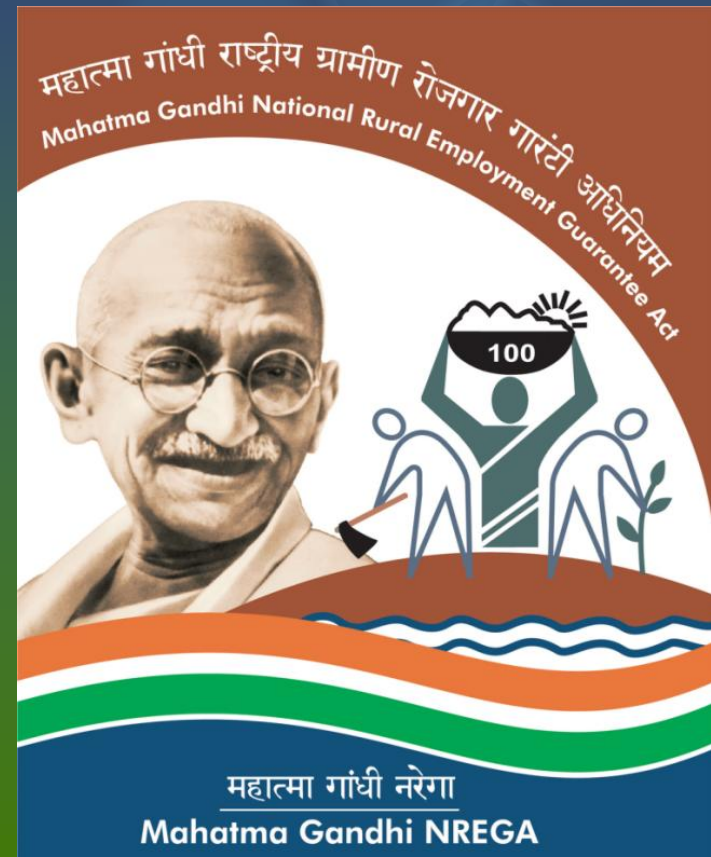


# *Water Asset Creation in MGNREGS, India*

*Shilp Verma*

Pretoria

14<sup>th</sup> August 2012



# What is MGNREGA?

## ○ Mahatma Gandhi National Rural Employment Guarantee Act, 2005

- Law, Act of parliament – NOT a government program

- A Right to Work – 100 days/year/person @ minimum wages

  - ~ INR 100-120/day (US\$ 2.5-3/day)

### ○ Key Objectives:

  - (1) Employment creation as social security;

  - (2) Sustainable rural asset creation;

  - (3) Empowerment of village communities

# What is MGNREGS?

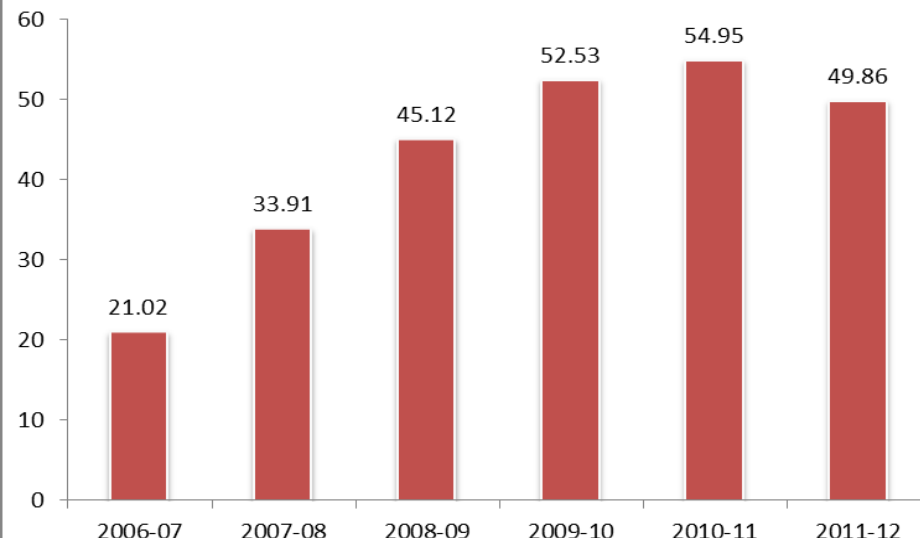
- > 2.5 *Billion person-days* of employment
- ~ 48% Women workers
- ~ 50-55 *Million Households*
- ~ US\$ 9 *Billion annual expenditure, un-capped!*
- Key features: Participatory planning, self-targeting mechanism, high degree of transparency
- Works are identified by the *Gram Sabha*, the general body meeting of the village-level governance institution
- Between 50-67% of MG-NREGS investments are in *water-related works*
- *Arguably* the world's largest rural livelihoods security program and may well be the world's largest rural water security program

