANTEE COUNCIL HELD ON 22<sup>nd</sup> FEBRUARY 2010 AT UNNATI COMMITTEE ROOM, KRISHI BHAVAN NEW DELHI**

11<sup>th</sup> meeting of the Central Employment Guarantee Council was held on 22<sup>nd</sup> February 2010 under the Chairmanship of Dr. C P Joshi, Hon. Minister (Rural Development) at 2.30 PM in the “Unnati” Committee Room, Krishi Bhavan, New Delhi. The list of participants is enclosed at Annexure I.

1. Secretary(Rural Development) welcomed all participants. He delineated the Ministry's vision of the implementation of the Mahatma Gandhi National Rural Employment Guarantee Act after five years and mentioned that Ministry has initiated meetings with eminent economists and others for this purpose. This envisioning period of 5 years would be segregated in yearly, monthly and weekly framework to achieve the goals set forth. He referred to the guidelines issued by Planning Commission for BRGF grass root planning and pointed out that these need to be used. He emphasized the need to strengthen PRIs to effectively and efficiently implement the Mahatma Gandhi National Rural Employment Guarantee Act. He also brought out that a model for participatory planning for the Mahatma Gandhi NREGA would be attempted one village each of 13 drought prone and backward districts of Bundelkhand region. He praised the quality of reporting by the members of the Central Council and urged the members to highlight both negative and positive issues in their reports.

2. Hon. Minister (RD) took the agenda items for discussion and requested members to offer their suggestions.

3. Confirmation of the minutes of the 10<sup>th</sup> Meeting:

Joint Secretary(Mahatma Gandhi NREGA) informed that subsequent to issue of minutes of the 10<sup>th</sup> meeting, Secretary, Ministry of Social Justice and Empowerment raised some issues and requested for incorporating the same in the minutes. Accordingly amendment to minutes was issued and circulated to all members. Except this, no comments were received from members and accordingly minutes of the 10<sup>th</sup> meeting of the Central Council were confirmed.

4. Action taken reports on the suggestions offered by Members:

Joint Secretary(Mahatma Gandhi NREGA) apprised the members with the action taken on the suggestions of members and specifically referred to notification of wage rate policy and the matter taken up with Ministry of Statistics and Programme Implementation for formulating a separate Consumer Price Index for the Mahatma Gandhi NREGA.,

5. The following suggestions/observations were made by members:-

**Shri Madhusudan Mistry** raised the issue of Forest Department executing their works with wage rate applicable under the Mahatma Gandhi NREGA. He mentioned that Forest Department's minimum wage is Rs.141/ per day. However, by executing their works under the Mahatma Gandhi NREGA, they give wage rate of only Rs.100/. By doing this, their budgeted works is getting replaced with Mahatma Gandhi NREGA works. He requested for issue of suitable advisory to the State Governments concerned. He also referred to lack of monitoring by the line departments and mentioned that large number of works is reported to be going on but only few works can be inspected by the Central Council members. Therefore there is an urgent need for strengthening monitoring mechanism and making it more effective particularly at ground level. He also cited the example of Labour Department which have a mechanism to ensure that workers get timely payment of wages and suggested evolving a suitable mechanism for ensuring timely payment of wages. Raising the issue of minimum real wage, he brought out that workers were not able to earn minimum wage rate of Rs.100/- per day and earn only between Rs.50-60 per day. Therefore, schedule of rates need to be made flexible and for this purpose work, time and motion studies be commissioned to determine the workers' friendly schedule of rates according to the age groups and physical capacity of the workers.

JS(S) referred to the draft report on study of Schedule of Rates by V V Giri National Institute of Labour and mentioned that it would be shared with members for obtaining their comments. Hon. Minister(Rural Development) referred to standardization of works for this purpose.

**Shri Mistry** also emphasized the need for strengthening monitoring mechanism for inspection of works for it may not be possible for the Central Council members to inspect all works during their visit. He also referred to the instances of delayed payment of wages to the workers. For strengthening the IEC activities, he suggested utilizing AIR services and putting up a drop box in tribal areas for receiving application for work. He referred to non functioning of State Councils and suggested advising States to activate them.

