

INTERNATIONAL CONFERENCE ON
EMPLOYMENT OPPORTUNITIES AND PUBLIC
EMPLOYMENT POLICY IN GLOBALISING INDIA

(Wrap up)

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What have we intended and discussed?

- To put it broadly
 - » Post reform employment situation in the context of globalization both in terms of quantity and quality
 - » Evaluating ELR initiatives in India and sharing information regarding other countries and in particular the SA initiative of EPWP and the proposals for Brazil and Iran.
 - » Gender analysis of employment situation in both the context, in terms of access and quality
- What have we discussed?
 - One set of papers discusses the following:
 - » contemporary issues on employment: growth vs, employment, rural non-farm employment, issues related to contract labour in organised manufacturing sector and casualization of workers, on worker bargaining power & quality of employment and issues related to employment and gender and on immigration & outsourcing,
 - The second set of papers discusses the following:
 - » Understanding the context and macroeconomic rationale for ELR
 - » Where and in what way ELR policy is gaining momentum and what is the space for such programme in a particular country context?
 - » Issues related to funding of such programme and its macro impact
 - » The issues related to implementation / programme evaluation and also analysing the economy wide gender differential impact of such programme.

What the non-NREGA papers say on post reforms employment and its character?

- RNFE is largely driven by Distress not arising out of rural prosperity (Vinoj).
- The paper on migration and outsourcing shows that relaxation in labour migration norm by the developed countries will reduce outsourcing and increase the domestic production by making labour market more dynamic.
- Increasing casualization of workers, deteriorating work condition of factory workers
- Declining employment growth of urban women decline in real wage

This is a unique conference: Why?

- First in the Country after one and half year of implementation of NREGA to understand how this is functioning at ground level.
- Timing is appropriate:
 - NREGA is extended to the entire country 5 days ago i.e from April 1st 2008, that means an expansion of coverage to 596 districts, with a very little increase in allocation from Rs.120 billion to Rs. 160 billion, with a promise that it will be raised if there is demand.
 - With coverage expansion, it is critically important that we understand the constraints to implementation,
 - » issues related to fund flow and other institutional “bottlenecks”
 - » The success story
 - » The non performers and the reasons thereof
 - » Identify policy gaps
 - » Also bring out the issue of growing inequality and exclusion
 - Hope that issues discussed here would help in better implementation

How did we do?

- Key note address discussed the variation of country experiences and put the issues related to ELR in macroeconomic perspective.
- Country papers have thrown up country specific issues in India, Brazil and South Africa (Mehrotra, Vijay Shankar, Maikel, Zahra).
- programme benefit analysis and feedback for better project design coordination (Indira)
- Linking the macro and household level impact analysis through formal modelling for policy simulation use (Rania)
- Then we have state specific paper on NREGA in India from all the part of the country
 - » From East (Assam, West Bengal, Jharkhand)
 - » From North-West (Rajasthan)
 - » From North (Jammu & Kashmir, UP, Punjab)
 - » From South (Kerala)

What commonality we have from the Country papers?

- High growth with high unemployment in all the countries, particularly very high unemployment in SA
- Fiscal conservatism is the dominant macro policy stance
- There is a long history of public employment programme in most of these countries, though the methods were different:
 - » In India historically, it is state funded even without NREGA, South Africa also has a history of Public employment programme
 - » In Iran it is firm-level credit expansion based
 - » Brazil does not have an explicit state funded employment guarantee programme.
- Challenges with programme design not able to deliver the desired objective
- In India, as a legal right (perhaps aiding in supporting momentum in other countries)
- In SA, the programme encourages project design in Social Sector service delivery

NREGA Performance: The Macro Perspective Based on Secondary Data

- Encouraging

- » NREGA provided more employment than the SGRY and NFFWP put together
- » Self targeting seems to be working with SC/ ST and women getting larger share of the employment
- » Spatial differences exists, there are good and bad performers .

- Challenges and Problems in Implementation

- » Lack of support staff to execute the programme
- » Delays in the preparation of perspective plan,
- » Low participatory planning,
- » There is no shelf of projects which can be switched-on and switched-off depending on the demand based budgeting
- » There is hardly any advance planning of work

Does state level Survey based papers support the success story?

- We find that NREGA is working better than other public employment programme in the past in terms of job creation
- Also there is evidence that SC, ST and women are demanding employment under NREGA (Self-Targeting seems to be working)
- Low utilization of fund is highlighted in field level studies implying there is a gap in employment demand and supply.
- There is evidence of exclusion of jobseekers in many field level studies
- Need to provide training to the mate (supervisor at the worksite) for proper measurement to allow complete information to worker, and earning of higher wages.

What are the commonalities and differences we find in these Survey based papers?

- Contrast

- » NREGA helped in strengthening Panchayats & its administration in Darang in Assam
- » Low capacity of Panchayats is a major problem in implementing the scheme in several districts of UP (Yogesh)
- » We find evidence of corruption like fake job card, fake muster roll etc (Yogesh). Happy to note that such corruption is not seen in other state level survey based result.

- Commonalty

- » Evidence of legal right not honored
- » Lack of awareness that NREGA is a legal right in many states.
- » Unemployment allowance not given though it is an entitlement
- » Lack of dedicated personnel to run the scheme.
- » No evidence of convergence of scheme
- » “One size fits all” approach in the selection of scheme is a major problem as it does not take into account the local needs and preferences.

What Issues come out?

- Issues related to the free flow of funds vis-à-vis demand for work. Need to make the system work better for free flow of funds from the central government
- There seems to be a positive relationship between increasing level of Decentralization & NREGA performance if we see the performing and non-performing states. The states that are performing are also the states with functioning third tier of government.
- Issues related to convergence of NREGA & other schemes for sustainable development and asset creation and reenergizing the rural economy
- How to make state governments to pay the unemployment allowance?
- Is there a possibility to link NREGA with the current agrarian distress
-

Some of the important recommendations from field level studies

- Capacity building of the PRI staff and elected members
- Recruitment of Technical Persons at GP level
- Diversification in NREG works
- Strengthening Social Audit schemes
- Worksite facilities need to be improved as per the guidelines

What Next?

- How do we see that this process of research does not die out?
- How do we take it further?
 - » May be research on economy wide impact of ELR initiative
 - » Evolve a mechanism that we have research on this important issue
 - »
- What should we be planning with the papers. A subset of papers through a review process may be considered for a special issue of a journal or have a book