

National Rural Employment Guarantee Act Implementation Tracker by PAEG

The People's Action for Employment Guarantee (PAEG) is a group of activists, academics and members of peoples' organizations that came together to advocate for the NREGA in 2004. PAEG hopes to play the role of a catalyst in provoking discussion, peoples' monitoring and convening coalitions to strengthen NREGA implementation through research and advocacy. PAEG is also facilitating a series of consultations on an urban employment guarantee in collaboration with various campaigns, institutions and organizations.



Why a NREGA tracker? Why now?

The NREGA is a lifeline for millions of rural poor. It guarantees 100 days of employment for each rural household at minimum wages. There are two important legislative provisions. Work should be provided within 15 days of demanding for work failing which the workers are entitled to an unemployment allowance. Workers should be paid within 15 days of completion of work failing which they are entitled to a delay compensation. While NREGA has always been vital, it has assumed renewed significance in light of the unemployment crisis induced by the lockdown. This weekly tracker is an attempt to closely monitor the performance of NREGA by making some key metrics available to everybody in an accessible manner. Some of the metrics would be updated weekly, some monthly, and some quarterly.

What is in this tracker?

The tracker provides some broad statistics from the NREGA Management Information System (MIS) such as the number of households that have completed 100 days of work, the number of households nearing completion of 100 days of work, amount of funds left with states, a comparison between work demanded and employment provided for select states. The tracker also provides two graphs monitoring the NREGA performance annually. It shows the inflation-adjusted budget over the years and the pending liabilities as a proportion of the annual budget. This is just a beginning, and we hope to get inputs to constantly improve this. We hope that this data will be used to ask questions, prompt further reporting and organize workers to demand and access their entitlements.

35 LAKH

NEW JOB CARDS MADE SINCE APRIL 2020

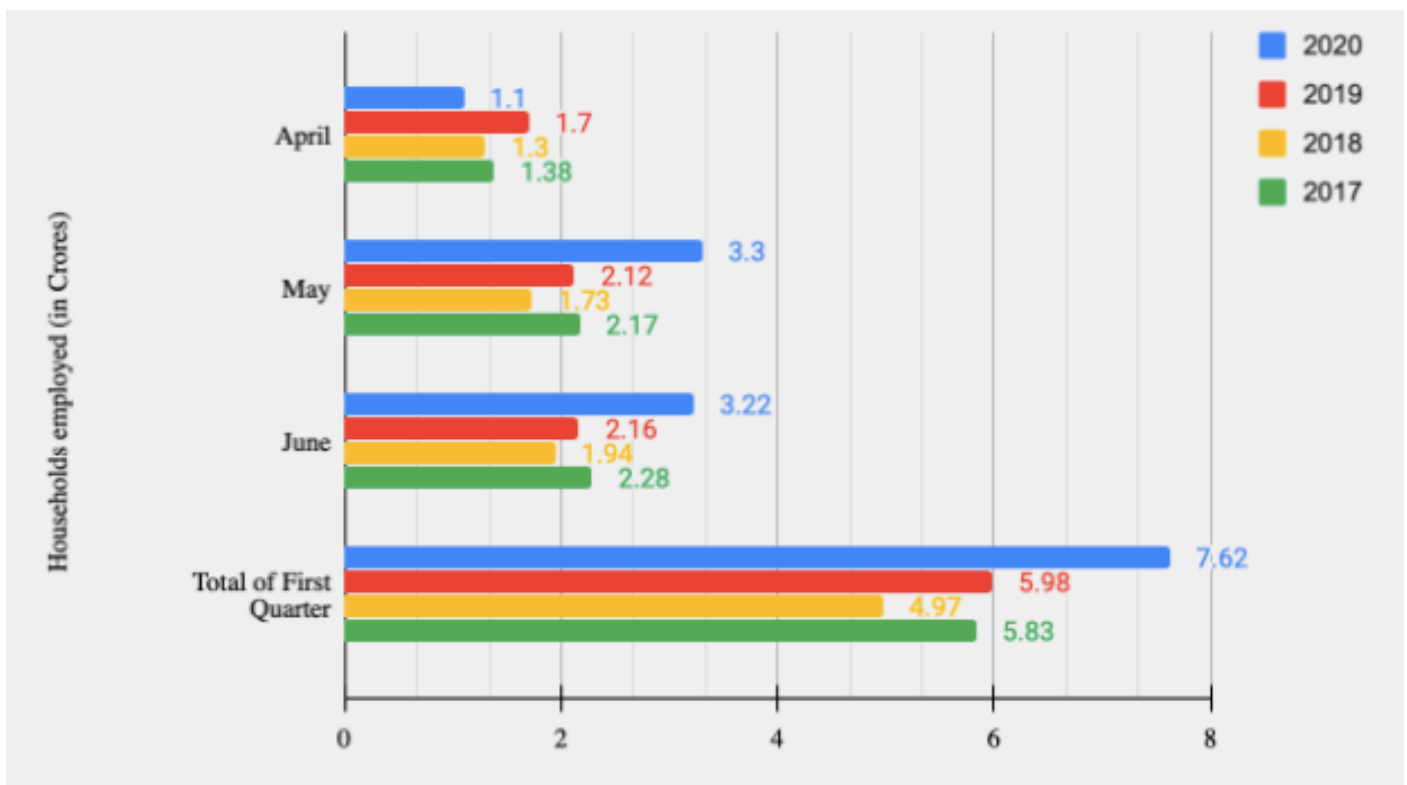
Returning migrants and the stagnation in the rural economy has increased demand for NREGA employment and new households are registering for job cards and work. The FM cited a figure of 8 crore for the number of migrants that were to be allocated free foodgrains for three months. According to official data, 67 lakh migrants ([report here](#)) have returned home during this period.