# Some broad numbers...

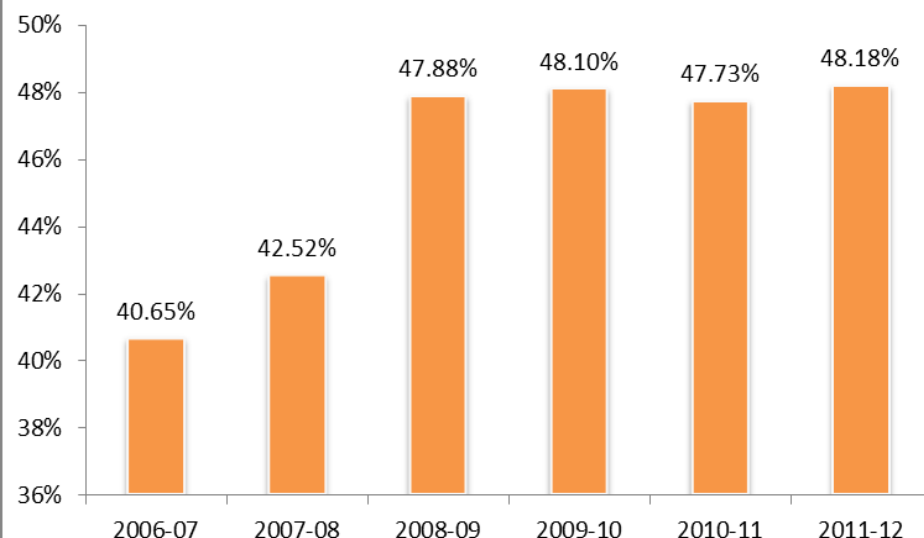
**Persondays of Employment Generated (Billion)**



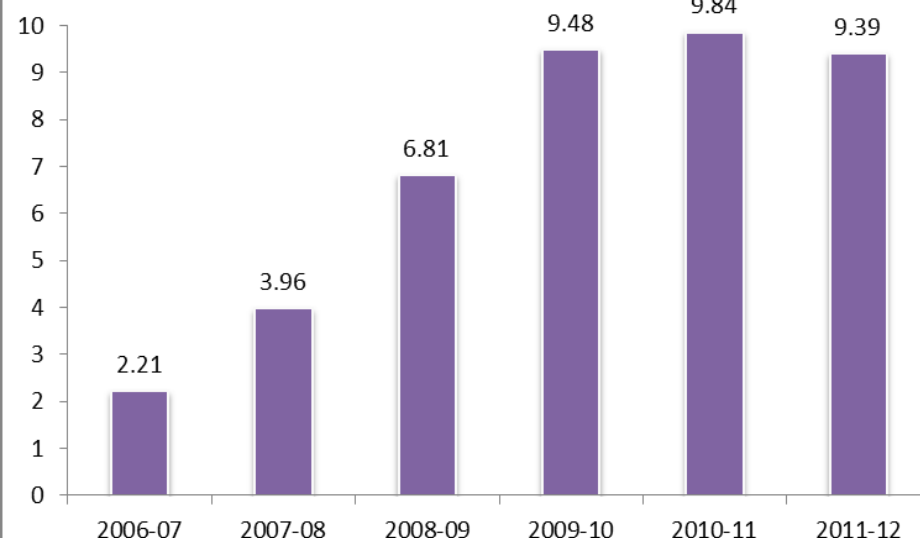
**Number of Households Employed (Millions)**



