CHAPTER - IV

WAGES UNDER FOOD FOR WORK PROGRAMME
4. Wages under Food for Work Programme

The wages to be paid under the Food for Work Programme both for skilled and unskilled labour, shall not be less than the minimum wages fixed by the state government under the relevant stature for agricultural labourers as applicable to the rural area. In case the executing agencies do not pay the wages for a category of employment at the rate notified for the relevant schedule of employment under the relevant status, the district panchayat/intermediate panchayat shall withhold further release of funds to that implementing agency and informs the fact to the authority concerned for suitable action against the erring officials under the relevant status and also informs the central government that the above provisions are not being followed. It may withhold further release of resources under the programmes to the district concerned 1.

- Notified minimum wage rates to be paid
- Equal wages to be paid to both men and women workers and
- Payment of wages to be made on fixed date in a week, preferably a day before local market day.

1. The payment of wages shall be made at least once in a fortnight. The district programme coordinator and the state programmed coordinator shall keep a watch on the average wages earned. If necessary, the schedule of rates may be revised to ensure that the wage per day is equal to the minimum wages notified by the government under minimum wages Act 1948. The district-wise average wage earned by the workers shall also be brought into the notice of the state council. Every year grama panchayat will be the single window for wage payment, irrespective of the executing agency.

2. The field assistant shall measure the work done and record in M. Book and close the muster roll at the end of each work he/she shall read out the workers of the work sheet. The entries in the muster roll are to be attested by three representatives of the workers. The panchayat secretary shall submit the and closed muster rolls to the Mandal Parishad Development Officer (MPDO) within 24 hours of closures of the muster rolls the technical
assistant shall check measurement book. The Mandal Parishad Development Officer (MPDO) shall issue the pay order for payment of wages to the workers and send it as the case may be. The Mandal Parishad Development Officer (MPDO) shall issue check supplies of material based on M-Book, where the payment secretary makes payment to the workers. It shall be ensured that it is done at a public place after reading out the muster roll. It shall be ensured that the member of days of work and payment are entered in the households job card and the same shall also be entered in the employment register maintained at the gram panchayat level in respect of all villages where there is a branch post office within the village. The worker shall be asked to open an SB account in local post office so that their wages can be accredited to their accounts once a week.

4.1. Wage rate

The wages paid to labourers are their principle means for subsistence if at any stage or in any works wage rate is very low contribution of such works is meaningless, it must be ascertained why the wage rate is low and correct steps should be taken. Payment of wages has to be monitored very strictly, it really does make sense to open relief works, and make labour to do work for a month or more payment of wages can be either in cash or in kind or both cash and kind in the form of food grains.

Wages are Sampoorna Grāmeena Rozgar Yojana/Food for Work Programme in terms of both food grains and cash. About 92 per cent of the wage employment beneficiary respondents, received prescribed 5 kgs of food grains per day. However, some wage employment beneficiary respondents did not receive food grains at all. The proportion wage employment beneficiary respondents received wages only in cash.
4.2. Wage incomes

The programmes are to be on par with minimum agricultural wages prescribed in different areas in a state.

The wages to be paid for skilled workers will be the minimum wages laid down for that category of work either under the minimum wages Act or prescribed by departments such as Public Works Department (PWD). Irrigation. It was also mentioned that the state government might issue an order on the above basis, fixing the rate of wage payable for different categories of work to be undertaken under the Food for Work Programme. Public Works Department Irrigation Forest, they used their own wages.

1. An effective employment guarantee can only work when the programme is targeted to the poor. In particular the landless, the nature of the work, and the fact that part of the payment may be in kind contributes to this. The real wage level also enhances this targeting.

2. Wages should not only lead to real improvement in the income of the participating families, but should also have a stabilizing effect on the agricultural wages in the region.

3. If food grains are to form a part of the wage effectively, they must be readily available in sufficient quantity and without the intervention of middlemen or profiteers, these conditions are not inconsequential in India.

The level of wages to be paid to workers in wage employment programmes is an important issue as it affects (1) the level of employment (2) levels of living of the workers (3) productivity of the workers, and (4) the inflationary pressures. Different rates have been suggested by economists on the basis of different considerations, some have recommended as low a wage rate as possible, which can be the agricultural wage rate as in the lean season, so that
employment is maximized. Others have suggested that the wage rate should be raised.³

The labourers in different states and different districts within a state were paid at varying rates of wages under FWP, the wage rate varied from Rs. 3.00 labour per day in Vashik (Maharastra) to Rs 7.20 per day in Sonepat. The female labourer was paid at a labour-rate less than that of the male labourer under the FWP. The children were reported to have been employed only in three of the selected districts only. It is interesting to note that the wages paid under the Food for Work Programme were equal to the wages they were already getting under the prevalent market rate.