3.22 CRORE

HOUSEHOLDS EMPLOYED UNDER NREGA IN JUNE 2020

A record number of households have been employed under NREGA in the first quarter of the financial year. 50% increase in households employed in June 2020 compared to June 2019. April 2020 recorded the lowest employment in several years.

Figure 1. Number of households provided employment in the first quarter of the financial year 2017-2020



2.26 LAKH

HOUSEHOLDS HAVE COMPLETED 100 DAYS OF WORK

- Currently, almost every ten days, 1 lakh households are completing 100 days of work. This is a testament to NREGA's continued importance and underscores the need to increase NREGA entitlement to at least 200 days per household.
- However this is only 0.15% of those who have been employed under NREGA this year.
- The scale of NREGA employment is much higher in states like Andhra Pradesh (1.04 lakh), Telangana (72,000) and Chhattisgarh (57,000). The numbers of households that have already completed 100 days in this financial year are shown in parenthesis.

Table 1. Households that have nearly completed 100 days

States	71-89 days (in Lakhs)	81-99 days (in Lakhs)
ANDHRA PRADESH	1.13	1.02
BIHAR	0.24	0.19
CHHATTISGARH	0.91	0.96
JHARKHAND	0.10	0.09
KARNATAKA	0.28	0.44
MADHYA PRADESH	0.89	1.07
ODISHA	0.44	0.53
RAJASTHAN	0.71	0.35
WEST BENGAL	0.39	0.49
UTTAR PRADESH	0.33	0.44
All States*	5.85	6.06
*All India figures exclude Telangana		
Source : MGNREGA MIS Report R.5.3 accessed on 02/07/2020		

22% UNMET DEMAND

1.7 CRORE PEOPLE WHO HAVE DEMANDED WORK HAVE NOT BEEN PROVIDED EMPLOYMENT

Table 2 below shows figures of employment provision as a proportion of employment demanded. 22% of officially registered demand is unmet. For instance, in Uttar Pradesh **35 lakhs persons** who have demanded work are yet to be provided work. In Bihar, this figure of unmet demand is **10 lakh persons**.