**Share of Women in MGNREGA Employment**



**Total Expenditure (Billion \$)**



# Unique Self-targeting Program

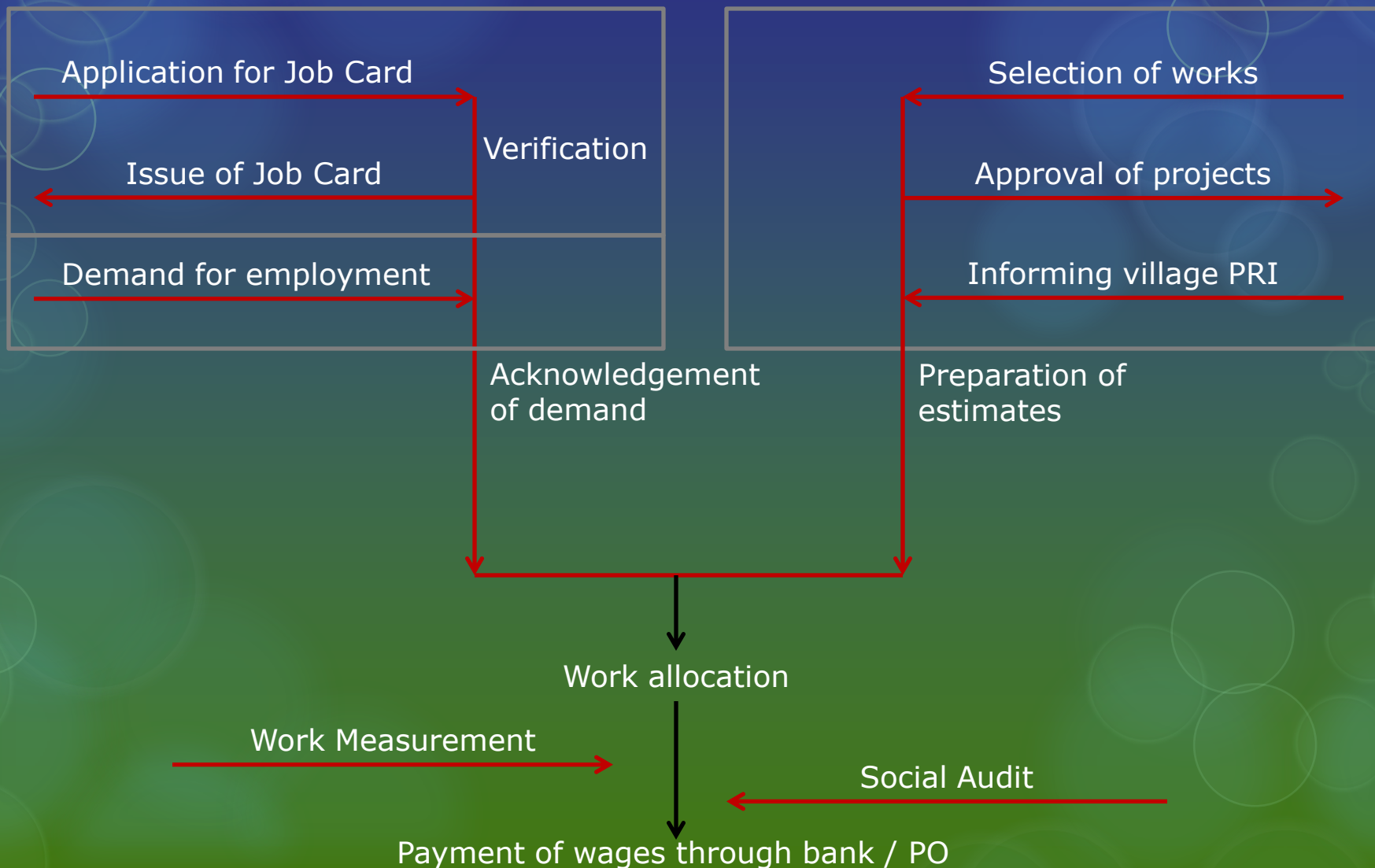
- Mis-targeting and elite-capture common ails of social programs in India
- However, in MGNREGS, rich elite unlikely to be willing to work at minimum wages
  - Lot more *Job Cards* issued vis-à-vis people turning up for work
- Impact from MGNREGS
  - Wage Impact: Employment close to home
  - Non-Wage Impact: Creation of rural assets, transformation of rural wage labor markets, greater equity in male-female wages, reduction in distress migration, several other secondary and tertiary impacts



# The MGNREGS Protocol... (1)

- Any person willing to undertake unskilled manual labor at minimum wages registers with the *Gram Panchayat* by applying for the *Job Card*;
- After due verification, Job Cards are issued, at no cost;
- Job card holders can apply for work to the *Gram Panchayat* which issues a dated receipt thereby promising work within 15 days;
- If employment is not provided within 15 days, the applicant can claim *unemployment allowance*;
- At least 1/3<sup>rd</sup> of workers must be women; wages must be paid within 15 days of completion of work; certain facilities must be provided to all MGNREGS workers;
- *Gram Sabha*, the village general body meeting, prepares a list of works to be undertaken in the village; the list goes to MGNREGS administration for technical feasibility and budget allocation;

