



# National Rural Employment Guarantee Act 2005 (NREGA)



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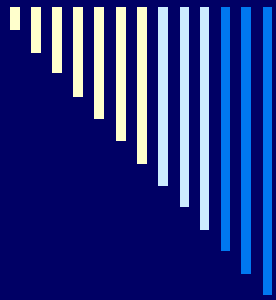
## 30 yr history of WEPs...but Problems

- ❑ Low programme coverage
- ❑ More than 50% beneficiaries not from most needy group.
- ❑ Bureaucracy dominated planning; little participation of community in planning
- ❑ Work to women lower than stipulated norm of 30%
- ❑ Only 16-29 days employment provided to household
- ❑ Assets created not durable
- ❑ Corruption: Reports of false muster rolls; Contractors persisted; Payment often less than prescribed wages



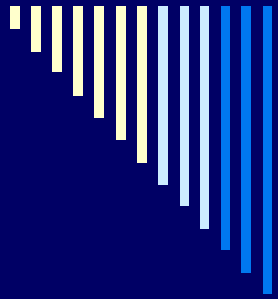
## So why another wage employment progr?

- Political imperative: Previous govt's 'India Shining' campaign failed to win votes in May 2004 elections. Cong govt came to power on a rural/agr dev vote
- Econ imperative: Agr growth slowed since latter half of 1990s – despite overall GDP growth. Rural wages/inc stagnating; Gini coeff of income worsening; 300 mn poor in 1973 and 2005; farmers committing suicide; Maoist insurgency in 160 of 600 districts



# NREGA

- ❑ The Government of India launched National Rural Employment Guarantee Act (NREGA) on February 2, 2006
- ❑ For 2006-07, 200 poorest districts were covered of total 619 districts in the first phase
- ❑ In 2007-08, 330 districts were covered in the second phase (additional 130 districts added)
- ❑ In rest of country a pre-existing WEP continues; April 2008 cover whole country



## Objectives

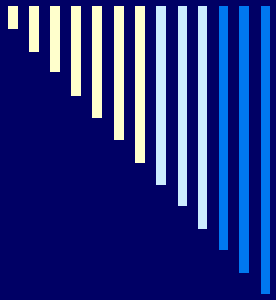
1. Provide 100 days of employment for poorer sections i.e., landless labour and marginal farmers
2. Improve land productivity, farm productivity, income and employment over time



## Salient Features of the Scheme

1. Provides work for 100 days in financial year to every rural household whose adult member volunteers to do unskilled manual labour
2. Each employment seeker to be registered by village council (Gram Panchayat).
3. Each registered employment seeking household to be provided a job card
4. Employment to be given within 15 days of application for work.
5. If employment not provided within 15 days, daily unemployment allowance to be paid.

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6. Atleast one- third beneficiaries have to be women
7. Drinking water, emergency health care, crèches' and a minder (preferably a woman) at work sites are supposed to be provided
8. Local planning: Gram Panchayats to execute at least 50% of works.
9. Transparency and accountability through Social Audit

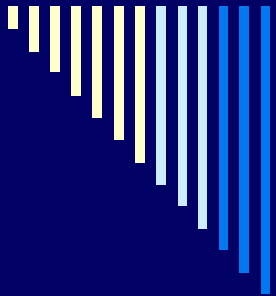


## Task at the Different Levels

### Tasks at the Central Level:

- Formulate the guidelines, arrangement of funds, ensure efficient delivery mechanism and monitoring of the Scheme.
- Administration of the **National Employment Guarantee Fund** which is established for the NREGA Expenditure at the Central Government.
- Funds determined by Planning Commission and transferred to MORD

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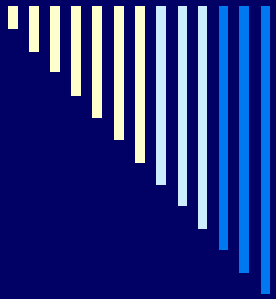
□ Tasks at the State level

- Formulate State Employment Guarantee Fund and Administer it
- Guide and appraise planning at the District level