The beneficiaries reporting the wages paid under the FWP are prevalent market rate and they were of the opinion that the wages paid under the programme were higher than that of the market rate of the wages. The per cent of selected beneficiaries claiming the wage rate under the programme is higher than the market rate ranged from 22 per cent to 75 per cent.⁴

It may be seen that wages paid under FWP within the range fixed under the Minimum Wages Act in districts-wise Medak (Andhra pradesh) however, wages paid under FWP were less than the minimum wages, which could be due to the method of conversion of food grains wages into money wages. The rate of food grains as prescribed by the government for compared to the market rates of food grains prevailing at the time the other reason for lesser wages, could be due to lesser out put as compared to the prescribed norms in a particular area, where wages were paid on price-rate basis. As there is no restriction against paying more wages than prescribed under the Act, higher wages were paid as per the demand and supply of labour in the local labour market in some districts.⁵
4.3. Rates for unskilled labourers to be followed

1. Unskilled workers: may choose payment per man-day under any of the three options as indicated below.

Option 1: 5 kgs of rice + cash eligible as per SSR rates (Blue coupon holders)
Option 2: 8 kgs of rice = cash eligible SSR rates (Blue coupon holders) and
Option 3: 10 kgs of rice without any cash component (Yellow coupon holders)

The price of rice to be supplied to the labour is decided at Rs. 8 per kg. If the labourer chooses 10 kgs per manday no cash payment would be made to him. This is applicable to all over the state in case labourer goes for other option. The district collectors would have to make available the balance portion of cash component of the wage from the departments, agencies to which that work belongs, keeping in view the rates applicable in Irrigation/Roads Buildings, Departments whichever is less.

Skilled workers shall be paid as per Rates. They may be given 10 kgs of rice per manday and the balances of wages are paid in the form of cash as per the eligibility and rates by the department executing the works. In view of the revised of instructions of the Govt. of India each worker under this programme can choose payment of wages per manday in any of three options indicated below:

Option 1: 5 kgs of rice + Rs 30 in cash (green coupon holders)
Option 2: 8 kgs of rice without any cash component and
Option 3: 10 kgs of rice without any cash component

However, for works being taken up under the clean and green programme only 5 kgs of rice per manday will be give without any cash component. 6

For the purpose of adjusting the value of rice issued against the running bills of the works issued rice will cost Rs. 5.65 per kg. The support for the labour
component will be given only from the FWP, 300 kgs of rice per hectare and this support will be given only till the scheme lasts FWP.

1. For deducting the value of rice, while sanctioning the works, the rate of rice should be adopted as Rs 5.65 per kg by all the executing agencies.
2. While paying the wages in cash, the value of rice Rs 5.65 per kg should be deducted.
3. The district collector may choose one of the options prescribed by the state government with regard to payment of wages to the labourers on terms of rice or cash 8kgs rice and cash or 10 kgs rice no cash.

This would entail payment of part of the wages in the shape of rice to the labour. Since the rate of rice being charged less than the market rate the dovetailing of the scheme FWP with the existing on going scheme would result in better remuneration to the labour and therefore should act as an incentive 7.

Payment to the villagers participating in the FWP is paid weekly in the villages till the end of 1979. Only wheat was being available but afterwards rice was introduced. The payment is made according to minimum wages Act 1948, which is Rs 156 for 26 working days i.e., Rs. 10 per workday. This wage rate is applicable only, where earth digging is not included in the work like, cleaning of wells, making culverts etc. The payment is made in kind and cash or 5 kgs of wheat/rice for work. For all other works where quantity of earth works can be measured. The payment is also made in kind according to work done by the workers.

Thus, under the programme, a person (with or without help of family members) is required to dig a cubic foot deep pit (locally called khanti to earn a day payment in kind. Taking into account the hardness of the soil the region required 10x8 feet whole some areas 10 x10 feet. Accordingly the workers are also supposed to do the leveling of earth. The standard schedule of rates for the current year is to be adopted for working out the detailed estimates for any, type

152
of work to be taken up under (FWP/SGRY) the labour component involve is to be shown separately, the number of mandays in a particular work the total value of labour component and dividing by the daily mazdoor rate in the current schedule of rates concerned department of district.

