Mahatma Gandhi National Rural Employment Guarantee Scheme (NREGS): Indian Experience

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India
Context: Public works programs in India

In India, PWP’s are mostly used as anti-poverty programs. India has a long experience in experimenting with labour-intensive public works starting from 1960.

At the national level, there were series of PWPs earlier. Now, National Rural Employment Guarantee Scheme (NREGS) is the most important one.

The immediate context for the NREGS is that UPA government came to power in India in 2004. It promised guaranteed rural employment at national level in its election manifesto.

The NREGA Act was enacted in the Indian Parliament in September, 2005. Presently it is called Mahatma Gandhi NREGS (MGNREGS).
Objectives of the NREGS

Objective: To **enhance livelihood security in rural areas** by providing at least 100 days of guaranteed wage employment in a financial year to every rural household willing to do manual unskilled work.

**Primary Objective:** Employment Creation

**Auxiliary Objective:** Regenerating natural resource base and creating productive assets

**Third** is process objective: Strengthening grass root processes of democracy infusing transparency and accountability in governance.
Salient Features
of Design and Implementation

- Workers entitlements – a rights based approach
- Unemployment Allowance
- Works permitted under the scheme
- Implementation and monitoring
- Transparency and Accountability – Social Audit
Financing

Central Government Pays for:

(a) 100 % wage costs;
(b) 75% of material costs;
(c) administrative costs (subject to a maximum limit of 6 %)

States/Provinces pay for:

(a) 25% of material costs;
(b) other administrative costs;
(c) unemployment allowance
Design: Workers’ Entitlements

Applying for work: Two step Procedure.

- Step 1: Apply and register for job card to the gram panchayat (village local council).
- Step 2: Apply for work. Any adult member (above 18 years) household can apply for work.
- Work must be provided within 15 days.
- Work site facilities: Drinking water, creche for children, Shade, First aid box
- Inclusion of women (one-third) in design
Design : Workers’ Entitlements

**Wages:**

Labourers are entitled to the **Statutory Minimum wage** applicable to agricultural workers in the state:

Wages will be paid through their bank/post office account which are opened free of cost.

If employment is not provided within 15 days, unemployment allowance of one fourth of minimum wage for the first 30 days.

**Design of wage-material ratio:** 60:40
Design of Works

8 categories of works allowed
-- Water conservation and water harvesting
-- drought proofing
-- irrigation canals
-- provision of irrigation facility on the lands of disadvantaged sections: SCs and STs and others
-- renovation of traditional water bodies (e.g. tanks)
-- land development
-- flood control and protection works
-- rural connectivity to provide all-weather access

9th category: “Any other work which may be notified by Central Govt. in consultation with State Govts.”
Transparency and Accountability

All NREGA-related documents to be available for public scrutiny.
Copies of documents to be made available at nominal cost under the Right to Information Act.

Muster rolls to be pro-actively displayed at local Govt council office.
Social audits of all works and entire expenditure to be conducted by Gram Sabhas (village community)
All relevant documents to be provided to the village community by the Implementing functionaries

Social Audit: It includes scrutinizing and verifying the authenticity of all beneficiaries, payment records and procedures of the program and expenditure by the communities.
Design of Implementation

**Implementing Agencies**: authorized by Central govt. or State govt. to implement any work: Decentralized and participatory
--The main implementing agencies are the gram panchayats (at least 50% of works)
--Other implementing agencies include the Intermediate Panchayats, district panchayats
--Line departments (PWD, Forest Dept.), NGOs.
--Private contractors are banned
A program officer at the block level coordinate. District coordinator at district level
At the State level, the NREGS is monitored by a State Employment Guarantee Council. Finally, there is a Central Employment Guarantee Council at the Central level and monitors the implementation of the Act country-wide.
Impact on Employment (official Statistics)

Employment provided to households:
-- 21.0 million in 2006-07
-- 33.9 million in 2007-08
-- 45.1 million in 2008-09
-- 52.6 million in 2009-10 (with 5 persons per hh, 263 mil. population are covered)

Who got the employment?
-- Scheduled Castes: 31%
-- Scheduled Tribes: 21%
-- Women: 49% against 1/3 reservation

Expenditure so far
-- $12 Billion
Use of ICT in NREGS

• Special software
• All important transactions through software
• Transaction based extensive MIS
  – Job cards
  – Work estimates
  – Pay orders
  – Pay slips
• Real time data in Public domain – web portal
• Electronic Fund management system
• Biometric based payments
• E-Muster
### Field Surveys: Are Assets Useful?

<table>
<thead>
<tr>
<th>Proportion(%) of sample worksite where the survey team felt that:</th>
<th></th>
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<tbody>
<tr>
<td>NREGA had led to the creation of useful assets in their village</td>
<td>83</td>
</tr>
<tr>
<td>The work they were doing on NREGA was useful</td>
<td>92</td>
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</tbody>
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### Proportion(%) of sample worksite where the survey team felt that:

| The assets being created or repaired was useful (very useful) | 87(32) |
| The work done was useful (very useful) | 81(29) |
**Field Surveys in North India**

Proportion(%) of sample workers who:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Proportion(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>NREGA is very important to them</td>
<td>71</td>
</tr>
<tr>
<td>NREGA helped them to avoid hunger</td>
<td>69</td>
</tr>
<tr>
<td>NREGA helped them to avoid migration</td>
<td>57</td>
</tr>
<tr>
<td>NREGA helped their family to cope up with illness</td>
<td>47</td>
</tr>
<tr>
<td>% of illiterates attending the work</td>
<td>61</td>
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<tr>
<td>% of SC/ST</td>
<td>73</td>
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Conclusion

- Most evaluations—official and non-official show that implementation has been more effective than any of its predecessor schemes.

- In particular, the leakages have been reduced significantly in many places.

- Significant rise in agricultural wage shows its success.
  - migration is slowing down,

- Rural wages are rising, productive assets are being created, and the power equations in the villages are changing.

- Much needed relief during financial crisis even for the urban poor returning to rural areas.

- NREGS can transform livelihoods of the poor but also will lead to revolution in **rural governance**.
Mango plantation at Swarnavariaipali (Cheruvukkuvaripalli Panchayat)
Thank You