□ Tasks at the District level

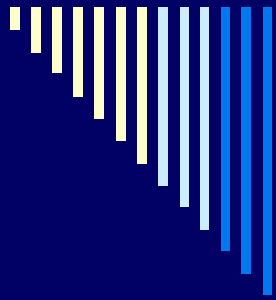
- Mobilise & estimate demand for work
- Initiate participatory planning with principal role to PRIs and village assembly (Gram Sabha)
- Ensure professional support for planning
- District Panchayat to approve Plans that are forwarded by the Intermediate Panchayat

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### Tasks at the Village Council (Gram Panchayat) level

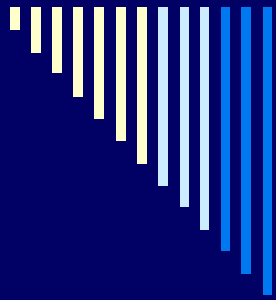
- ❑ Holding Gram Sabhas to initiate the Planning process
- ❑ Consolidating recommendations of Gram Sabha into Village Development Plans
- ❑ Registration of workers after proper scrutiny
- ❑ Issuing Job Cards to registered workers
- ❑ Allotting employment upon demand



## Paradigm Shift-differences from earlier schemes

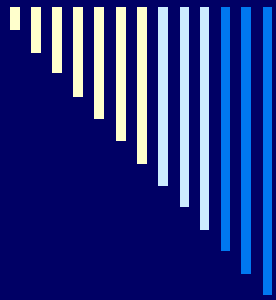
NREGA introduces Rights Based framework:

- Legal Guarantee
- Time bound action to fulfill Guarantee
- Incentive structure for performance (Centre funds 90% of costs of generating employment)
- Disincentive for non performance (Unemployment allowance is state liability)
- Demand based resource availability
- Accountability of public delivery system



## Works being undertaken under the Act

- ❑ Water Conservation and water harvesting.
- ❑ Drought proofing ( including afforestation
- ❑ Irrigation canals
- ❑ Provision of irrigation facility to land owned by SC and ST, land of beneficiaries of land reforms and that of beneficiaries of Indira Awaas Yojana.
- ❑ Renovation of traditional water bodies
- ❑ Land development
- ❑ Flood control works
- ❑ Rural connectivity to provide all weather access
- ❑ Any other work which may be notified by Central Government in consultation with State Government.



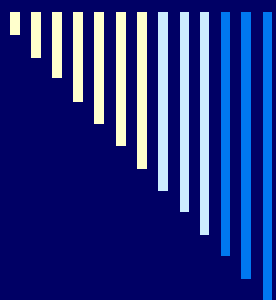
## Composition of works

Water conservation – 60%

Land Development - 13%

Drought proofing – 6%

Road connectivity – 16%



## Volume of Employment Provided

- » Average no. of person days per HH 43 for India in 2006/7 (1<sup>st</sup> year), 26 in case of SGRY
- » In 2006/7 the share of SCs which received employment is 27% whereas STs share is 32%
- » Women constituted 46% of all persons working in 2007/8. But gender performance was poor in UP (14%), WB (16%), Bihar (19%) and Assam (23%)



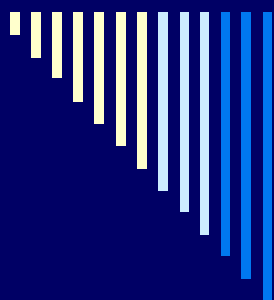
## **NREGA has generated more employment than SGRY and NFFWP Together**

### Under SGRY and NFFWP (all districts)

- 7482 lakh person days in 2002/03
- 8560 lakh person days in 2003/04
- 9124 lakh person days in 2004/05
- 11161 lakh person days in 2005/06

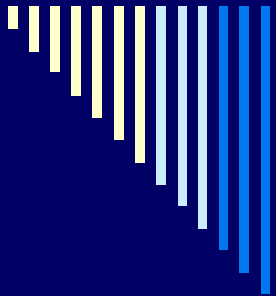
### Under NREGA

- 9050 lakh person days in 2006/07 (200 districts)
- 11022 lakh person days in 2007/08 (upto Dec)  
(330 districts)

