Centre is taking 26 days on Average to Complete Wage Transfers to NREGA Workers in Jharkhand.

Background

The NREGA payment process broadly consists of two stages. After the work is completed, a Fund Transfer Order (FTO) is generated and digitally sent to the Centre. This is called Stage 1 and is the state government's responsibility. The Centre then processes the FTOs and transfers wages directly to the workers' accounts. **This is called Stage 2 which is entirely the Centre's responsibility.** As per guidelines in pursuance of the Act, Stage 1 must be completed in 8 days and Stage 2 must be completed within 7 days after that. Stage 1 and Stage 2 together should therefore be completed within 15 days of closure of a muster of work.

Until recently, payment of wages to NREGA workers was not done based on the caste category of the workers. A single FTO consists of multiple transactions for workers from any/all categories. On 2 March 2021, the Central Government issued instructions to change the payment system so that FTOs can be generated separately for SC & ST category workers (Circular Number G-31011/13/2020-RE(V) 371606).

To understand the efficacy of the Centre's new circular, we, as part of LibTech India, analysed 1,43,578 transactions from 26 blocks in Jharkhand. The objective was to assess the difference in Stage 2 of the payment process across categories in FY 21-22. **For more than 50% of the transactions, Stage 2 alone has taken at least 26 days**. We do not find any evident difference in time taken to complete in Stage 2 of the payment process between SC, ST, & Others categories. The note below gives the details of the method and findings.

Methodology

1. We randomly sampled 10% of the blocks in Jharkhand (26 of 260 blocks). We downloaded all the FTOs generated so far in Financial Year 2021-2022 from R.8.1.1 on nrega.nic.in (01 April 2021 to 23 May 2021).
2. We then got the difference between the date of FTO generation (Transaction Date - date on which the FTO is sent from state to Centre) & the Date of Credit (Processed Date) to see how long each transaction took in Stage 2 of the payment process.
3. We combined this data with the caste category of the worker from the 'Registration Application Register' and calculated the average days it took to complete Stage 2 of the payment process for that

caste category in that block. We also removed the transactions that did not have a caste category mentioned in the worker register.

4. Out of 3,14,710 transactions for which the FTO was sent to the Centre, 54.3% transactions were still unpaid as on 23 May 2021 & for 7,097 transactions, there was no caste category available for the particular worker. Thus, we analysed 1,43,578 transactions which were paid across the 26 blocks.

5. All the data was obtained on 23 May, 2021 from nrega.nic.in

Findings

1. We find that there is no evident difference in the time taken to complete Stage 2 of the payment process across the three categories of SC, ST & Others.

2. However, it must be noted that the time **taken only to complete Stage 2 is 26 days on average**. If time taken for Stage 1 is added, it will be more. This itself is a violation of the Act as payments must be made within 15 days.

3. 54.3% (of 3,14,710) transactions were still unpaid as on 23 May 2021.

Jharkhand State Level

As Table 1 shows, it takes 26 days on average to complete Stage 2. The simple mean or median across the categories is not different overall, although the percentage of transactions in each caste category varies. The 4th column ' Transactions Completed Stage 2 (credited)' shows that there have been nearly 1.06 lakh FTOs generated in the 'Others' category, whereas only about 31 thousand FTOs are generated in the ST category & less than 5 thousand for the SC category workers. The last column 'Transactions Pending Stage 2 (pending payment)' shows transactions that are pending payment as on 23 May 2021.
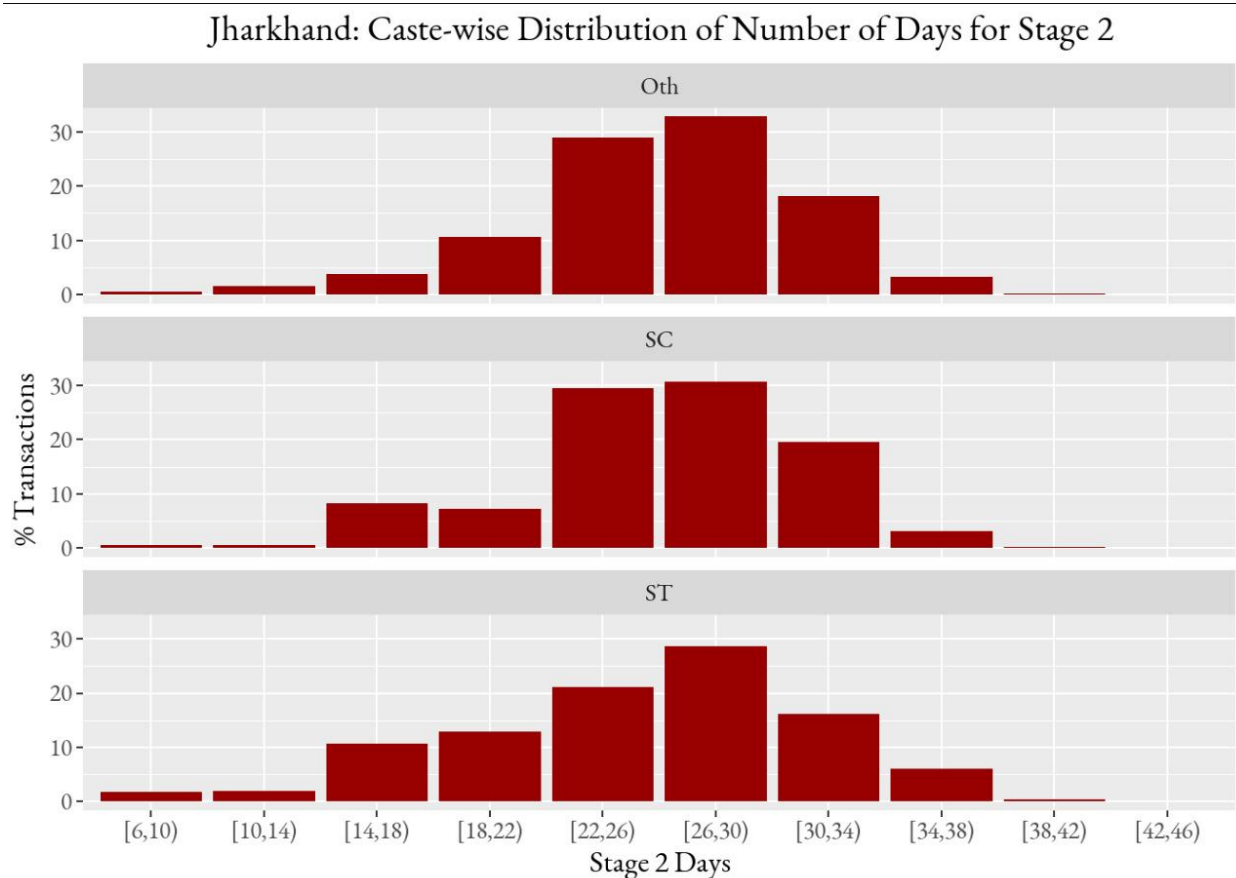
Category	Average Days for Stage 2*	Median Days for Stage 2*	Transactions Completed Stage 2 (credited)	Transactions Pending Stage 2 (pending payment)
Others	26	26	1,06,847	1,38,417
SC	26	26	4,752	8,767
ST	25	26	31,979	23,959