6. **Dr. Jean Dreze** raised the issue of linking wage rate with consumer price index. He also called for improving the schedule of rates. He cited the example of Jharkhand where fudging of records including muster roll is common and stressed the need for strengthening

monitoring including correct measurement of work which will give the workers legitimate wages. Dr. Dreze also referred to the issue of increasing the cap of 100 days in drought affected areas. He also mentioned about the general functioning of the Central Council and asked for expediting constitution of Executive Committee to the Central Council. Hon. Minister (Rural Development) clarified that the matter of linking wage rate with CPI has been referred to Ministry of Finance.

**7. Ms. Aruna Roy** raised the schedule of rates and mentioned that due to different topographical conditions in the regions there is vast variations in the schedule of rates and consequently the workers are not able to earn minimum wage rate prescribed by State Governments under the Minimum Wages Act. She also attributed this to the piece rate system. She also referred to linking wage rate with CPI. Hon. MRD intervened and pointed out that when Rs.60/- was prescribed as a minimum wage under the Mahatma Gandhi NREGA it was not linked to the CPI, Raising the issue of social audit, she pointed out that a crisis of capability and credibility has arisen. Substantial funds are being disbursed for the implementation of the schemes. However, monitoring is not commensurate with the funds disbursed. She stressed the need for evolving a mechanism to monitor the flow of funds and its utilization in the implementation of the schemes. She also suggested that transparency boards may be set up at gram panchayats indicating the number of workers registered, total job cards issued, number of works started and the expenditure incurred etc.

She also pointed out that vested interests have emerged which is impeding the effective implementation. If this is not contained opposition to social audit will get systematized and consequently money will not reach poor. She also suggested that social audit should not only cover post implementation but also should cover the planning process as the workers awareness about the programme is inadequate. Coming to the issue of receipt of application, she pointed out that existing infrastructure at village level does not facilitate receipt of application for work and the workers don't know where to submit the application. This gets further worst with the mingling of caste politics and the workers are deprived of exercising their legal rights. She also referred to the issues of identifying works for disabled/aged persons, enlarging scope for works including skill development, regular visit of Central Council and setting up different sub groups on different issues and working secretariat. Ms. Roy also cautioned about advance payment of 50% wages to mitigate the instances of late payment.

**8. Shri Bhakta Charan Das** mentioned that Rs.250/- is the minimum wage rate in Orissa. However, due to difficult terrain and hard rock, the average wage rate comes to only Rs.50/- as the workers are not in a position to do the work to earn the minimum wage. He accordingly suggested revision of schedule of rates in such a way that workers are able to earn wage rate of at least Rs.100. He also mentioned that in backward districts of Orissa, workers completing the 100 days of work is substantially lower than the number of job cards issued. Referring to the implementation status in Orissa, he brought out that implementation is contractor oriented and resultantly workers do not get work to earn minimum wage rate. Contractors and

machinery are being used. He also referred to the nexus between junior engineers and contractors and mentioned that junior engineers engage contractors thereby violating the basic principles of the Act. Job cards are taken by the contractors. He suggested strengthening IEC activities to contain this including use of regional AIR. Coordination facilities at different levels were also emphasized by him. He also referred to the efficacy of the vigilance monitoring committee and pointed out that not permissible items were purchased but no action was taken by the committee. He also questioned the role of MP as the Chairman of Vigilance Monitoring Committee and called for empowering VMC to check these irregularities.

**9. Shri Sanjay Dixit** referred to the delay in furnishing action taken report on the findings of his visits to select districts of Uttar Pradesh and called for fixation of time frame for this purpose. Hon. Minister (Rural Development) intervened and mentioned that there is a system whereby Government of India calls for reports from State Government on different issues and State Governments furnish the same as per the procedure prescribed. We must ensure compliance with this. Referring to the issue of convergence, Shri Dixit informed that Rs.200 crore was given to PWD in Kanpur Dehat and no allocation was made in the budget of PWD for carrying out convergence activities. He also referred to the invisible items of expenditure under the contingencies and called for evolving uniform procurement procedure under the contingencies head of budget.