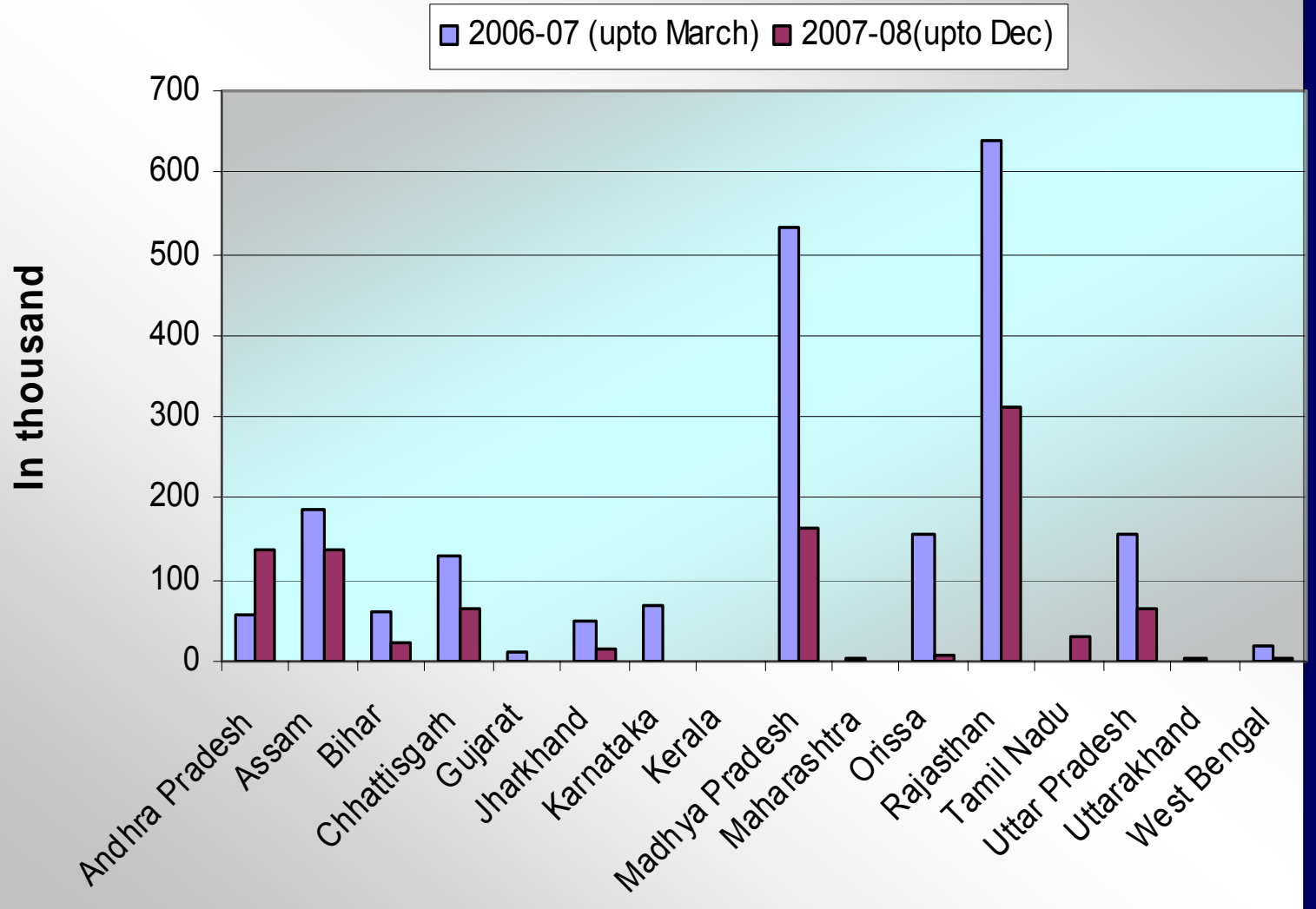


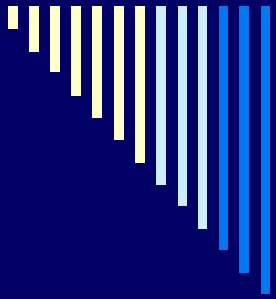
<b>Number of Person Days per household under NREGA</b>		
<b>States</b>	<b>2006-07 (Up to December)</b>	<b>2007-08 (Up to December)</b>
Andhra Pradesh	25.1 (31.4)	30.2
Assam	65.4 (72.5)	30.9
Bihar	10.3 (35.3)	29.8
Gujarat	43.0 (43.7)	32.4
Haryana	33.8 (48.2)	46.2
Karnataka	27.8 (41.1)	41.5
Kerala	76.0 (22.8)	29.4
Madhya Pradesh	61.0 (68.9)	47.9
Maharashtra	0 (40.8)	52.2
Orissa	37.5 (57.5)	35.6
Punjab	0 (52.0)	29.6
