

**Meeting of State Ministers of Rural Development on the
National Rural Employment Guarantee Act, 2005,
[27 September 2005]
Prime Minister's Address**

Shri Raghuvansh Prasadji, State Ministers, Ladies and Gentlemen

I am happy to be with all of you here today when you are deliberating on a subject which is of vital importance to the welfare of our rural citizens. When we became independent as a nation, our Founding Fathers dreamt of a country where every citizen would be free from poverty, ignorance and disease – problems which had plagued millions of our people for centuries. While we have made remarkable progress in many spheres since then, it is still a matter of serious concern that large segments of our society still suffer from these age old scourges. It is only by empowering people and by granting them an inalienable right to a livelihood can we ensure that such intentions and dreams get translated into reality.

In this context, the National Rural Employment Guarantee Act is a path-breaking legislation. It is a landmark in the economic history of our people, in the regime of rights enjoyed by our people, and in our efforts for social equity and justice. It entitles our rural poor to guaranteed employment, to a means of sustenance, a means to avert distress, a means to secure two square meals a day, and a means to lift them out of the trap of poverty.

The legal guarantee of 100 days of employment in a year to a rural household is unprecedented. India has set an example that I am sure many other countries will follow. The passing of this legislation is also significant because of the wide-spread discussion that it generated. I draw your attention to the debate in Parliament. I urge you all to draw the correct lessons from what was said in that debate. Today, you are gathered to consider how best we can deliver on this promise to our poor.

Ladies and Gentlemen,

The NREGA is a unique social safety net because its beneficiaries are not passive recipients of doles, but will become active participants in the creation of rural assets. While we are committed to extend the NREGA to the entire country, our focus is presently on the 200 most backward districts. Our Government will ensure a completely non-partisan choice of districts. Our performance in these 200 districts will yield useful insights and lessons while extending it across the country. Therefore, the quality of implementation of the Act in its initial phase is of critical importance. We need to translate the legal commitment of the Act into an effective Programme of Action that delivers the benefits as guaranteed. I take this opportunity to highlight some issues that would require your personal attention.

We must realize the difference between a scheme and a guarantee. A scheme is supply driven whereas a guarantee imposes a legal obligation on the state. Focus shifts from outlays and expenditures to ensuring that employment is provided where needed. Of course, this has to be tied with tangible works resulting in the creation of assets. But the focus on employment is clear and there should be no doubt on that.

This will require a lot of hard work by states such as in creating perspective plans, having shelves of projects, establishing mechanisms for providing work wherever required, setting up institutions for monitoring and technical support, designing smooth financial flows and providing for accountability of the entire process. A task of this nature has never been attempted before and hence, the importance of a serious effort in this regard.

The foremost requirement is establishing institutional mechanisms for implementing the guarantee. The Panchayati Raj Institutions, with the assistance of government agencies, are central to this. Panchayati Raj Institutions, will have to be geared up for it. This is also an opportunity for strengthening grass-root democracy. You would need to ensure capacity building of these institutions so that they may discharge their responsibilities effectively. Besides the panchayats, other supporting agencies like the District Administration and Line Departments should be properly trained for the tasks. All agencies responsible for the implementation at all levels should know that deficiencies and deviations bear costs.

The guarantee requires timely transfer of resources to the implementing agencies so that works can start on demand. States will have to ensure that wage employment is given within 15 days of demand for work. If this does not happen, States will be liable to pay unemployment allowance at their own cost.

Under Employment Guarantee Schemes, there is much wider scope for participatory planning than before with the Gram Sabha selecting the works needed. Local communities and panchayats enable local area planning. With proper technical support, they should be able to develop feasible plans well in advance to meet the demand for work in 15 days. I believe that many development initiatives have been impeded not so much for want of resources as for want of proper perspective planning.

The Act provides an opportunity for creating durable assets that strengthen the livelihood resource-base of the area. Those who work for wages in creating these assets should gradually move into self-sustaining employment. The nature of works suggested in the Act offers an opportunity to States to rejuvenate their natural resource-base and banish poverty. A careful selection and execution of works has the potential to transform the rural economy of the state and to change the very geography of poverty.

Ladies and Gentlemen,

The NREGA must be a transparent, people's programme. Therefore, methods of estimation and measurement of works and rates of payment for each task should be made transparent. The labour that seeks work must understand what is offered, on what terms and demand its full entitlement. Similarly, there should be complete transparency in maintenance of muster rolls and payment of wages. There should be fairness all around.

Every aspect of implementation will be covered by the Right to Information Act, which is another historical legislation enacted by our Government. People will have general access to public records and information pertaining to the NREGA. We must not forget that eternal vigilance is the price of liberty.

Ladies and Gentlemen,

The Act offers an opportunity to empower weaker sections of our society. Scheduled Castes and Scheduled Tribes and beneficiaries of land reforms can benefit through irrigation works on their fields. Women have been given priority in the allotment of employment opportunities. Thus, the economic security offered by the Act can be leveraged for social equity as well.

The Act invests the rural people with the right to demand employment and they should know it. We must spare no effort in communicating the meaning and purposes of the Act right across the rural areas, specially where poverty, disease and distress migration are endemic.

Ladies and Gentlemen,

Hon. Ministers will recall that I had said in Parliament that the success of the NREGA depends vitally on its proper implementation. If this legislation is to yield the desired results, it is also necessary that all of us work to ensure that our economy grows at the rate of 7 – 8 %. We must create a climate for enterprise where both private and public sector investment can find a hospitable place. We must manage our budgets well so that the fiscal health of Government is not impaired. We must generate the resources that we expend.

I urge every State Government to pay attention to three watchwords: that outlays are matched by outcomes; productive assets are created to pay for the money spent; and the guarantee is implemented in its true spirit. As long as we are mindful of these watchwords, we will be able to implement this historic commitment in right earnest.

Let us make it our collective commitment and pledge full support to it.
Thank you.