**10. Shri K S Gopal** suggested that sub groups of Central Council members should periodically visit States to oversee the implementation of the Mahatma Gandhi and suggesting remedial/corrective measures to further strengthen implementing process in States. He also suggested constitution of Committee to examine the rules, guidelines and implementing processes in States and aligning them in compliance with the provisions of the Mahatma Gandhi NREG Act. In the backdrop of hardships faced by workers in submitting application for work, he advocated the idea of reimbursing transaction cost to the workers.

**11. Shri Dhruvanarayanan informed** that social audit is not conducted in Karnataka. Inclusion of workers in the social audit was suggested by him. He also called for inclusion of sanitation for BPL families under the Mahatma Gandhi NREGA and raising the cap of guaranteed days of employment to 150 in tribal areas as the existing 100 days is inadequate.

**12. Shri M I Shanavas** called for enhancing ex gratia payment of Rs.25000/- to Rs.1 lakh if a person employed under a scheme dies or becomes permanently disabled during the course of employment. He also mentioned that if possible comprehensive insurance cover be provided to the workers. Inclusion of paddy cultivation under the category permissible works was also suggested by him along with rearing of milch cow. He also mentioned that social audit be conducted by Gram Panchayat.

**13. Shri Rango Rao suggested** social audit at pre planning stage also in addition to present post implementation. He also stated that the Act permits allotment of 50% of the works in terms of its cost under a scheme to be implemented through the gram Panchayat. However, the capacity of the PRIs is not adequate for this purpose and accordingly capacity building of the PRIs should be enhanced. He also referred that no technical personnel are available to facilitate execution of works by PRIs. Utilization of Lok Sevak and CSOs to facilitate discharge of statutory responsibilities was suggested by him. On the issue of schedule of rates he suggested that it should be workers friendly and productivity linked. He also brought out that more and more works are taken up on private land in comparison to public land. For this purpose work planning is required and CSOs may be associated in this.

**14. Prof. Mool Chand Sharma** reiterated his suggestion of keeping in view the federal structure while deciding policy issues on implementation through PRIs and emphasized the need for enhancing the capacity building of the PRIs lest the programme be hijacked by the PWD and the contractors. He mentioned that laudable work has been done so far and called for regular meetings of the Central Council and sharing and deliberating upon field visits reports.

**15. Prof. Ashwani Kumar** mentioned that setting up office of ombudsman is crucial and urgent and called for prescribing time frame for this so as to consolidating and innovating the Mahatma Gandhi NREGA. He suggested setting up of an Expert Group on wage disbursement system. On the issue of business correspondent, he said that it is innovative and guidelines should be formulated immediately for this purpose. Regarding the role of Panchayati Raj Ministry in the implementation of the Mahatma Gandhi NREGA, he mentioned that capacity building of PRIs need to be strengthened and social infrastructure support is to be provided to the gram panchayats in the backdrop of 2009-10 being declared as the year of the Gram Sabha. While appreciating the concept of Lok Sevak, he mentioned that we need to explore as to how best it could be given effect. Coming to data on the implementation of the Mahatma Gandhi NREGA, he said it looks impressive at macro level. However, data on gender equity looks dismal. He suggested for pilot study and evaluation by an expert group.

**16. Dr. Mihir Shah** suggested advance payment of 50% of wages to take care of delay in wage payment and asked for providing alerts in MIS. He also referred to the strengthening capacity building of the PRIs and providing support infrastructure to the gram panchayats. He also mentioned that Central Council can play an effective role in achieving this.

**17. Hon. Minister of State(RD-PJ)** called for regular visit of Central Council members to strengthen implementation of the Mahatma Gandhi NREGA.

18. Hon. Minister (Rural Development) made the following observations:-

- In her address to the Parliament President referred to the drought and the amendment carried out in the Mahatma Gandhi NREGS regarding water conservation works in the fields of small and marginal farmers and called for suggestions to widen the scope of convergence to increase agricultural productivity.
- We should have Expert Group to identify works/activities on lands of SC/ST/OBC/Small and marginal farmers
- Construction of Bharat Nirman Rajiv Gandhi Sewa Kendra: Wage material ratio of 60:40 is to be maintained. Mahatma Gandhi NREGA provide for execution of 50% work by Gram Panchayats. Being so, there is no question of contractors coming in the construction of Sewa Kendras
- Gram Panchayat bhawan in each Gram Panchayat is essential to effectively implement rural development programmes. ICT support would be jointly provided to these bhawans for the purpose of e-governance, SWAN, broadband etc. This will also supplement the income of the gram Panchayat.
- Social audit should be viewed as a tool for corrective measures and not as a punitive measure
- Capacity building of PRIs be enhanced
- Regular meetings of the Central Council should be held.
- Sub groups on Planning and Execution, Payment of Wages, Transparency and Accountability, Capacity Building, Special Provision for Special Categories of Workers and Works on Individual Land be constituted within a week. Members other than Central Council members may also be associated in the sub groups.