# The MGNREGS Protocol... (2)



# The MGNREGS Protocol... (2)

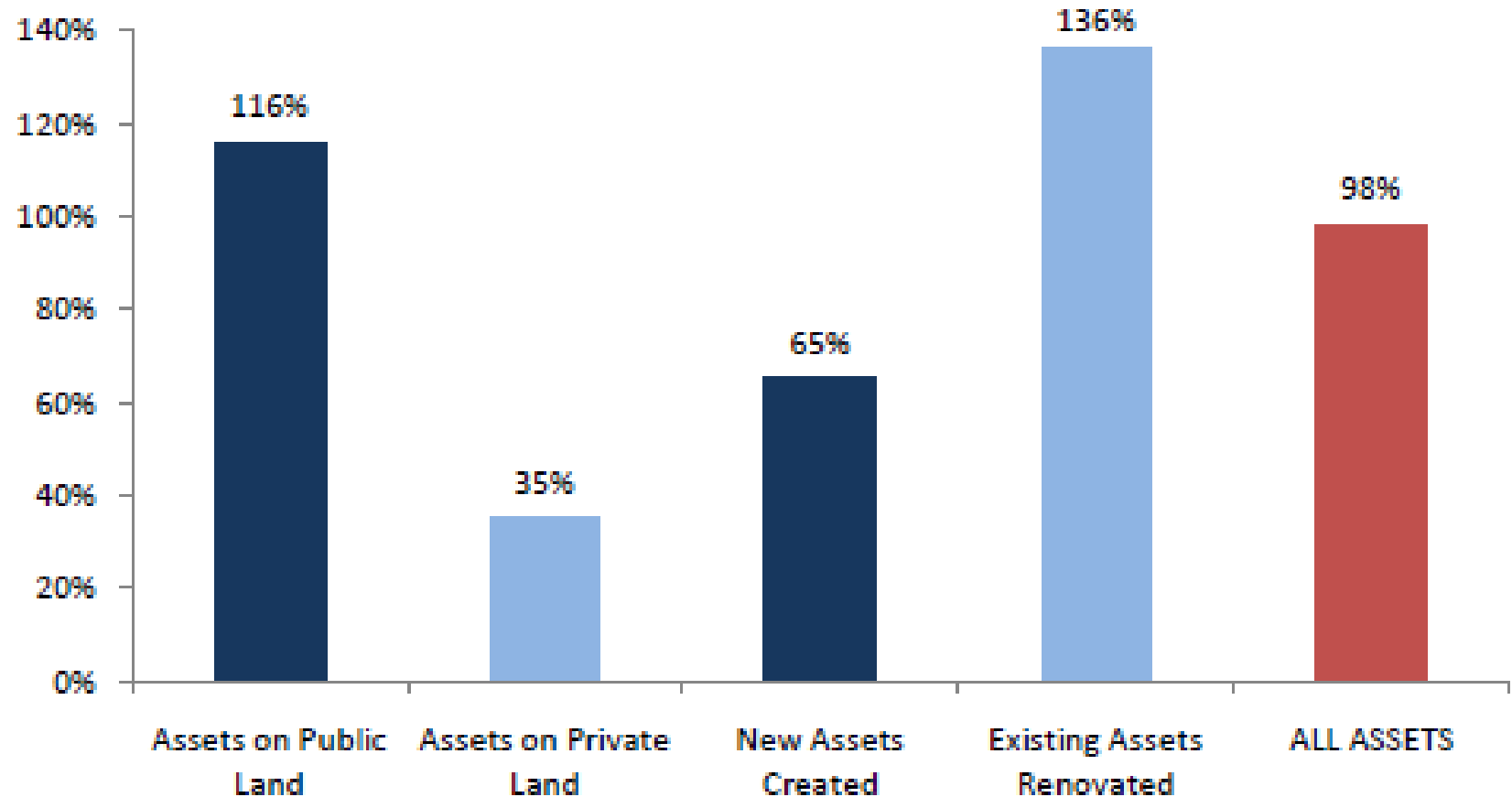
- Aggregated at the block and then the district level, each district prepares an inventory of works that can be undertaken from among the list of permissible works:
  - Water conservation and water harvesting;
  - Rural connectivity for all-weather access;
  - Common land development, incl. watershed works;
  - Drought proofing, including plantations and afforestation;
  - Irrigation canals, including micro and minor irrigation works;
  - Provision of irrigation facilities, plantation, horticulture, land development on lands owned by marginalized households;
  - Flood control and protection, including drainage in water logged areas;
  - Maintenance of assets already created under MGNREGS;
  - Any other works that maybe notified by the MGNREGS administration.



