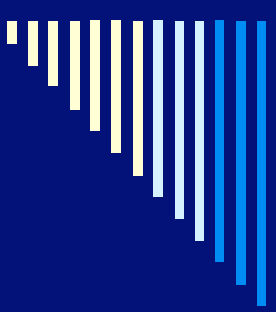


National Rural Employment Guarantee Act (NREGA 2005)



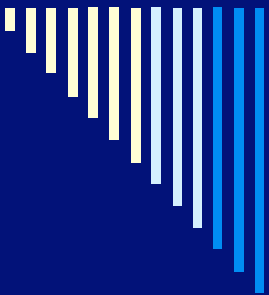
सत्यमेव जयते

Santosh Mehrotra
Senior Adviser (Rural Development)
Planning Commission
Government of India



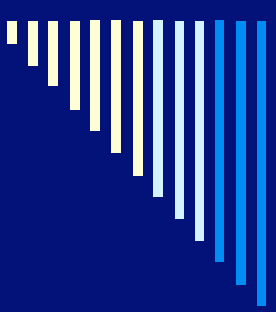
30 yr history of WEPs...but Problems

- ❑ 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



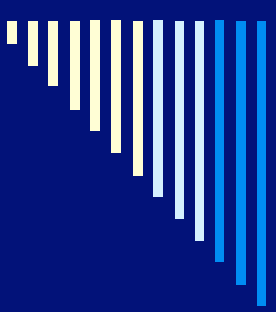
So why another wage employment progr?

- 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



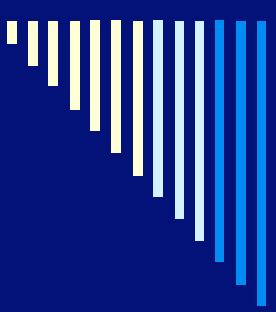
NREGA

- 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

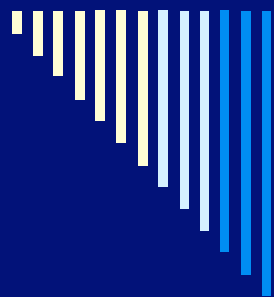
1. Provide 100 days of employment for poorer sections i.e., landless labour and marginal farmers
2. Improve land productivity, farm productivity, income and employment over time



Paradigm Shift-differences from earlier schemes

NREGA introduces Rights Based framework:

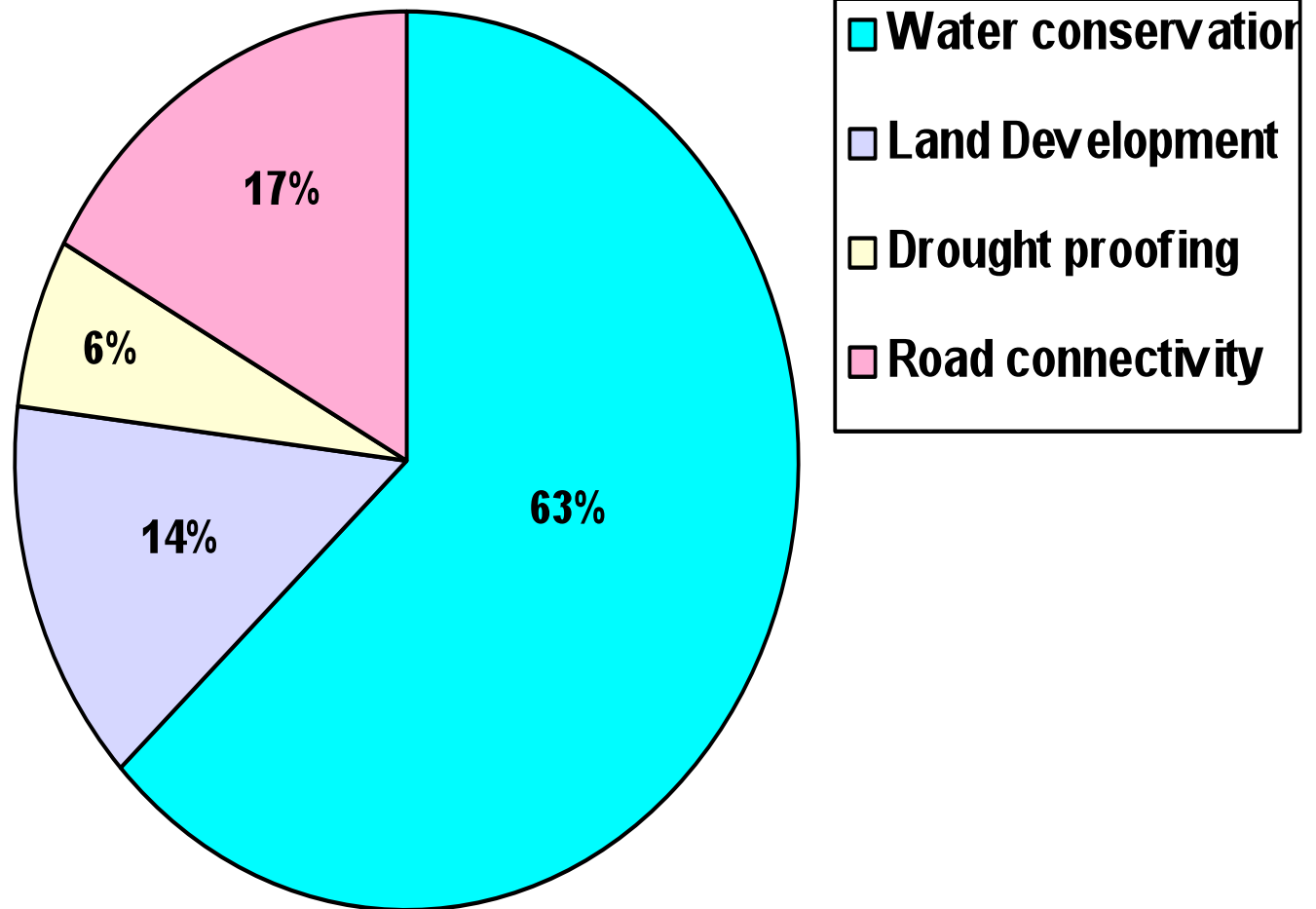
- Legal Guarantee
- Time bound action to fulfill Guarantee
- Incentive structure for performance (Centre funds 90% of costs of generating employment)
- Disincentive for non performance (Unemployment allowance is state liability)
- Demand based resource availability
- Accountability of public delivery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

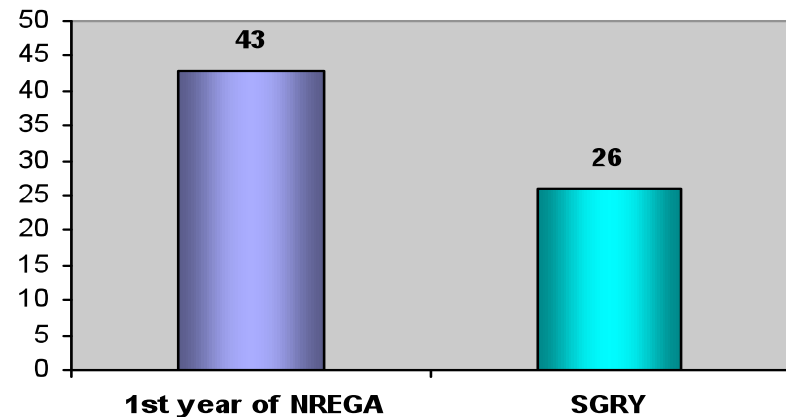
Composition of works



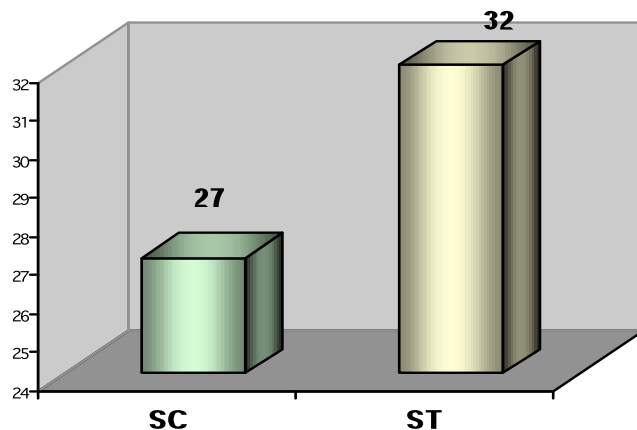
Volume of Employment Provided

» Average no. of person days per HH 43 for India in 2006/7 (1st yr), 26 in case of SGRY