An important point to note is that these figures are on the conservative side. Actual unmet demand will be much higher because of demand suppression at source: The clock starts ticking only after the work demand of workers is officially entered in the MIS. If work is not provided within 15 days, unemployment allowance has to be paid. It is the responsibility of local officials to pay unemployment allowance in case work is not provided on time. In the absence of alternative modes of registering demand people have no choice but to depend on local officials to register work demand on the MIS. However, local officials will tend to limit the number of demands for work applications that are registered to avoid payment of unemployment allowance. Lack of sufficient budget allocation also leads to demand suppression.

Table 2. Percentage and number of persons that demanded but did not get work

States	Difference between persons demanded employment and persons provided employment (in Lakhs)	Percentage of people who demanded and didn't receive employment (%)
Uttar Pradesh	35.43	30.64
Bihar	10.48	24.24
Madhya Pradesh	16.39	23.72
West Bengal	17.48	21.83
Rajasthan	19.11	20.92
Chhattisgarh	11.94	19.96
Andhra Pradesh	13.41	15.89
All States*	1.74 Cr	22.23
* Due to discrepancies in Telangana State MIS report, All States data doesn't include Telangana		
Source - MGNREGA MIS Report - R.5.1.1 accessed on 10/07/2020		

WHAT DOES THE NREGA MIS HIDE?

PERSONDAYS OF WORK DEMANDED

While employment generated in Persondays (PD) is available easily in the MIS, work demanded in PD is not easily available. Only number of households demanding work and number of individuals demanding work are. Why is it important to have PD work demanded? Suppose there are 2 people in a household. Suppose each person demands for 7 days of work and each of them gets just 3 days of work. For this case, the number of individuals demanding work would be 2, the number of individuals provided work would also be 2. For the number of households demanding work would be 1 and number of households provided work would also be 1. However, the number of PD of work demanded would be 14 while the number of PD of employment provided would be 6. For this example, while employment provided in PD is 57% lower than work demanded in PD, the MIS is currently reflecting that 100% of work demanded is being provided. Therefore, the PD of work demanded must be made available along with the PD of employment provided. This will be a more accurate way to track NREGA progress.

STAGE 2 PAYMENT DELAYS UNACCOUNTED FOR

Payment of wages to workers happens in two stages (table 3). Stage 1 corresponds to the time taken by the states to generate the Funds Transfer Order (FTO) and electronically send them to the central government. Stage 2 is the time taken by the central government in processing the FTOs and transferring the wages directly to the workers' accounts. The Supreme Court (SC) judgement dated May 18, 2018 in Swaraj Abhiyan vs Union of India, Writ Petition (CIVIL) 857 of 2015 clearly holds the central government accountable for the full extent of delay (Stage 1+Stage2). The SC has instructed the central government to calculate the delay compensation for stage 2 and pay the same to the workers. However, even after 2 years, only Stage 1 delays continue to be calculated. Stage 2 delays are still not getting accounted for.

Table 3. Payment process and timelines

Steps	Processes	Period	Responsibility
	Stage 1	T+8	State Government
1	Last date of muster roll as per e-muster	T	
2	Data entry of attendance into MIS	T+2	
3	Measurement of the work and entering the same in NREGASoft	T+5	
4	Generation of wage list	T+6	
5	Generation of FTOs (1st signatory)	T+7	
6	Approval of FTO for payment (2nd signatory)	T+8	
	Stage 2	T+9 to T+15	Central Government
7	Signing of pay orders by MoRD (in Ne-FMS States/UTs)	T+9 to T+11	
8	Crediting into bank accounts of beneficiary by payment agencies	T+10 to T+15	

NREGA PERFORMANCE IN ASPIRATIONAL DISTRICTS

ONLY 1 OUT OF 3 HOUSEHOLDS GOT MORE THAN 30 DAYS OF WORK

In response to the migrant worker crisis, the Prime Minister launched the Garib Kalyan Rojgar Abhiyan (GKRA) on 20th June in 116 districts for 125 days. In each tracker we will focus on NREGA implementation in a sample of 10 out of the 116 GKRA districts. The ones we focus on in this round also happen to be aspirational districts. Table 2 gives the details.