# The MGNREGS Protocol... (3)

- At least 50% of the works must be implemented by the Gram Panchayat; the rest may be implemented by NGOs, SHGs, government line departments, government-controlled cooperatives, public sector undertakings
- A ratio of 60:40 (Wages : Material) or higher has to be maintained
- If MGNREGS work is provided more than 5 kms away from home, additional 10% wages are to be paid;
- *Social Audits* must be conducted by the *Gram Sabha*; NGOs may be involved in the social audit process;
- Grievance mechanisms must be put in place to ensure responsive implementation; accounts and records must be available to anyone for scrutiny on payment of nominal administrative charges;
- Provision for *convergence* with other programs / departments

# Best Performing MGNREGS Assets...



# MGNREGS-Labor Market Interactions...

	Type I – Insignificant	Type II – Misfit	Type III – Significant	Type IV – Potentially Significant
Wage Rates	$W_{\text{MG-NREGS}} > W_{\text{LOCAL}}$	$W_{\text{LOCAL}} > W_{\text{MG-NREGS}}$	$W_{\text{MG-NREGS}} > W_{\text{LOCAL}}$	$W_{\text{MG-NREGS}} > W_{\text{LOCAL}}$
Opportunities	MGNREGS work insignificant vis-à-vis local demand	Booming local labor market offer better opportunities	MGNREGS significant vis-à-vis local demand	MGNREGS potentially significant but poorly implemented

- Income effect, Wage effect,
- Additive and substitutive, Segmentation of labor market,
- Male-Female Wage Ratio, Migration

# Key Drivers of Effectiveness...

- Contextual Fit: Greatest potential where most needed; demand-driven assets most effective
- Proactive and Equipped Administration: Political pressure, sufficient technical staffing, linking assets to perennial water sources, actively looking out for innovations and convergence opportunities
- Village Preparedness and Attitude: Does the village leadership (*Panchayat* and informal) view MGNREGS as just another government scheme and become passive recipients or as a Right, and an opportunity for sustainable, useful assets and in the process, political mileage?
- Right Incentives: Maintenance of public assets critical but no mechanisms in place; incentives and healthy competition among *NREGS Mates* helpful.

# Transparency and Accountability...

- MGNREGS relies heavily on the ability of village institutions; NGOs have limited, formal role in implementation
- Although the self-targeting mechanism of MGNREGS works quite well, instances of systemic corruption, poorly implemented works, weakly implemented social audits and political favoritism have been reported
- Maintenance and upkeep of MGNREGS assets is an issue; so is awareness and attitude
- There have also been administrative bottlenecks, mostly relating to the inability of the administration to manage the scale of operations: delays in wage payments, paucity of technically qualified staff and poor supervision
- MGNREGS continues to strive for greater transparency and accountability: decentralized, real-time data entry, GIS



# Official MGNREGA website

## http://nrega.nic.in



The Mahatma Gandhi National Rural Employment Guarantee Act 2005  
Ministry of Rural Development  
Government of India



[Act 2005](#)[Guidelines](#)[Districts](#)[DMU Report](#)[Circular](#)[CEGC](#)[Reference Center](#)[Contacts](#)[Site Map](#)[National Reports \(2012-2013\)](#)



Employment provided to HHS Persondays [in Crore] : 2.46[Crore]  
Total : 57.73  
SCs : 13.12 [22.72%]  
STs : 9.35 [16.2%]  
Women : 32.07 [55.55%]  
Others : 35.26 [61.07%]  
Total works taken up : 70.28 Lakhs.  
Work Completed : 2.27 Lakhs.  
Works in progress : 68.01 Lakhs.

[Citizen](#)[Panchayats GP/PS/ZP](#)[Workers](#)[Other Impl. Agency](#)[District/Block Admin.](#)[States](#)[Post office](#)[Bank](#)[MoRD](#)[Social Audit Agencies](#)[Engineers](#)

id II with all amendments.(English / Hindi).