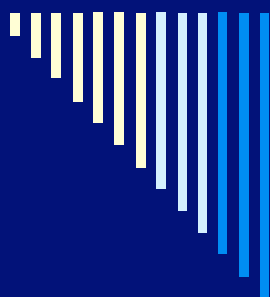
Average number of person days per HH (2006/7)



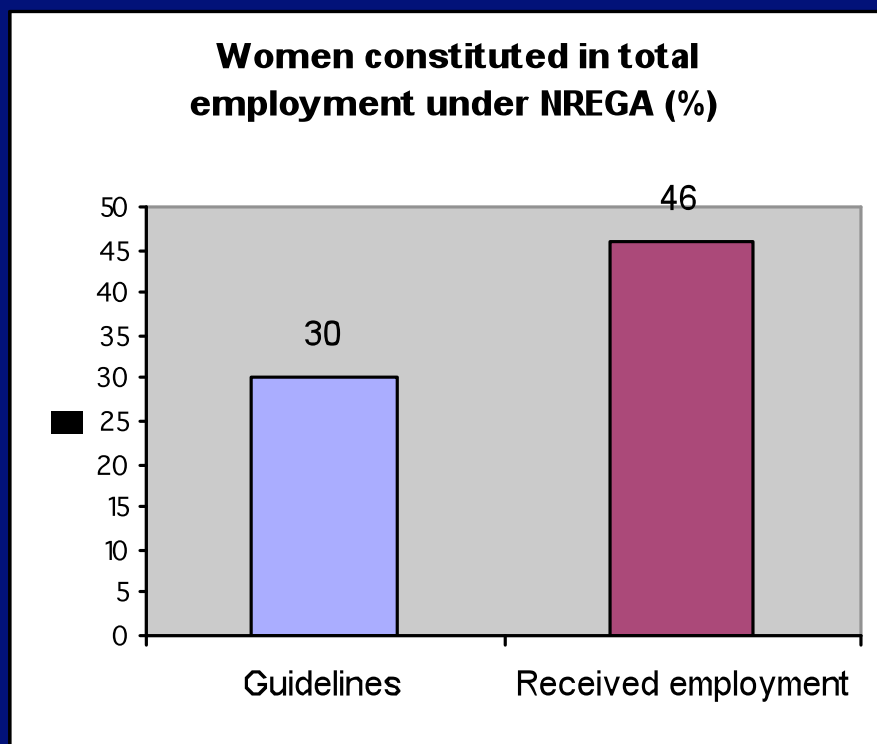
Employment received in 2006/7 (%)