In Araria, for every 100 households that demanded work, 1/4th of all the households demanded work were not provided work.

Table 4. NREGA employment in aspirational (and GKRA) districts

	District	State	Households provided work / Household demanded work	Households provided employment < 15 days as percentage of total households	Households provided employment between 15-30 days as percentage of total households
1	Araria	Bihar	75	33	45
2	Aurangabad		84	21	45
3	Gaya		80	27	38
4	Katihar		72	32	41
5	Muzaffarpur		73	44	35
6	Purnia		78	39	39
7	Giridih	Jharkhand	77	43	36
8	Bahraich	Uttar Pradesh	65	40	34
9	Balrampur		66	39	31
10	Siddharth Nagar		84	34	32
11	Total		76	35	35

STAGE 1 DELAYS REDUCED, STAGE 2 DELAYS UNKNOWN

0.6% OF TOTAL TRANSACTIONS WERE DELAYED BEYOND 15 DAYS

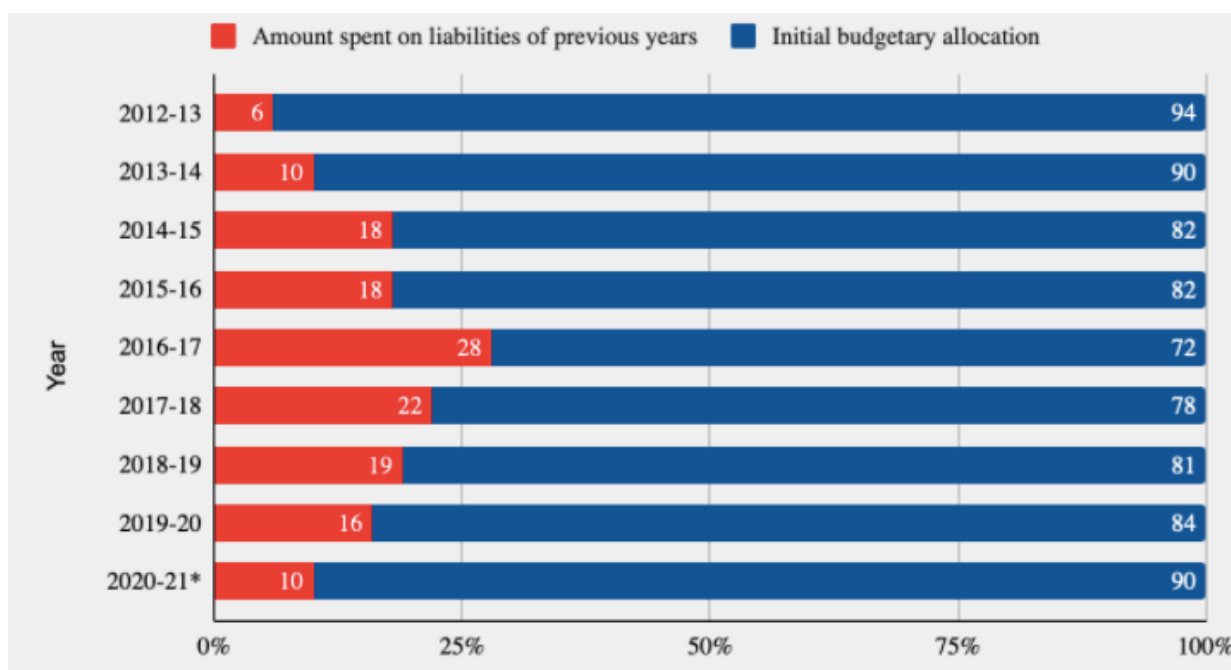
As explained earlier, payment of wages to workers happens in two stages. Stage 1 corresponds to the time taken by the states to generate the Funds Transfer Order (FTO) and electronically send them to the central government. Stage 2 is the time taken by the central government in processing the FTOs and transferring the wages directly to the workers' accounts. The MIS shows only Stage 1. Stage 2 is not shown accurately. As such the tracker only shows Stage 1 at the moment.