Food components of wage payment and the cash components of wages were received at the work site. Wages were not paid at the work site. Food grains were received either at the work site or through the public distribution system. Out let in the selected districts, distribution was only at the work site. While it was only through Public Distribution System (PDS), nearly 90 per cent of the wage employment beneficiary respondents, received grains.

There were large differences in periodicity of cash payment and distribution of food grains. More than three-fourths of the payment were either weekly or fortnightly, more than two-thirds of the cash payments were weekly and distribution of food grains was more or less between weekly and fortnightly payment. More than half of the wage employment beneficiary respondents in the backward districts only which was affected by law and order problem received payment on a monthly basis and four beneficiaries reported receiving cash wages after 5-6 months. All respondents reported weekly cash payment, received food grains on a weekly basis. But a few-reported fortnight payment of food grains.

Special component and calculation of mandays and the quantity of rice required are to be dovetailed for a particular work. It has been noted that 48 per cent of the selected beneficiaries received the payment of wages every week, while about 21 per cent each received the payment for work either daily or at the end of fortnight. As 93 per cent of the selected beneficiaries had shown their preference for payment of wages either daily or weekly. Efforts may be made to see that a uniform pattern of payment of wages to the labourers either paid on daily or weekly basis is evolved.
All the beneficiaries reported that wages were paid in time, out of some selected districts. But in some places where the wages were not paid in time, or the wages paid under FWP was sufficient to meet their daily requirement.

Contrary to the common understanding of FWP, the programme involved a significant cash component, which was the responsibility of the state government. Cash is required for purchasing material and in some cases to pay a part of the wages. The cash component can be as much as 50 per cent of the total outlay and the assumption at the centres was that FWP would draw down funds from existing schemes such as the Employment Assurance Scheme. Jawahar Grameena Samrudhi Yojana, Janmabhoomi in the case of Andhra Pradesh (AP) as well as General Funds available with Panchayat Raj Institutions (PRIS).

Many states do not have ready cash to reallocate or to contribute to the cash resources that are required in several states such as Orissa. This meant that even the centre was providing free grains, but state government were very slow to lift the grains, since the start of the FWP in 2001. Lifting progressed very slowly. According to the report received from state governments and the Department of Food and Public Distribution in September 2001 only 1.4 million tones of grain were lifted although the provision had been made for 2.4 million tones to be released⁹.

But Andhra Pradesh was different. According to the statement provided by the Chief Minister Office (CMO) in July 2002. 2.6 million tonnes of rice were allocated out of which 2.5 million tonnes were lifted. This allocation proceeded seemingly in an arbitrary fashion without bearing any relation to the number of the poor people or the need for employment and food. Most of the labourers were paid in cash and so a few were employed, so most of the profits from the sale of the rice went to contractors and politicians ¹⁰.
Beneficiaries stated that they were paid sufficiently of wages under the FWP. The beneficiaries in some of the selected districts said more than one sources of income, other than the wages, received under the programme. It would be clear that the FWP has saved some of the beneficiaries from the centres of starvation, the district wise details of beneficiaries reporting the insufficiency of wages and other sources of income may be.

The FWP rules allowed payments in a combination of rice and cash and this choice was left to the labourer. But almost everywhere, wages were paid solely in cash and not rice. The contractor received rice for the works from the Mandal Parishad Development Officer (MPDO) through the civil supplies stock point under the MPDO at the mandal level. This was ostensibly done on the promise that the contractor would issue food coupons that he had been provided by the MPDO to the labourers, but the actual process did not work like this and several contractors were forced to make payments to the labourers in cash because they received rice four months later, after the completion of the work.

Rice could not be requisitioned in advance of the works, because the rules are that this must be done only after completion of the work. Most contractors received the rice, several weeks after completion of the work but they had to pay labourers immediately. They used this time gap to their own advantage, some time delaying payment or replacing it with cash. The poor were deprived in real terms because they would not be able to buy 10 kgs of rice in the open market at Rs.9 per kg with Rs.56 which was cash equivalent of the FWP payment. And as discussed previously the FWP wage was modified at the local level so that it was often less than prescribed FWP wages as an instance women were paid Rs.30 a day, whereas men received Rs.40 and two bottles of toddy.