Rajasthan	68.2 (85.4)	55.2
Tamil Nadu	20.2 (26.9)	63.1
Uttar Pradesh	26.3 (32.0)	21.0
West Bengal	10.0 (14.3)	12.2
Chattisgarh	43.1 (55.6)	47.6
Jharkhand	0 (37.4)	42.7
Uttrakhand	21.5 (31.2)	28.9
<b>All-India</b>	<b>32.7 (43.1)</b>	<b>40.7</b>

Figures in parentheses are number of person days per household during financial year (April - March)



## Households completed 100 days of Employment





### Good Performers:

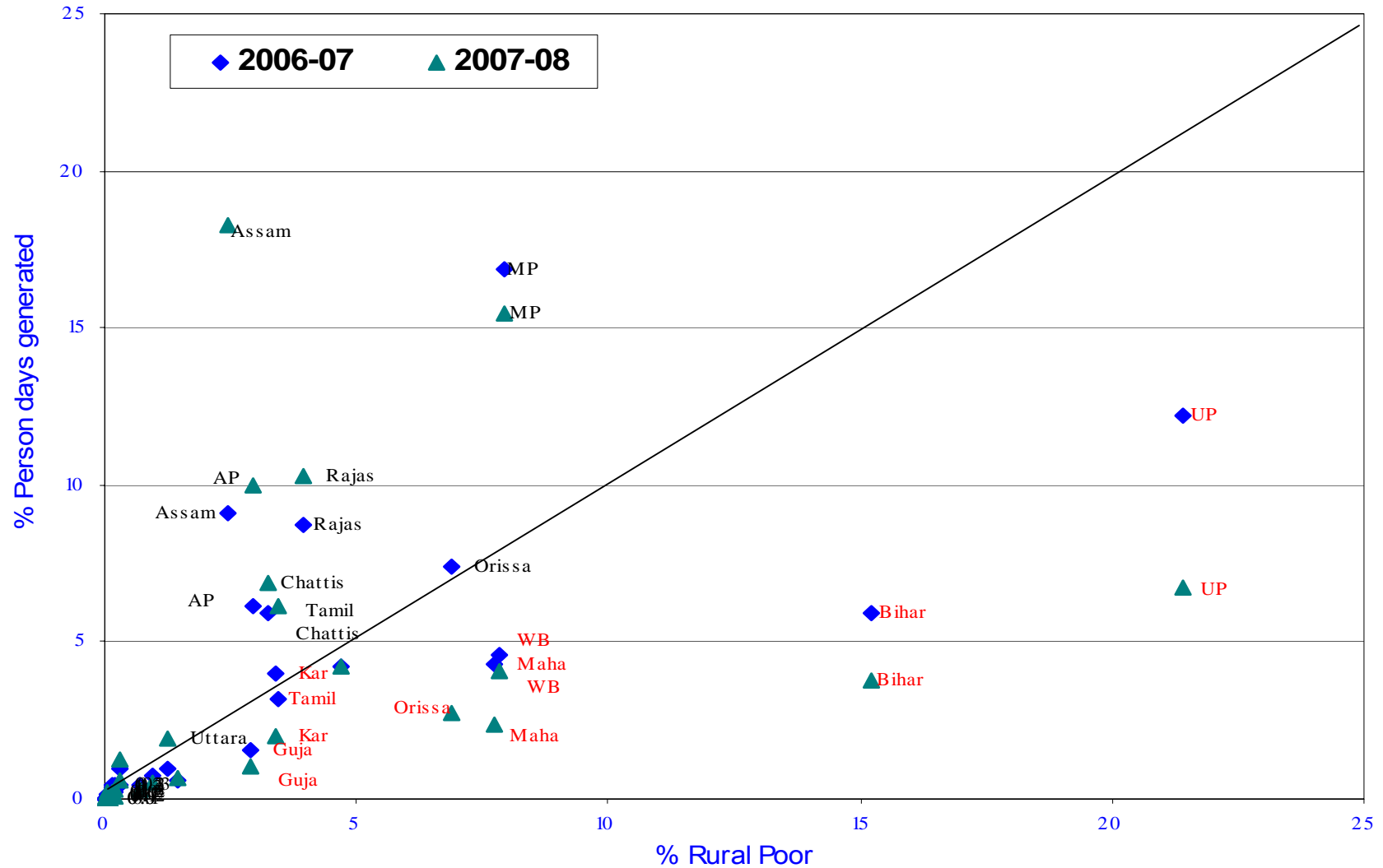
MP, Assam, Rajasthan, Chattisgarh and Andhra Pradesh