Table 1: Mean & Median days taken to complete Stage 2 of payment

* Average and Median calculations are only for completed transactions.

Distribution of Stage 2 delays

Figure 1 shows the caste-wise distribution of the number of days it takes to complete Stage 2. For example, the top box shows that about 32 percent of the transactions in the Others category took between 26 to 30 days for Stage 2 to be completed. The numbers are similar for SC and ST as well. **While 50% of the transactions take more than 26 days nearly a quarter of them are taking more than a month just to be processed by the Centre.**

Figure 1: Caste-wise distribution of number of days taken to complete Stage 2 for payments in Jharkhand.

Block wise distribution

Only in a few blocks there is a notable difference in the time taken to complete Stage 2 between ST & Other categories. However, the number of transactions for SC, ST & Others differ significantly. For more details refer to the block-wise statistics in Annexure 1.

Conclusion

At a time when rural India is ravaged by the second wave of the pandemic, the focus and emphasis by the Central Government must be to expedite the payment of wages. Not only should the payments be made on time, but experimenting without a justified rationale appears hard to comprehend. As this analytical study demonstrates, not only has the experiment not yielded the desired results, but also that even in the beginning of the financial year when the programme should be flushed with funds, just Stage 2 is taking three times more than it should. The delays also stand in contravention of the Supreme Court Orders dated May 18, 2018 in the Swaraj Abhiyan v Union of India case concerning drought. The Centre must calculate the delays and pay compensation to the workers for the full extent of delays (in Stage 1 + Stage 2 of the payment process). We are apprehensive of this move of segregating payments by caste categories. NREGA should remain universal to all people who demand work and payments should be credited to ALL workers within the time frame specified in the law instead of further complicating the technological systems.

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Annexure 1: Block-wise, caste-wise time taken to complete Stage 2

Block Name	Average Days for Stage 2 delay			Percentage of Transactions by Category[1]		
	Others	SC	ST	Others	SC	ST
BASANTRAY	28	25	26	89	5	6
BURMU	26	--	27	82	0	18
CHAIBASA	26	--	26	68	0	32
CHATRA	27	27	25	88	9	3
DADI	25	25	26	59	2	38
DALTONGANJ	25	25		67	6	26
DEORI	26	27	26	91	4	5
DEVIPUR	25	25	27	100	0	0
DHANWAR	26	26	26	94	4	3
GAWAN	26	27	25	97	1	2
ICHAGARH	23	25	24	78	1	20
KISKO	25	26	24	66	4	30
LATEHAR	26	27	26	58	6	36
LITTIPARA	25	24	26	71	0	29
MANDRO	25	--	24	48	0	52
MANJHGAON	26	--	25	36	0	64
NAWA BAZAR	27	27	26	72	13	15
NIRSA	27	27	27	78	5	16
ORMANJHI	25	27	25	47	5	48
PANDU	25	24	27	81	13	6
RANIA	27	27	27	35	2	63
RANKA	22	19	21	91	5	4
SADAR	23	26	27	82	14	4
SONARAITHARI	27	--	--	100	0	0
SONUA	25	27	23	72	1	27
THETHAITANGAR	23	23	23	15	7	78

[1] Formula - (Number of transactions for particular category/total transactions of all categories)*100