AVERAGE OF 17% IS SPENT TO CLEAR PENDING LIABILITIES

FOR 2020-21, 10% OF BUDGET USED TO CLEAR PENDING LIABILITIES AFTER REVISED ALLOCATION

With the 2020-21 budget for NREGA being the highest ever, the proportion that will be spent to clear pending payments is lower than previous years. PAEG and various others groups have been advocating for an increase in NREGA's budget for years.

Figure 2. Percentage of budget spent clearing pending liabilities

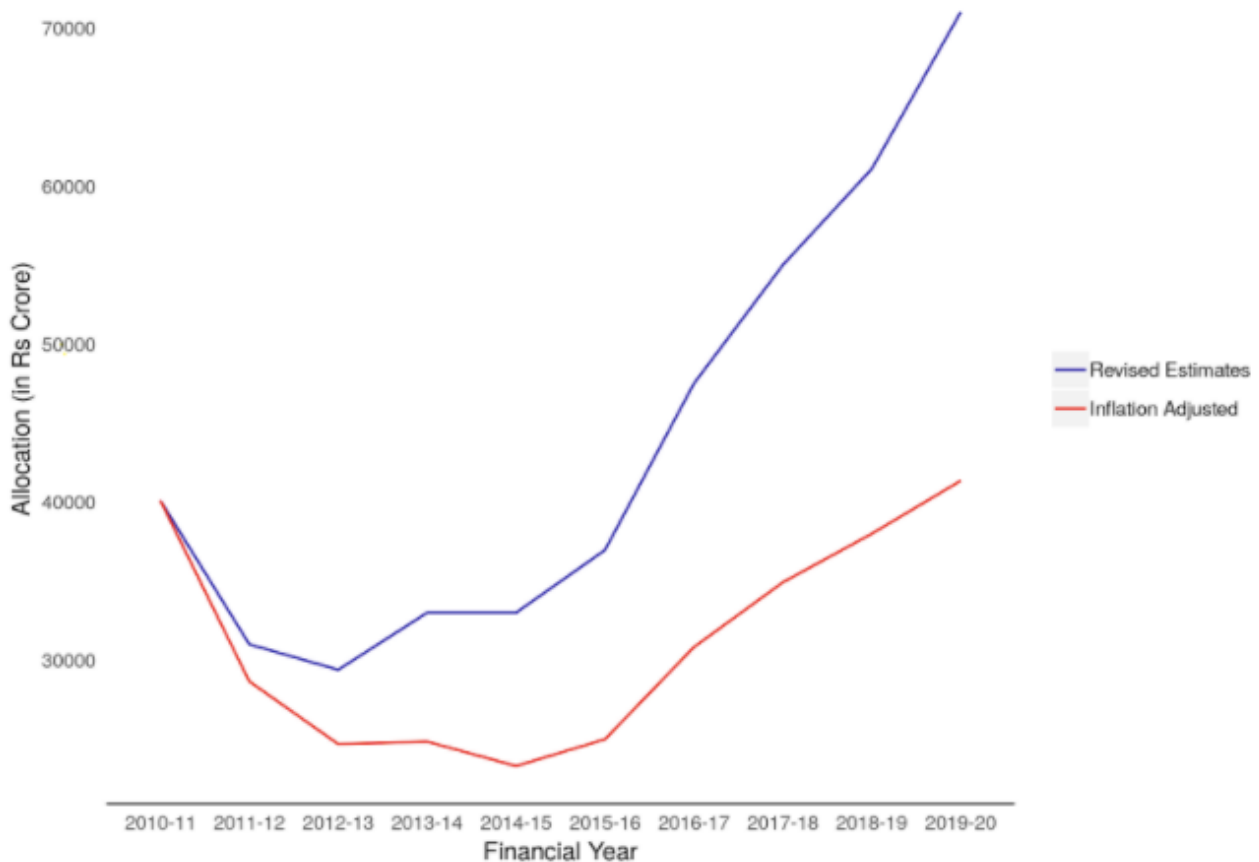


STILL ONLY 0.47% OF GDP

DESPITE ENHANCED ALLOCATION FOR NREGA IN PANDEMIC YEAR

- In the last few years, it has been claimed that the NREGA budget allocation is “the highest ever”. However, adjusting for inflation, the allocation each year from 2014 has been lower than that of 2010-’11. See figure 3.
- The allocation has been dwindling around 0.3% of GDP since 2014. It has never crossed the high of 0.6% of GDP touched in 2010.
- Even with increased allocation of 1 lakh crore for NREGA this year, in response to the pandemic, it is only around 0.47% of the GDP. World Bank Economists, Murgai and Ravallion (2005), have argued that 1.7% of the GDP needs to be allocated for NREGA for it to run robustly

Figure 3. Nominal Revised Allocation vs Inflation-Adjusted Allocation (in Rs Crore)



RS 43,000 CRORE SPENT ALREADY

43% OF TOTAL NREGA BUDGET FOR 2020-21 SPENT IN FIRST QUARTER

- Even with the highest ever allocation for NREGA this year, the record demand and employment provision in the first quarter means that funds are drying up fast. The column 'Net Balance' in table 5 shows the funds remaining of the first release.
- While Odisha is a good example of a state that has leveraged NREGA to respond to the distress of returning migrants and the unemployment crisis, it already has a negative balance.