ANDHRA PRADESH  
ARUNACHAL PRADESH  
ASSAM  
BIHAR  
CHHATTISGARH  
GUJARAT  
HARYANA  
HIMACHAL PRADESH  
JAMMU AND KASHMIR  
JHARKHAND  
KARNATAKA  
KERALA  
MADHYA PRADESH  
MAHARASHTRA  
MANIPUR  
MEGHALAYA  
MIZORAM  
NAGALAND  
ODISHA

### The Mahatma Gandhi National Rural Employment Guarantee Act

The Mahatma Gandhi National Rural Employment Guarantee Act aims at enhancing the livelihood security of people in rural areas by guaranteeing hundred days of wage-employment in a financial year to a rural household whose adult members volunteer to do unskilled manual work.

ENTER YOUR JOB CARD NUMBER

कृपया अपना जॉब कार्ड नंबर दर्ज करें

Professional Institutional  
Network [Studies]

Knowledge For Action



Convergence

ICT Innovations



BNV Journalism



MGNREGA Sameeksha

### What's New

- Clarification on implementing CPSMS/e-FMS.
- Seeding in the UID number (Aadhaar number) of MGNREGA workers in MIS (NREGASoft).
- Clarification as to whether works relating to sanitation can be included in the shelf of project for the current FY 2012-2013.
- Modifications to the Guidelines dated 10.05.2012 for taking up works relating to Access to Sanitation.(English, / Hindi)
- Revised wage rate from 01.04.2012.
- Committee for Revision of MGNREGA Operational Guidelines (Reports / Annexure)
- Suggestion sought on Reforms in MGNREGA.

[More...](#)

### Transparency & Accountability

- Job Cards
- Muster rolls
- Labour Budget
- Social Audit
- Report to the People

### Monitoring & Alerts

- Reports From MIS
- Alerts From MIS
- Sanction Order 2012-2013
- Sanction Order 2011-2012

### EFMS Reports

- e-fms Detail Report
- FTO/Bank response pending for processing

### Data Sharing

- Download Master Data
- Download Bank Account Detail of MGNREGA
- Data shared through Web

### Financial Proposal Online

- Instructions \ Prerequisites

# MGNREGA Knowledge Net

<http://knowledge.nrega.net>



## MGNREGA - Knowledge for Action

Ministry of Rural Development

Government of India



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- [Professional Institutional Network](#)
- [Knowledge Network](#)

### About Mahatma Gandhi NREGA Knowledge for Action

Mahatma Gandhi NREGA Open Archive Initiative aims to ensure public access to published works. This access to knowledge would benefit public governance, policymaking and promotion of a rights based approach and mass awareness among the public regarding MGNREGA schemes and rural development, hence ensure increased usage and impact of research and other forms of knowledge. This platform would aim to serve as an information base for the policy makers, think tanks and grassroots organizations and enable them to utilize the benefits of the knowledge to design strong safety nets, design sustainable livelihood processes, and ensure sustainability of natural resources.

### External links

- [Migration](#)
- [Poverty](#)
- [Gender](#)
- [Drought](#)
- [Left Wing Extremists](#)
- [Climate Change](#)



Migration



Poverty



Gender



Drought



Left Wing Extremists



Climate Change

### Recent Uploads:

### Essential MGNREGA Resources:

[Job Cards](#)

[Muster Roll](#)

[Social Audit](#)

[Works](#)

[Grievances](#)

[Monitoring](#)

[Staffing](#)

[Finance](#)

[MIS](#)

- [Atom](#)
- [RSS 1.0](#)
- [RSS 2.0](#)

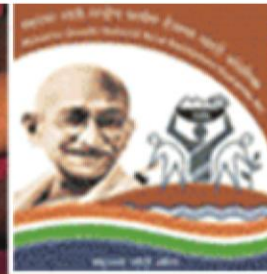
Mahatma Gandhi National Rural Employment Act -2005, Ministry of Rural Development, Govt. of India

Repository Designed, Developed and Managed by One World Foundation India



# Professional Institutional Network

<http://www.nrega.net/pin>



## Professional Institutional Network

### Introduction :

'The Professional Institutional Network (PIN) of the Mahatma Gandhi National Rural Employment Guarantee Act(NREGA) is a network of institutions, including Indian Institutes of Management(IIMs), Indian Institutes of Technology(IITs), National Institute of Rural Development (NIRD), agriculture universities, Administrative Staff College of India (ASCI), think tanks, civil society organizations and other professional institutes.