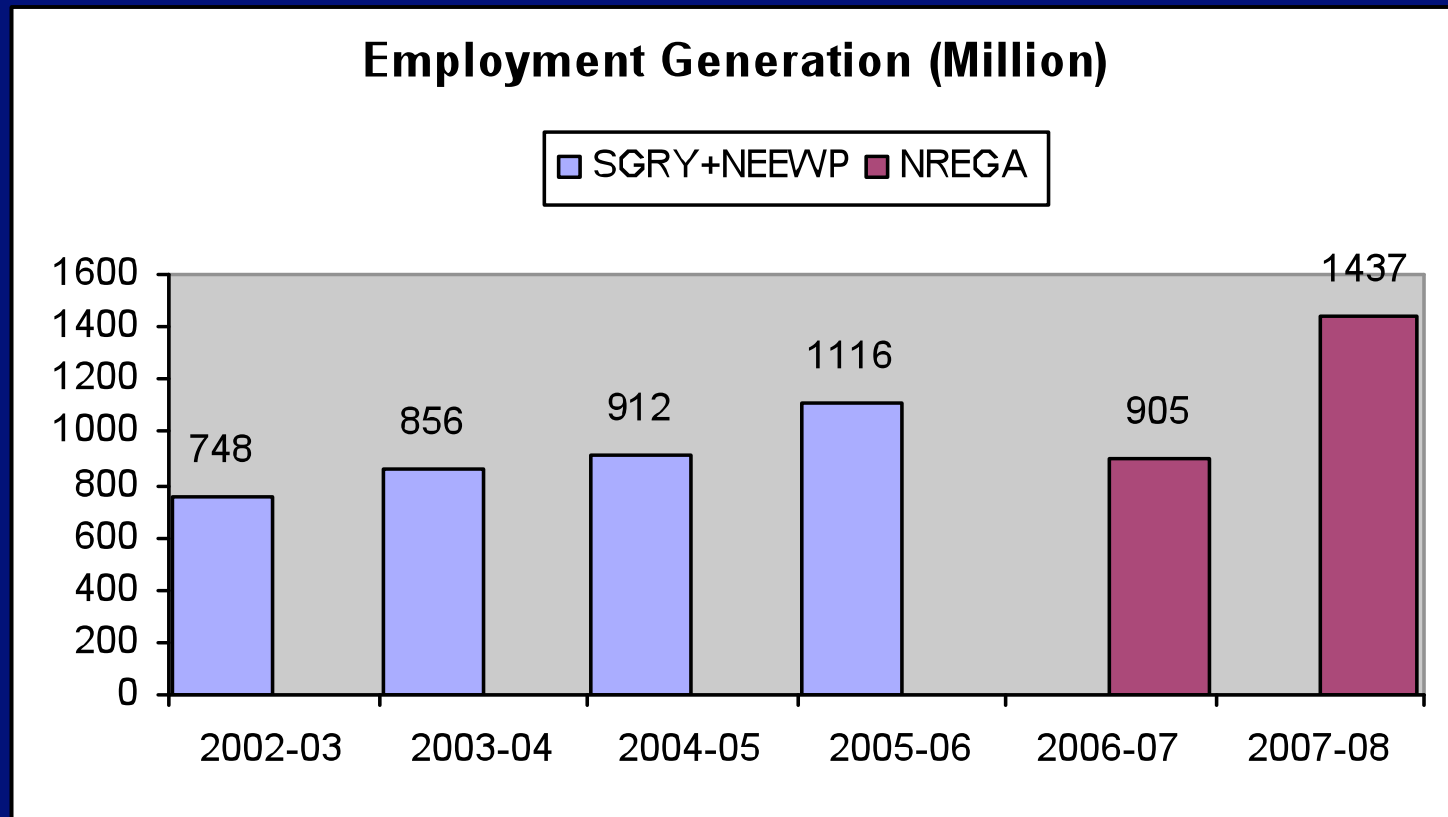
» In 2006/7 the share of SCs which received employment is 27% whereas STs share is 32%

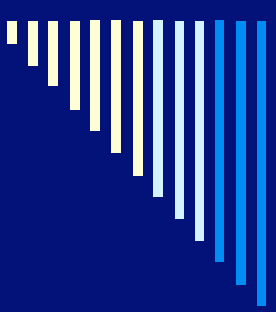


Women constituted 46% of all persons working in 2007/8. But gender performance was poor in UP (14%), WB (16%), Bihar (19%) and Assam (23%)



NREGA has generated more employment than SGRY and NFFWP TOGETHER (Million)