### Under Performers:

Bihar, UP, WB, Orissa, Gujarat, and Maharashtra

(the poor performance of UP, Bihar, WB and Orissa obviously reflect state specific problems i.e.. high poverty, lack of awareness)

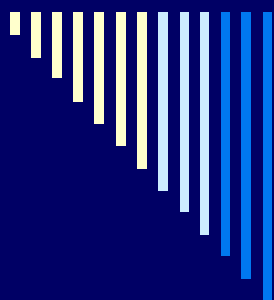
## % Person days generated 2006-07 & 2007-08 Vs. % Rural Poor





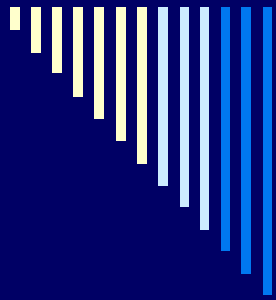
## Wage Rates Comparison and Awareness

- » Raising wages in the areas where NREGA works are implemented
- » Difference in the market wage rates for Agri. Activity in pre-and-post NREGA (especially in the case of women, who are paid the same rates as men under NREGA)
- » Awareness among workers about their entitlement has risen, it leads they do not need to migrate to other rural areas (eg. Bihar labourers do not find work in Punjab)



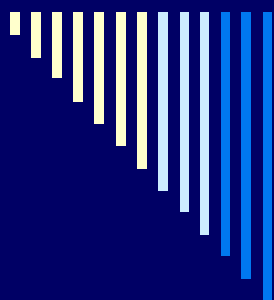
### Comparison of Wage Rates in Rural India with NREGA Wage Rates

States	Average Daily Wage Rates Rural India, 2004-05 (Rs.)		NREGA Wage Rates (Rs.)
	Men	Women	
AP	36.61	27.83	80.00
Assam	30.23	15.52	66.00
Bihar	45.06	26.24	77.00
Gujarat	55.48	30.14	50.00
Haryana	57.83	23.35	99.21
Karnataka	49.00	27.85	74.00
Kerala	55.89	27.99	125.00
MP	40.61	26.54	67.00
Maharashtra	52.97	31.90	69.00
Orissa	44.86	14.02	70.00
Rajasthan	44.16	9.45	73.00
TN	60.79	31.23	80.00
UP	47.79	26.09	100.00
WB	44.58	32.35	70.00
All-India	61.23	44.59	

