

INCOME AND EMPLOYMENT POLICIES FOR THE POOR AND HUNGRY IN INDIA: RECENT EXPERIENCE OF THE NREGS

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Presentation for IFPRI Dialogue on
Renewed Policy Action of the Poorest and Hungry in South Asia
New Delhi, 2 December 2008

Economic context of NREGA-1



Livelihood and employment crisis despite economic boom:

- ▣ Stagnant employment in organised sector formal jobs.
- ▣ Most employment growth in low-remuneration self-employment.
- ▣ Problems of financial viability of cultivation, associated with agrarian distress.
- ▣ Inadequate rural employment generation.
- ▣ Falling real wages for most categories of workers over 1999-2000 and 2004-05.

Economic context of NREGA-2



Poor and worsening nutrition indicators:

- ❑ Declining per capita calorie consumption on average and even for poorest households.
- ❑ Hardly any improvement in nutrition outcome indicators provided by NFHS (BMI, underweight babies, protein deficiency, anemia).
- ❑ This particularly bad for mothers and young girls.
- ❑ Indian nutrition indicators among the worst even in South Asia.
- ❑ Inadequate spread of public distribution system for food, poor performance of targeted PDS (Type I and Type II errors) and lack of purchasing power are the main causes; changing food habits played some minor role.

Very new approach



Very new concepts:

- Employment as a right of citizens (even if it is limited to 100 days per household).
- Oligation of the government to meet the demand for work within a specified time period, and to have developed a shelf of public works that can be drawn upon to meet this demand.
- Panchayat participation in planning and monitoring of the scheme.
- Provision for continuous and frequent social audit.

Social revolution?



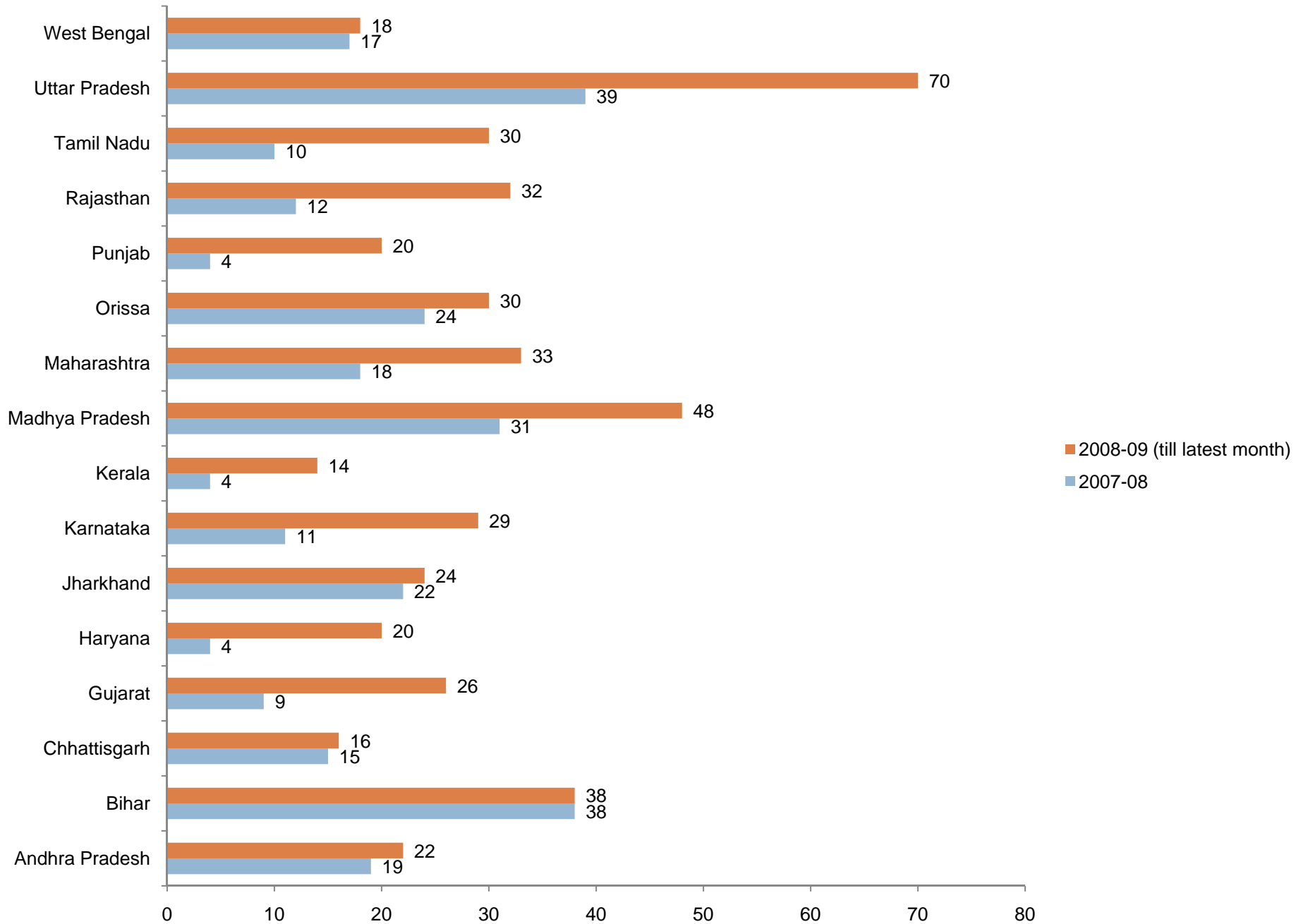
- The NREGA reverses the way the Indian state has traditionally dealt with the citizenry, and envisages a complete change in the manner of interaction of the state, the local power elites and the local working classes in rural India.
- There are huge implications for class relations in the countryside, and some local/national resistance is inevitable.
- So it is not surprising that it is not being implemented in a uniform way across India or that there are still major gaps.