- State like Bihar, Madhya Pradesh, Uttar Pradesh which have amongst the highest unmet work demand also have less than 10% of their allocated funds left. This will have two potential consequences on the ground. Either local officials will stop registering more demand and opening work or work will be provided but payment delays will accumulate.

Table 5. Status of fund availability

States	Total allotted funds to the States (in lakhs)	Total expenditure including payment due (in lakhs)	Net Balance (in lakhs)	Funds left as a percentage of total allotted funds
Tamil Nadu	226653.98	365815.36	-139161.38	-61.40
ODISHA	132464.18	141602.21	-9138.03	-6.90
UTTAR PRADESH	440628.08	406893.55	33734.53	7.66
BIHAR	288656.24	264267.22	24389.02	8.45
MADHYA PRADESH	273619.69	250362.36	23257.33	8.50
RAJASTHAN	365672.7	317527.37	48145.33	13.17
CHHATTISGARH	245671.75	210783.06	34888.69	14.20
ANDHRA PRADESH	555728.76	459429.02	96299.74	17.33
KARNATAKA	230592.78	179794.52	50798.26	22.03
WEST BENGAL	476014.95	347290.35	128724.6	27.04
JHARKHAND	132928.1	47046.74	85881.36	64.61
All States	4371718.08	4022865.49	714667.95	16.35
Source - MGNREGA MIS Report R.7.1 accessed on 02/07/2020				

BIHAR AND JHARKHAND

ARE CONDUCTING CONCURRENT SOCIAL AUDITS FOR NREGA

- Social Audit Units in these two state are conducting concurrent audits on NREGA work (adhering to physical distancing norms) and the implementation of relief measures such as distribution of additional food-grain as part of the PM Garib Kalyan Yojana
- Follow local media reports on these audits, ask your state government to share the findings from these audits to enhance public monitoring of NREGA and other welfare programs during this time.



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