The PIN was created by the Ministry of Rural Development as an integrated structure for concurrent monitoring, appraisal, diagnosis of implementation constraints, recommendations on remedial action and sustainable interventions, to enhance the quality of the programme. The main focus of the PIN is on

### PIN Home

Concept & Selection Process

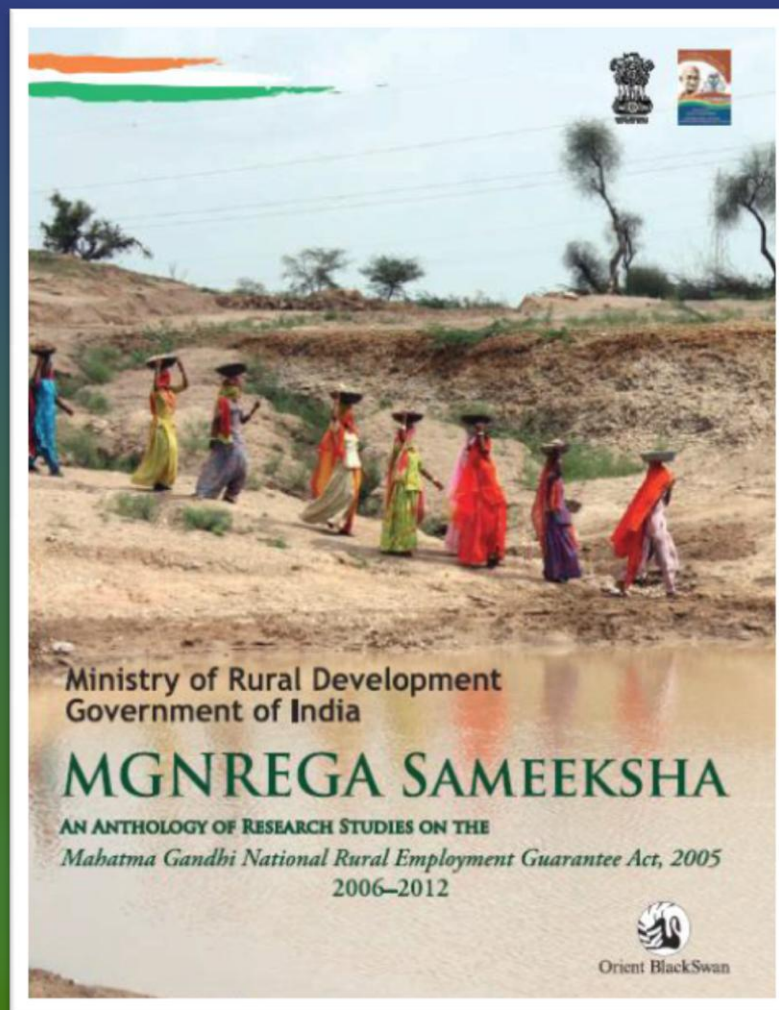
PIN Members & Coverage

Study Reports and Other Resources

Meetings & Seminars

# *Compilation of Research Studies (2006 – 2012)*

<http://www.orientblackswan.com/readinfull.asp?categoryID=0&isbn=978-81-250-4725-4>





# Ways Ahead...

- MGNREGS permissible works have recently been expanded
- The narrow, single-use focus of MGNREGS asset planning needs to be widened; majority of MGNREGS assets found to be *de facto* multiple use
- Focus on transparency and accountability needs to be maintained
- Incentive flexibility needs to be encouraged; right incentives need to be put in place
- A well-implemented public works program should, over time, crowd itself out. This needs to be internalized in performance assessment and long-term planning



Finally...

## ○ General Theory of Employment

- *"The government should pay people to dig holes in the ground and then fill them up."*

– Keynes (1936)

*General Theory of Employment, Interest and Money*

## ○ Employment is not an end in itself

- *A job is not just about making money (income aspect), it should yield a desirable output (production aspect) and it also involves pride (recognition aspect)*

– Sen (1975)

*Employment, Technology & Development*

*Shilp Verma*

*International Water Management  
Institute, Anand, Gujarat, India*

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Delft, The Netherlands*

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*M: 91-9725503615*

**Thank You...**