There was of course the added reason that contractors were interested in selling the rice in the open market so, when the rice was eventually received by the contractor they would sell to rice traders. The most common way in which
rice recycling occurred was, when contractors collected rice coupon from the MPDO and then took rice from the Public Distribution System (PDS) outlet at the price of Rs.5.65 kg. He then sold the rice to traders who further sold it to rice miller for around Rs.7.50 kgs. He then sold the rice to traders who further sold it to rice millers recycling of rice.

The millers finally sold it to the Food Corporation India (FCI) as part of the paid procurement quota for Rs.9.50 kg. It happened at the connivance of the PDS dealer, the MPDO, rice millers and panchayat officials and FCI officials but the records maintained by the PDS dealer showed that all labourers had taken rice personally through coupons.

Figures on rice procurement for Andhra Pradesh (A.P). during Rabi (winter growing season) 2001-02 supported the allegation that recycling was happening. According to Shivaji a former Rajya sabha (upper house of the Parliament) member speaking at a meeting on (MSP) policy, procurement was poorer than average at first, but it picked up rapidly later and went up to 2.8 million tonnes against 1.9 million tonnes than the previous years. This increase accrued at a time when production in Andhra Pradesh fell from 4.2 million tonnes to 3.8 million tonnes. Thereby providing further evidence that recycling of FWP rice had taken place.

After the irregularities found during the initial rounds, the guidelines were changed to include the revenue department and PDS outlets. This was aimed at to put in place some kind of checks and balance in the systems. Under the new regime, the Mandal Revenue Officer (MRO) was to issue the release order (issuing rice to the Public Distribution System dealers) based on the reports submitted by the MPDO A route officer was appointed to accompany the rice from the ware house to the Public Distribution System (PDS) shop concerned (Prevent diversion) the rout officer could be the (VAO) (village development officer) junior assistant. Revenue inspector (RI) executive officer, the MPDO would have to issue coupons to the grama panchayat and they would have to pass them to
the labourers based on their work. The labourers in turn would collect the rice from the (PDS) shop. The Village Assistant Officer (VDO) was supposed to oversee the distribution of rice by the (PDS) dealer but none of this happened in practice. The route officers did not accompany the stocks and the contractors did not give the coupons to labourers, and neither supervise the distribution, because of over-stretched timetable of all of these officials. The (VAO) Mandal Development Officer complained we are supposed to do all the things the continued, they would not complete their office works and which was their priority and they asked. We must “Complete our routine work, which is priority”

4.4. Wage and non-wage component in building works

The central guidelines in order to maximize employment, have provided for maintaining a ratio of 50:50 for wage and non-wage components respectively in a district as a whole. In general, mandays generated in a work are the progressive total of person working on each day from its initiation to completion. The programme prescribed for the formulation of annual action plan mentions as an important variable employment like to be generated in a work. The (B.D.O) prepared annual action plan dividing the wage component by the prevailing minimum wage rate for the calculation of mandays. Such a system is quite understandable and correct in case of earth works as in these works there is no materials component and the entire wages are paid to the unskilled labourers.

At present there is no distinction made between the employment generated for the unskilled and the skilled labourers. According to our estimate the wage ratio of the unskilled to skilled labour is to the tune of 48:52 in a building work. As such there is tremendous difference in the actual mandays generated and as estimated in the annual action plan. It also shows potential of employment generation in building works which is extremely limited, coupled with the problems as previously mentioned such works are spread over for a longer
duration, than a year or even more on average due to the problem of installments which in turn necessitates change in the composition of the labourers.

4.5. Payment of Wages under the Food for Work Programme

Under the scheme wages will be given to labourers 5 kgs per man-day. The state government and union territories administration, to calculate the cost of food grains as a part of wages at either below poverty line rates or above poverty line rates or any where between the two rates the, workers will be paid the balance of wages in cash. The government of India has released 8.5 lakhs Rice.

The total fund available now is Rs.677.78 crores. The districts of Karim Nagar, Krishna, East Godavari, Khamam, Kurnool, Nalgonda, Ananthpur, Cuddapah, Warangal, Adilabad, Visakhapatnam, srikakulam, Nijamabad, Guntur, West Godavari, Chittoor and Medak are above the state average in the utilisation of the scheme.

The districts of Nellore, Prakasam, Vizanagaram, Ranga Reddy and Mahabub Nagar, are below the state average in scheme utilization, are assured of the notified minimum wages.12

4.6. Executive agency

The annual action plan will independently be prepared every year at Panchayat Raj institution level. The responsibilities for preparing annual action plan will be that of the Zilla Panchayat while the Panchayat Samithi will be responsible for preparation and approval of the own plan. In respect of the works to be taken up at Samathi level, the grama panchayat is responsible for preparation of the own plans, which are to be approved by the grama sabha. The grama panchayat can take up any work with the approval of the respective grama sabha. No financial limit has been proposed as several states have already delegated powers to the grama panchayat and it would be left to the state
government to prescribe the same in the light of the prevailing delegation of powers. The work will have to be approved and incorporated in annual action plan as approved by the grama sabha.