Minimum conditions for successful implementation



- The capacity (including technical capacity) and willingness of local government and panchayats to plan works and run the programme effectively.
- Dissemination about the programme and its guidelines to local people who can make use of it to register and demand work
- Mobilisation to create ability to run social audits without fear of repression.
- Local authorities willingness to respond and change, as well as effective redressal mechanisms.

Chart 1: Number of districts covered by NREGS

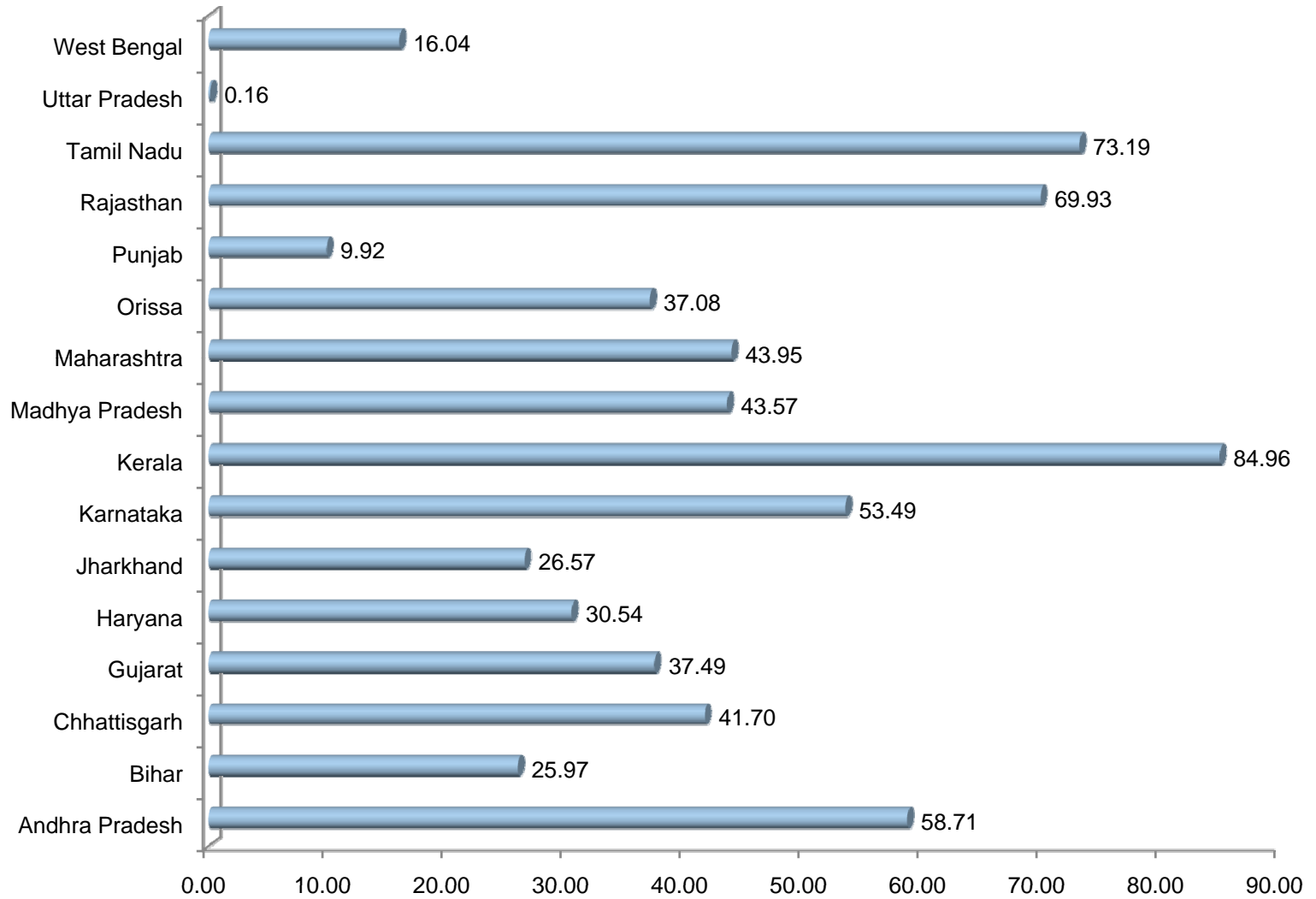


	Per cent of households with job cards		Per cent of households that have received some work		Per cent that received 100 days of employment
	2007-08	2008-09	2007-08	2008-09	2008-09
Andhra Pradesh	58.32	70.70	31.65	32.87	2.85
Bihar	52.91	57.52	25.56	12.01	0.35
Chhattisgarh	83.12	92.98	66.04	34.58	7.40
Gujarat	13.63	32.51	4.58	5.50	0.18
Haryana	5.35	8.46	2.35	1.51	0.25
Jharkhand	69.13	73.94	39.25	19.90	1.16
Karnataka	19.50	28.55	7.04	3.62	0.30
Kerala	8.45	16.34	3.27	3.23	1.05
Madhya Pradesh	78.17	119.67	46.94	35.92	9.96
Maharashtra	25.01	31.90	3.79	2.66	0.07
Orissa	55.78	65.91	14.95	7.42	0.52
Punjab	3.11	8.19	1.58	0.72	0.08
Rajasthan	32.53	87.01	24.61	52.70	10.33
Tamil Nadu	24.98	55.84	14.02	27.48	0.87
Uttar Pradesh	29.50	39.21	16.52	8.21	1.76
West Bengal	65.13	65.51	29.18	15.15	0.24

Provision of work

	2007-08			2008-09		
	Households that demanded work	Households that received work	Shortfall	Households that demanded work	Households that received work	Shortfall
Andhra Pradesh	4803892	4803892	0	5041648	5041648	0
Bihar	3975545	3859630	115915	1936239	1843390	92849
Chhattisgarh	2297042	2284963	12079	1228045	1210200	17845
Gujarat	290691	290691	0	368359	353359	15000
Haryana	70869	70869	0	46433	46080	353
Jharkhand	1679978	1679868	110	863756	863454	302
Karnataka	554002	549994	4008	687113	284890	402223
Kerala	259275	185392	73883	189106	184817	4289
Madhya Pradesh	4347079	4346916	163	3388456	3383754	4702
Maharashtra	474695	474695	0	335918	335639	279
Orissa	1138432	1100497	37935	579130	546105	33025
Punjab	49690	49690	0	29188	22676	6512
Rajasthan	2173122	2170460	2662	4742390	4732561	9829
Tamil Nadu	1234818	1234818	0	2391103	2391103	0
Uttar Pradesh	4104283	4096408	7875	2115548	2070578	44970
West Bengal	3919996	3843335	76661	2033171	2016868	16303