Secretary(RD) thanked all members for constructive suggestions.

Meeting ended with vote of thanks to the chair.

**ANNEXURE I**

## LIST OF PARTICIPANTS

11<sup>th</sup> meeting of the Central Employment Guarantee Council held on

22<sup>nd</sup> February 2010

- |  |                        |
|--|------------------------|
| <b>1. Dr. C P Joshi</b><br>Hon'ble Minister (Rural Development)        | <b>Chairman</b>        |
| <b>2. Sh. Pradeep Jain</b><br>Minister of State (Rural Development)    | <b>Special Invitee</b> |
| <b>3. Shri Sisir Adhikari</b><br>Minister of State (Rural Development) | <b>Special Invitee</b> |
| <b>4. Dr. Mihir Shah</b><br>Member, Planning Commission                | <b>Special Invitee</b> |
| <b>5. Shri B K Sinha</b><br>Secretary (Rural Development)              | <b>Member</b>          |
| <b>6. Shri A N P Sinha</b><br>Secretary<br>Ministry of Panchayati Raj  | <b>Member</b>          |
| <b>7. Dr. Nirmal Khatri</b>  | <b>Member</b>          |
| <b>8. Smt. Aruna Roy</b>   | <b>Member</b>          |
| <b>9. Shri Jean Dreze</b>  | <b>Member</b>          |
| <b>10. Shri Nana Gawande</b>   | <b>Member</b>          |
| <b>11. Prof. Mool Chand Sharma</b>                                     | <b>Member</b>          |
| <b>12. Dr. Ashwani Kumar</b>   | <b>Member</b>          |
| <b>13. Shri K S Kopal</b>  | <b>Member</b>          |
| <b>14. Shri Rangu Rao</b>  | <b>Member</b>          |
| <b>15. Shri Bhakta Charan Das</b>                                      | <b>Member</b>          |
| <b>16. Smt. Ratan Ben Jadav</b>  | <b>Member</b>          |

- |   |               |
|---|---------------|
| <b>17. Shri Sanjay Dixit</b>  | <b>Member</b> |
| <b>18. Shri Madhusudan Mistry</b>   | <b>Member</b> |
| <b>19. Shri R Dhruvanarayana</b>  | <b>Member</b> |
| <b>20. Smt. Sabina Yeasmin</b>  | <b>Member</b> |
| <b>21. Shri R S Shukla</b><br>Deputy Legal Advisor<br>Ministry of Law and Justice   | <b>Member</b> |
| <b>22. Dr. Uday Shanker</b><br>Planning Commission  | <b>Member</b> |
| <b>23. Smt. Amarjeet Kaur</b><br>Deputy Director General<br>Ministry of Labour and Employment                                 | <b>Member</b> |
| <b>24. Dr. R Singh</b><br>Director of Employment<br>Ministry of Labour and Employment   |               |
| <b>25. Shri R D Dhiman</b><br>Secretary<br>(Rural Development and Panchayati Raj)<br>Government of Himachal Pradesh           | <b>Member</b> |
| <b>26. Shri Serjius Minj</b><br>Addl. Chief Secretary<br>(Panchayati Raj and Rural Development)<br>Government of Chhattisgarh | <b>Member</b> |
| <b>27. Shri K B Thampi</b><br>IG (Forests)<br>Ministry of Environment and Forest  | <b>Member</b> |

**28. Smt. Amita Sharma**

Joint Secretary

Department of Rural Development

**Member Secretary**

**29. Shri Nitin Chandra**

Director

Department of Rural Development

**30. Shri J S Audhkhasi**

Under Secretary

Department of Rural Development