4.7. Allocation of funds and food grains under the second streams from District to grama panchayat

Out of the total of funds earmarked under Food for Work Programme the Sampoorana Grameena Rojgar Yojana, 50 per cent of the funds thus allotted of the district under the second stream would be released to the grama panchayat directly by the District Rural Development Agency/ Zilla Parishad.

The government and union territory administration is proposed to be treated as base for making allocation for each state/ union territories each year in the future.

The state and district wise allocation will be made Ministry of Rural Development at the Panchayat level the District Rural Development Agency/ Zilla Parishad will make the allocation each panchayat if there is increase number of panchayat in any given year, the share of each panchayat would stand reduced proportionately should there be decrease in the number of panchayat the share of each panchayat would be increased proportionately, the detailed guidelines in this behalf would be formulated separately. The grama panchayat will prepare their own annual plan for the approval of the grama sabha 50 per cent of the funds earmarked for the grama panchayat would be kept for taking up of infrastructure development works in schedule caste and schedule tribes localities.

4.8. Implementing authority

The overall supervision of the programme will rest with the Zilla Parishad, at the samithi level, the grama panchayat. The Zilla Parishad will be responsible
for supervision and coordination of works and the forwarding of request reports in the states and union territories, to the Government of India, allocation of funds under the first stream from district to zilla Parishads and panchayat samithies.

40 per cent of the funds earmarked under the first streams will be reserved at the district level and utilized by the Zilla Parishad in the areas affected by endemic labour exodus and in areas of distress. As per annual action plan approved by the Zilla Parishad in selecting the works to be taken up preference would be attached and susceptible to sustainable migration of labour.

60 per cent of the funds earmarked under the first streams would be allotted to the panchayat samithis (intermediate panchayat), 50 per cent basis of the proportion of scheduled caste and scheduled tribes and 50 per cent on the basis of the proportion of rural poor population in the respective panchayat samithis in the districts the works would be taken, an annual action plan approved by the panchayat samithi with preference being accorded to the areas which are calamity prone, face labour migration. Under the first streams 22.5 per cent of the funds will be earmarked, for the beneficiaries scheme for scheduled caste and scheduled tribes for providing economic and social assets and for developmental works on individual lands of below poverty line scheduled caste and scheduled tribes families.

4.9. Rice allocation to undeserving areas

The identification of works and the allocation to rice did not follow any kind of obvious rationale that linked quantities of rice granted with either the number of below poverty line households or the availability of workforce willing to participate in the programme.

Previously, states that each village should estimate the number of labourers who are willing to take up under Food for Work Programme. And estimates of works as well as remittance for rice should be based on this but the
demand for rice. Interviews conducted in the villages suggest that at the start of the programme, collectors asked Mándal Parishad Development Officer how much quantity they would need for each mandal.

4.10. Ban on contractors and labour displacing machines

Using labour displacing machines shall perform no task, funded under the programme. For all works, the rates for labour as prescribed on rates prevailing in the area of execution of work shall be followed. Labourers shall be paid the value of 5 kgs of rice of at Rs. 5.65 per kg.

1. The contractor may be asked to maintain a muster roll work wise labour employed by him. A representative of the executing agency should counter sign the muster roll. Coupons will be issued by an official authorized by the executing agencies of the rice component for the wages on a weekly basis, based on which the labourer can draw the eligible quantity of rice from the fair price shop. In case there is no fair price shop in the vicinity of the work site, the collectors should make arrangements for supply of rice at the work spot in the habitation where the workers stay, it is desirable that food-grains are not handled by the executing agency.

At the time of payment to the contractor the price of the food grains supplied to the labourers should be deducted from the bill at the rate of Rs. 5.65 per kg.

The agreement cost of the project will not be altered due to the dovetailing of Food for Work Programme. It should be used for similar project under the same scheme following the guidelines fixed for respective scheme again deviating the FWP as far as possible.

The beneficiary can take rice to the maximum extent of 200 kgs per house. The available rice will be computed at Rs. 5.65 per kg. At this rate the
total value of supplied to each beneficiary will be of the value of Rs.1130 only for the 200 kgs of rice supplied to him/her.