**Chart 2: Per cent of women receiving employment in NREGA
in 2008-09 (till latest month)**



**Chart 3: : Per cent of SCs receiving employment in NREGA
in 2008-09 (till latest month)**

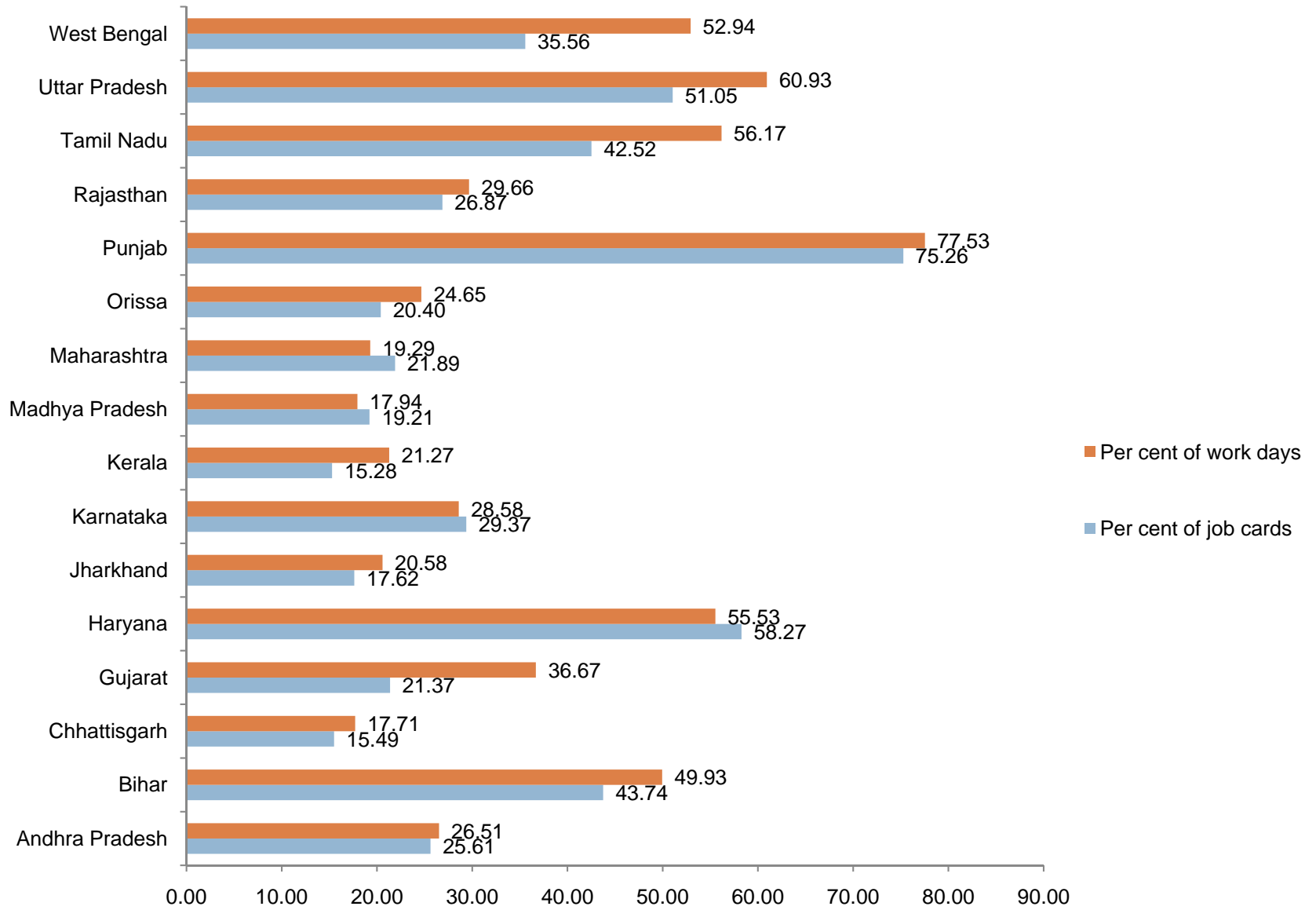
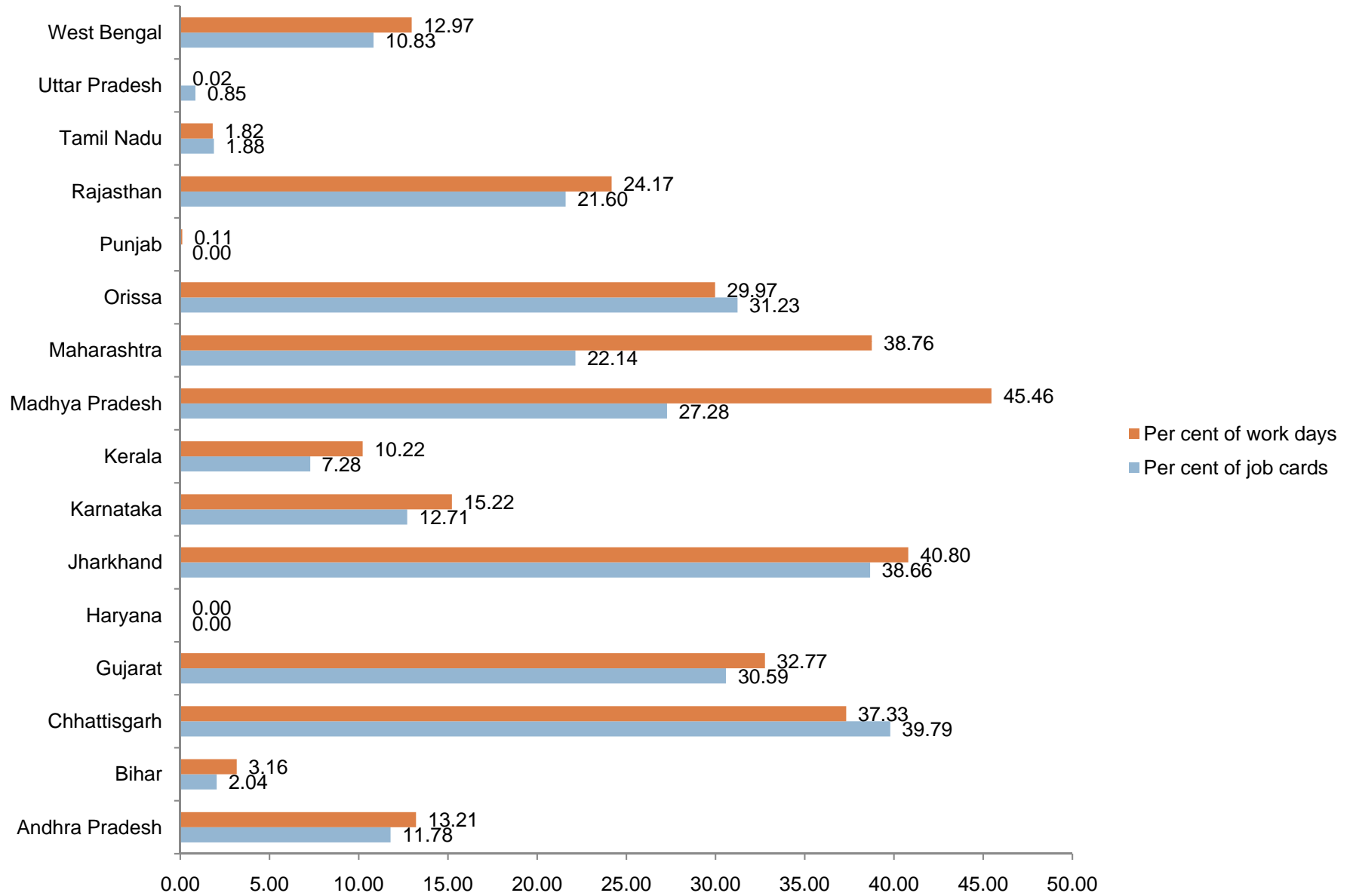