Performance among the States

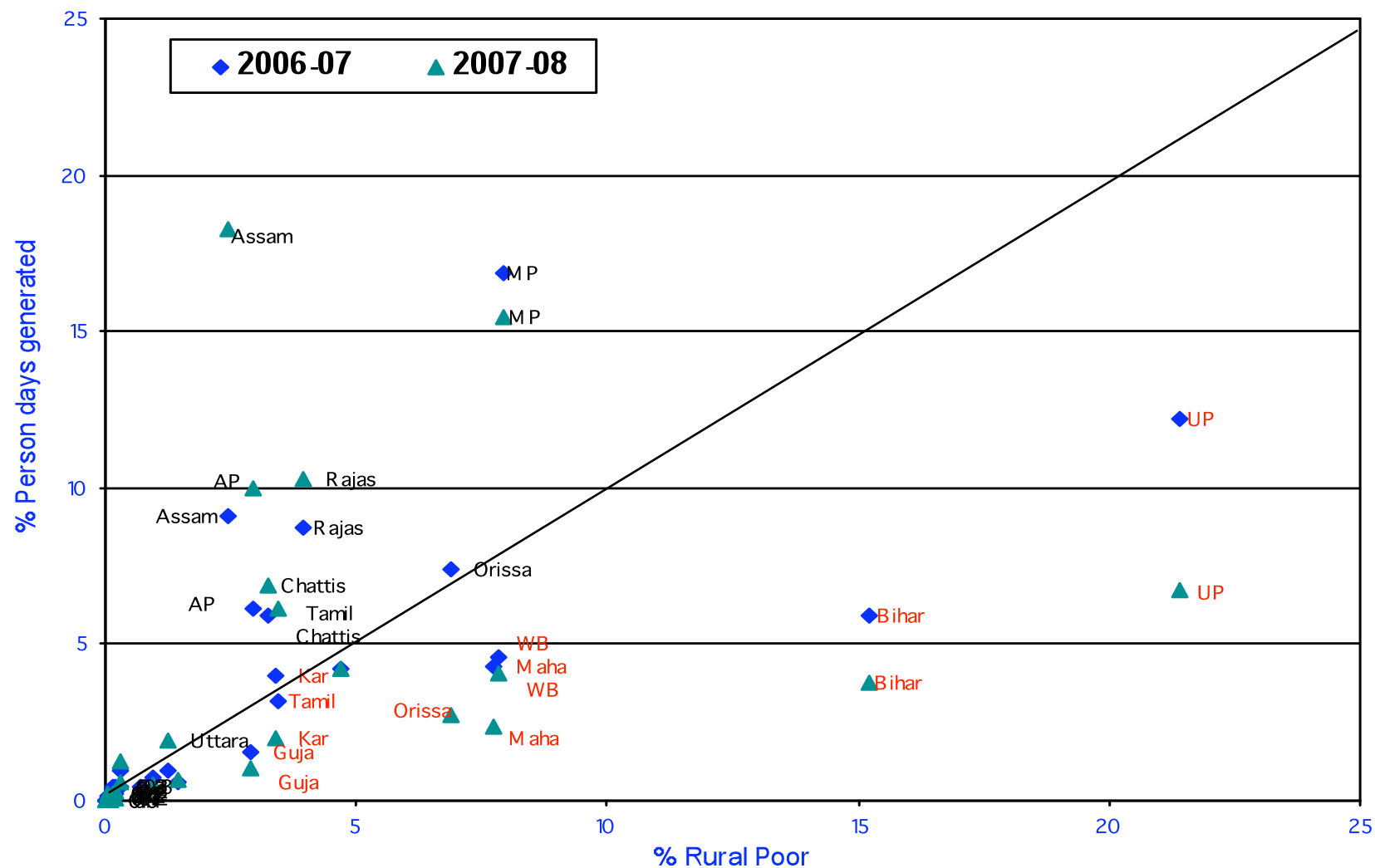
Good Performers:

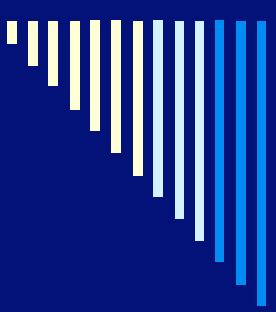
MP, Assam, Rajasthan, Chattisgarh and Andhra Pradesh

Under Performers:

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

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



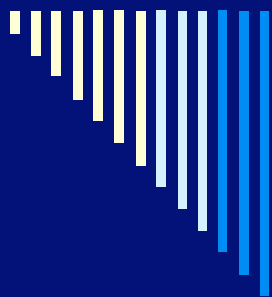


Wage Rates Comparison and Migration

- » 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)
- » Migration: they do not need to migrate to other rural areas (eg. Bihar labourers do not find work in Punjab)

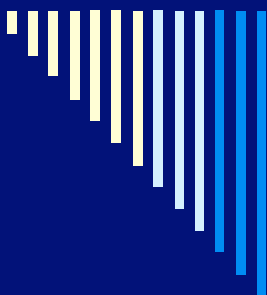
Comparison of Wage Rates in Rural India with NREGA Wage Rates

States	Average Daily Wage Rates in 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	78.12

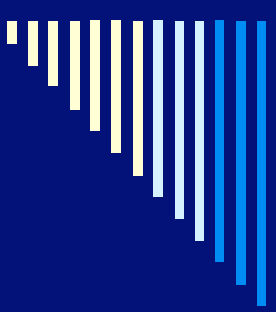


Households completed 100 Days of Employment

- » In 2006/7 only 0.5 mn HH completed 100 day of empl. as against 3.57 mn in 2007/8
- » Bihar, Chattisgarh, MP, Orissa, Rajasthan and UP (all are poor states) have the highest no. of HH completing 100 days empl.

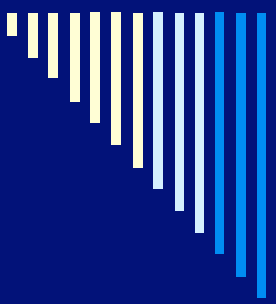


Households completed 100 days of Employment (%)		
States	2006-07	2007-08
Rajasthan	54.4	42.0
Kerala	0.5	32.1
Madhya Pradesh	18.5	21.0
Assam	23.4	17.1
Chhattisgarh	10.4	11.2
Uttar Pradesh	6.0	10.9
Andhra Pradesh	2.7	9.0
Uttarakhand	2.8	8.3
Tamil Nadu	0.3	6.2
Punjab	16.8	5.3
Karnataka	12.8	4.2
Gujarat	5.4	3.9
Orissa	11.1	3.4
Jharkhand	3.7	3.0
Maharashtra	1.5	1.8
West Bengal	0.6	0.8
Bihar	3.6	0.7
All India	10.2	10.8



Summary: Achievements

- Total employment generated under NREG much larger than earlier WEP
- Wage rates rose (women paid same rates as men)
- Self-targeting is working (SC, ST participation
- After NREG, migration declined

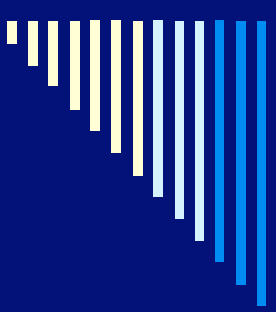


Summary Challenges Ahead

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

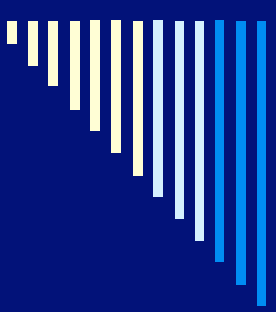
Administrative Costs: Most Govt progs allow for 10% of total expn for admn costs but under NREGA 4% is allowed, it should allow greater resources, perhaps 6% of the progmm to cover **adm costs** and **technical support at local level**

contn.....



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 – 4% to 6% will make that possible

Interface between watershed devpt progs and NREG: Interface with the CADA, and with the IWDP and creating productive work at remunerative wages

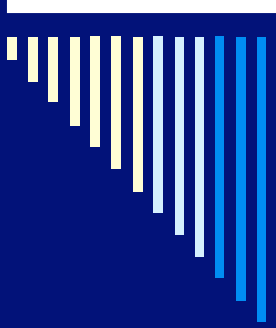


Challenges Ahead

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

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

Transparency in wage payment: Separating payment agency from implementing agency. There is a need to strengthen Sub-Post Office/Branch Post Office to avoid malfeasance (e.g AP). 2.33 cr bank acc/PO accts opened



Thank You