While making payment for completion of the house from basement of for the rural permanent houses and the Indir Awass Yojana Houses to lintal level 100 kgs of rice may be issued and while making wage payment for the work from lintal to roof level 100 kgs of rice may be issued. The housing corporation will deduct Rs 1130, the value of the 200 kgs of rice release to the beneficiary from the cash component released by the AP Housing Corporation.

The cash saved by the housing corporation in each coping village will be consolidated and used as cash component for taking up drainage and road works in housing colonies in the same village for which matching rice component may be availed in such drainage and road works. The daily wage for the unskilled labour may be considered, notified by the collectors in the districts on par with other programme out of which 5 kgs of rice at Rs.5.65 per kg, will be paid in kind and the balance will be paid in cash for each manday.

The collectors are further requested to bring these guidelines to all the implementing agencies at district level including the district manager Housing for completion under Food for Work Programme and fodder seed would be supplied to the farmers 20 kgs per acre with seeds already procured and made available, 75 per cent subsidy and 25 per cent cost basis depending upon the local situation. The district administration will decide the price at which the fodder will be purchased, which will be partly paid in the shape of the rice being given to their district administration will therefore ensure that, the cost of the fodder procured would be paid both in the form of cash as well as rice wage under Food for Work Programme as far as through fair shops. Efforts are also made to organize mobile fair prices shops at the centres where the rural works are in progress so that other essential items of consumption also become available to the needy people at reasonable prices.
Since the programme is basically aimed at providing employment to the rural poor, raising their economic opportunities and thereby strengthening the rural infrastructure. It is only appropriate that the local bodies are actively involved in its implementation. It is no doubt necessary to exercise a close and strict supervision and control over the execution of works so that the scope for malpractices is eliminated. The programme is with particular reference to the execution of works, stock position as well as the quality of food grains supplied, disbursement of wages to workers, maintenance of muster rolls, measurement books and records.

The progress reported in the utilization of resources allocated for the expenditure on the existing plan and non-plan schemes, new items of capital works and maintenance of the public works mentioned above, has been supplemented to the extent of the amount of additional researcher made available to them in the shape of food grains.

The wages to be paid under the programme on a par with the minimum agricultural wages prescribed in different areas in state. The idea behind this provision is that the agricultural activities should not be made to suffer during the peak agriculture seasons. The conditions of minimum agriculture wages applicable to unskilled workers would depend on the rates adopted for various categories of jobs by the government departments. The contractors have been totally departed from execution of works under the programme.

There were complaints about leakages of food grains in the past because there was no sufficient vigilance at all levels, as the food grain dimension of the programme having increased considerably. In the context of severe drought situation in the country it is only appropriate that a shelf of project suitable for each micro area, in pockets of acute rural employment is carefully prepared for execution on priority basis of block/district wise in each state.
Several instances have come to the notice of this ministry that the payment of wages to the labourers engaged on works taken up under Food for Work Programme are delayed considerably due to non-availability of sufficient technical staff to measure the work done. The special FWP has been launched with a view to providing immediate relief to the drought-stricken back of delay. Arrangements may be made to mobilize technical staff qualified in civil work from other departments to do the measurement work so that delays in payment of their wages in food grains are checked to the minimum. Under no circumstances delay in payment beyond on week should be tolerated.

Owing to late arrival of food grains at the work site, arrangements was not made for payment out of their own funds. This has resulted in some malpractices like selling the food grains in the market at higher prices after they were received by the agency for distribution it is therefore necessary that there is timely distribution of wages in the shape of food grains to the labourers. Instance of lack of timely availability of implements and technical know-how for specific projects have also come to high.

The FWP depending on the availability of quantity of food grains and the priority shall be given to each item of work. The need for streamlining the monitoring system can also hardly be overemphasized. There have been complaints regarding misutilisation of food grains and malpractices creeping into the execution of the programme.