Chart 4: : Per cent of STs receiving employment in NREGA in 2008-09 (till latest month)



Preliminary evidence from some field studies

- Very uneven implementation across states, and even within districts. Some clear success stories; some areas where nothing has really changed, and law has been openly flouted.
- Many continuing problems in implementation, often relating to how guidelines are interpreted.
- Some reduction in distress migration, especially where it is successfully implemented.
- Very diverse nature of participation – not confined only to poorest households.
- Greater involvement of women in paid work outside the household even in areas where this was not common.
- Some evidence of changes in wage rates especially in lean season.
- Growing spread and use of bank/postal savings accounts where wages are paid into these.

The problem of corruption

- Many instances of corruption/wastage etc. have been identified in field studies.
- However, these tend to be disproportionately blown up by media and critics of the programme, especially in the context of much more extensive corruption in other government activities (such as infrastructure) and in society generally.
- CAG report identified lack of capacity as main implementation concern, rather than corruption.
- NREGA contains many safeguards in terms of transparency and accountability; however, these are likely to be resisted by elites at different levels and must be continuously fought for through local mobilisation.
- Therefore, while corruption is an important concern, it CANNOT be seen as a reason to condemn the programme, but rather to make it work better.

Current policy issues



- Inadequate preparedness of local authorities and panchayats.
- Need for much more technical and administrative support, especially to local bodies, to plan and monitor scheme and works.
- Rigidity in fund transfer, affecting smooth implementation.
- More flexibility required in permissible works, allowing for land improvement on all small holdings (not only for SC/ST) and moving from earth work to any other activity that improves the quality of life in rural areas.
- Need to enact and implement similar law for urban areas.