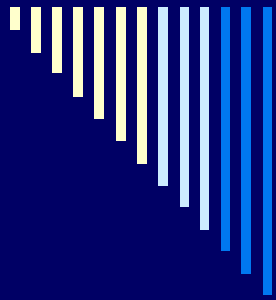


## Households completed 100 Days of Employment

- » In 2006/7 only 5 lakh HH completed 100 day of empl. as against 9.8 lakh in 2007/8 (upto Dec)
- » Bihar, Chattisgarh, MP, Orissa, Rajasthan and UP (all are poor states) have the highest no. of HH completing 100 days empl.
- » % of HH completed 100 days of empl in total HH provided empl is high in states i.e., Assam, Rajasthan, HP and J&K



<b>Households completed 100 days of Employment</b>		
<b>States</b>	<b>Households completed 100 days of employment (in Thousand)</b>	
	<b>2006-07 (upto March)</b>	<b>2007-08 (Upto Dec)</b>
Andhra Pradesh	57.9	136.9
Assam	185.1	137.8
Bihar	60.3	23.0
Chhattisgarh	130.3	64.5
Gujarat	12.2	1.1
Jharkhand	51	13.8
Karnataka	69.7	1.3
Kerala	0.5	0.9
Madhya Pradesh	531.5	164.9
Maharashtra	5.3	1.0
Orissa	154.1	5.8
Rajasthan	639.2	312.7
Tamil Nadu	1.8	31.8
Uttar Pradesh	154.9	66.0
Uttarakhand	3.7	0.8
West Bengal	18.8	5.4
<b>Total</b>	<b>2142.7</b>	<b>979.2</b>



## Comptroller and Auditor General (CAG) Report

- » Based on first 6 mths of NREG
- » Focused on procedural matters
- » CAG says no of days of emp 18 p days??
- » NREGA is a superior programme for poor than earlier WEPs (reasons earlier)
- » Procedural irregularities are much in the case of NREGA – (Officers afraid)



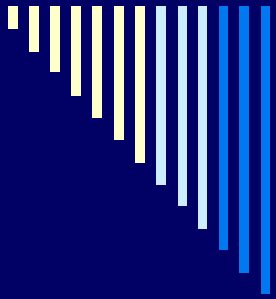
## Structural needs in several areas

System of Social Audit: Shd be performed and owned by the GPs, NGOs can assist. Manual for social audit should be circulated to all GPs, block and district officials within 3 months

Lack of awareness: Information, Communication, Education (IEC) is urgently needed. The good example set by IEC strategies created for Bharat Nirman and for JNNURM should be used for NREGA

Administrative Costs: Most Govt progs allow for 10% of total expn for admn costs but under NREGA 4% is allowed, it should allow greater resources, perhaps 6% of the progms to cover admn costs and technical support at local level.

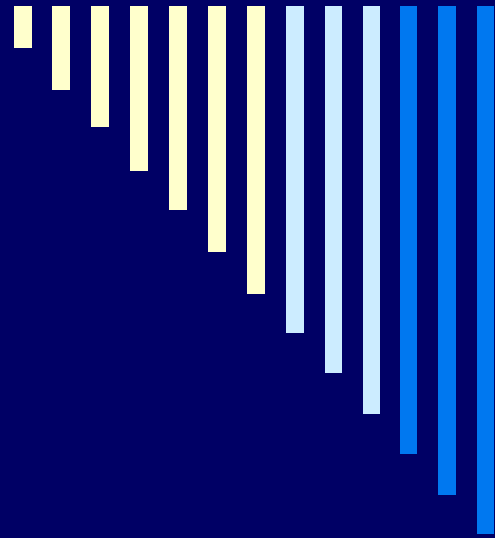
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Technical Support: Engineers need to be hired contractually to be available as and when needed for different locations to provide technical handholding – ensuring quality and durability

Transparency in wage payment: There is a need to strengthen Sub-Post Office/Branch Post Office to avoid malfeasance (e.g. AP)

Creating Assets on Private land: To undertake employment works on land owned by small and marginal farmers in addition to SC/ST/BPL farmers – ensuring maintenance



***THANK YOU***