Since the rural poor are mostly employed at various agricultural and non-agricultural operations it is necessary that some shatters provided at an appropriate place in the village where the mothers could keep their children while they are away on their work.
4.11. Labour engaged by contractors can be paid their wages in kind

In order to ensure that the benefit of the scheme reaches to the individual workers, it is necessary that the agencies are responsible for executions of the works directly reach the food grains to the workers. The food grains, made available under the scheme can also be utilized for payment of wages in kind to the labour engaged by contractors, provided it is ensured the contractors maintain proper accounts and do not misuse or delivery the food grains meant to be distributed to the workers. It is advisable that fair price shops be opened at each worksite and wheat for the workers as wages distributed to them on the basis of coupons issued by the officer-in-charge of the work irrespective of the fact whether the work is being executed by the government agency or a contractor. This practice will obviate the chances of any malpractice in distribution of the food grains to workers as their wages. In Uttar Pradesh the forest department has been using plastic tokens for authorizing labourers to receive food grains. In Maharashtra coupon system has been adopted for distribution of food grains under Employment Guarantee Scheme. The Government of Gujarat has also formulated a detailed plan for distribution of food grains to the workers engaged on works under Food for Work Programme.

4.12. Wage levels and the exclusion of the very poor and lower castes

At the start of the FWP, there was directive from the state government that workers should be paid a uniform wage that was the equivalent of 10 kgs of rice at the public distribution system issue price of Rs 5.65 per kgs. This was much higher than the legal minimum wage for unskilled agriculture labour which was set at Rs. 3036.50 in 2000 (Ministry of Labour) Presumably the FWP wage was set at this level in order to provide a decent livable wage. Our assumption is that the main target groups of the FWP were unskilled agriculture labourers whose main tradable asset was labour and who would have been thrown out of work by long drought.
For instance contractors and mandal level officials announced during the FWP in Grama Saba that wages would be 10 kgs of rice for men and 5 kgs for women. The Sarpanch was the local public distribution system dealer and he was the main proponent of the informal FWP wage regime because he would gain from it. Although this met with some oral protest, no one dared to lodge a formal complaint against him for fear of not getting any employment. During the implementation of the programme wages were modified further in several instances, today was also given, to labourers as part of the wages because the toddy shops owners were members of the committee too or close to the committee members.

The wage rate was modified as the programme progressed to Rs.120 per guntha a local measure of the value of 12X12X16' dug after complaints from stronger (and politically influential) vaddi labourers that every body was being paid the same men and women (the sick, weak, children) even though they worked at different rates. In the small village panchayat (VP), the scheduled castes were paid 120 kgs of rice per day for FWP works under the watershed programme involving plantation soil work, canal work and bunds, the average income per head was Rs.56 day.

A major factor was the contractors were reluctant to pay workers more than the market rate. But, another reason was that implementing agencies with different payment regions found it difficult to change practices and adopt the FWP rate. Therefore different departments used, different measures for payment e.g. The forest department paid by the volume dug and this translated into amounts that were closer to their standard rates of payment. In effect this meant that wages were progressively negotiated to a level that was closer to the market rate through interaction between labourers, contractors and implementing agencies despite, they remained above the market rate in dry areas and below it in more productive areas.
Focus group discussions and interviews conducted in the study villages in the end of the first phase in December 2001, revealed the implication of this for attracting the poor. In the more diversified and productive villages such as the original FWP wage of Rs.56 would have altercation some poor and unskilled workers (particular by women) but this was revised to Rs.70 for every 3m dug in order to attract more workers. Despite this a few were willing to participate in this programme. However, instead of discontinuing it, works and rice were continued to be requisitioned and majority of the works were completed with outside labour displacing machinery.

In dry areas the opposite was true. The market wage was much lower than both the FWP and the legal minimum wage, especially for women. This created a condition where FWP wage work was attractive to the non-poor too. In Medak and Chittoor districts as we see in the following section, migrating labourers put off their departure from the village because they perceived FWP works as a lucrative option.

If we examine caste profiles of FWP beneficiary households, it is seen that nearly 44 per cent of the scheduled caste households in the sample worked on the programme. The corresponding figure for scheduled tribes was 33 per cent and for backwards castes 25 per cent. This would suggest that the benefits flowered mainly to the poor and the, very poor because schedule caste and schedule tribes tend to belong to those categories. However, on examining the number of person days generated, by caste, it is seen that by far the largest beneficiaries were the backward castes in our sample, the backwards castes were mainly Vaddi and Mudiraj both upwardly mobile castes and certainly not among the very poor. They have claimed out of being solely dependent on low paid local labouring through seasonal migration it is known that house holds that migrate seasonally are not the poorest of the poor because they have the necessary work where with to do so. In fact the vaddis caste council took a
decision that labourers who had migrated out would be recalled for participation in FWP works because the programme offered guaranteed employment with better returns than local agriculture labour\textsuperscript{16}.

4.13. Price of food grains for purpose of calculating additionally and as wages for workers

The value of food grains released to the state government is charged by the Food Corporation of India at the current issue price of Rs.125 per quintal Rs.130 per quintal with effect from 1-12-78 for wheat allowing a margin for handling and administrative charges etc. Additionally to be shown by the state government union territories was earlier fixed at the rate of Rs.115 per quintal for the wheat. The state government/union territories have the discretion to fix the national price of wheat and millet to be charged from the labour according to local conditions or circumstances but the price should in no case be lower than Rs.105 per quintal Rs.110 per quintal with effect from 1-12-1978. It has recently been decided that the additional requirement may be calculated at the rate of the state and union territory governments. The FCI charges the union department of rural development to value of the food grains supplied to the state government at the current issue price of Rs 125 per quintal Rs 130 per quintal of wheat with effective from 1-12-78. The reduced rate of Rs.105 per quintal for calculating the additionally will be applicable from 1-4-78 Rs.110 per quintal.

In the case of rice, the price to be paid by the department of rural development will be Rs.135 for coarse (short bold) variety and Rs.150 per quintal for medium variety the rate for calculating the additionally will be Rs.115 per quintal for coarse (short bold) rice and Rs.134 per quintal for medium long bold rice.
4.14. Utilization of interest earned on deposits

The interest amount accrued on the deposits shall be treated as additional resources under the FWP and should be utilised as per guidelines of the scheme. Withdrawal of funds by the District Panchayat/ District Rural Development Agency shall be as per existing practice only after the approval of the collector.17

Withdrawal of funds for making payment towards the works undertaken by the executing agencies will be through a cheque and as per the departmental manual in the absence of which collector may decide. Drawal of funds for any other purpose shall not be permitted anyone violating it will be liable for appropriate action.18

The programme will be implemented departmentally, only contractors are not permitted to be engaged for execution of any of the works under the programme. No middleman or any other intermediate agency should be employed for executing works under the programme. The full benefit of wages to be paid should reach the workers and the cost of the works should not involve any commission charges payable to such contractors, middlemen, or intermediaries, no task funded under the programme shall be performed by using labour displacing machines.

In case it is reported that contractors and labour initiate displacing machines are being engaged the collector shall withhold further release of funds to the executing agencies and initiate suitable action against the erring officials for misutilisation of funds.

Muster rolls shall be maintained promptly for every work, separately showing the details of wages paid to workers and food grains distributed. The muster rolls for all works should have entries showing the number and details of scheduled castes/scheduled tribes women and others who have been provided employment. Those responsible for the preparation of muster rolls, should be
responsible for these entries also to prevent non-payment to underpayment of wages or any manipulation muster rolls should be maintained in stitched forms paginated. Muster rolls shall be made available to public for scrutiny and copy of the same be made available on normal price. For works taken up by the village panchayats. Copies of muster rolls duly certified by the panchayat sarpanch shall be placed before the grama sabha.

Each district shall maintain complete inventory of the assets created under the programme giving details of the date of the start and the date of the completion of the project, cost involved benefits, obtained employment generated and other relevant particulars. Signboards should be displayed near the works giving these details, photograph, record of the work may also be kept of the various stages of implementation before start during implementation and after completion.19

Wherever required, arrangement for providing facilities like drinking water, rest sheds for the workers and crèches for the children coming with the working mothers should be made available and expenditure involved for providing these facilities should be met, out of the non-wage component under the programme.

The state secretaries may evolve and publish "Rural standard schedule of rates" to eliminate the role of contractors. The collectors should prepare descriptive pamphlets explaining the provisions in local language easy to be understood.

Once the construction of a community asset is completed it will be handed over to the panchayat concerned for maintenance. The collector will decide the responsibility of maintenance for other assets. The state governments will ensure adequate resources for maintenance of the public assets. It is argued, however, that this conflict between the objective of output and employment maximization with respect to the wage rate can be reconciled, if it is understood that labour productivity itself is a function of the wage rate. Both objectives will give a similar result of food grains if given as wages and the wage productivity relationship is incorporated while arriving at the optimum.20
REFERENCES


2. Guidelines, Employment Guarantee Scheme Govt. of India, pp. 1-25.


4. Guidelines, Food for Work Programme, Government of India., Ministry of Agriculture and Irrigation, Department of Rural Development, Krishi Bhavan, New Delhi, December 1979, pp. 80-85

5. Ibid p. 90.


9. Ibid. pp. 60.


171


17. Ibid. pp. 15-20

18. Guidelines, Food for work Programme, N.16.
