



Published by
giz Deutsche Gesellschaft
für Internationale
Zusammenarbeit (GIZ) GmbH

Working Paper

An Introduction to MGNREGA Innovations and their Potential for India-Africa Linkages on Public Employment Programming¹

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February 2019

¹ This paper has been funded by and is a product of Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ). The views expressed in the paper do not necessarily reflect the German Government's official policies. This paper has been published as part of the Environmental Benefits through MGNREGA project of GIZ in India ©GIZ 2019.

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Acronyms

BFT	Barefoot Technicians
CAD & WM	Command Area Development & Water Management
CFW	Cash for Work
CWP	Community Works Programme (South Africa)
CPI-AL	Consumer Price Index for Agricultural Labourers
CPI-R	Consumer Price Index for Rural Labourers
CfWTEP	Cash for Work Temporary Employment Program (Liberia)
DBT	Direct Benefit Transfer
DFID	Department for International Development
ECD	Early Childhood Development
e-FMS	Electronic Fund Management System
EIIP	Employment Intensive Infrastructure Programme (ILO)
EPWP	Expanded Public Works Programme (South Africa)
FAO	Food and Agriculture Organisation
FFW	Food for Work
FY	Financial Year (<i>Indian Financial Year is April to March</i>)
GIS	Geographical Information System
GoI	Government of India
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
GS	Gram Sabha
GP	Gram Panchayat
HCBC	Home Community Based Care
HIV/AIDS	Human Immunodeficiency Virus/ Acquired Immune Deficiency Syndrome
HSRC	Human Sciences Research Council

ID	Identification
IEG	Institute of Economic Growth
ILO	International Labour Organisation
INRM	Integrated Natural Resource Management
IWMP	Integrated Watershed Management Programme
JRY	Jawahar Rozgar Yojana
KEP	Karnali Employment Programme
MEGS	Maharashtra Employment Guarantee Scheme
MGNREGA	Mahatma Gandhi National Rural Employment Guarantee Act
MGNREGS	Mahatma Gandhi National Rural Employment Guarantee Scheme
MASAF	Malawi Social Action Fund
MIS	Management Information System
MOOC	Massive Open Online Course
MoRD	Ministry of Rural Development
MWC	Mission Water Conservation
MJSA	Mukhya Mantri Jal Swavlamban Abhiyan (Chief Minister's Water Conservation Programme)
NRLM	National Rural Livelihoods Mission
NRM	Natural Resource Management
NUSAF	Northern Uganda Social Action Fund
PASP	Productive Social Action Programme (Mozambique)
PEP	Public Employment Programme
PIU	Programme Implementation Unit
PMU	Programme Management Unit
PMKSY	Pradhan Mantri Krishi Sinchayee Yojana (Prime Minister's Irrigation Programme)
PRICE	Project Information and Cost Estimation

PSNP	Productive Safety Nets Programme (Ethiopia)
PWD	Persons with Disabilities
PWP	Public Works Programme
RSR	Rapid Social Response Fund
SAF	Social Action Fund
SC	Scheduled Castes
ST	Scheduled Tribes
SoR	Schedule of Rates
SECURE	Software for Estimate Calculation Using Rural rates for Employment
SEGF	Government's State Employment Guarantee Fund
SSA	Sub-Saharan Africa
TASAF	Tanzania Social Action Fund
UIDAI	Unique Identification Authority of India
US	United States
VUP	Vision Umurenge 2020 Programme (Rwanda)
WFP	World Food Programme

Executive Summary

In order to promote the quality of programme administration and implementation, value for money, accountability and impact on poverty, a series of design and implementation innovations have been introduced under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), the Public Employment Programme (PEP) of India over the past 12 years. The key innovations are outlined and discussed in this paper.

The paper starts with an outline of the global labour market context and the critical employment challenges that PEP has aimed to address. Following this, a summary of public employment programming in sub-Saharan Africa is provided, and the paper then provides an overview of the MGNREGA programme. The paper provides details of key MGNREGA innovations which are of particular relevance to PEP design and implementation in Sub-Saharan Africa (SSA). The final section outlines innovations from public works programming in SSA that may be of relevance for MGNREGA, examining the 'productive safety nets' approach and the challenges associated with integrating PEP with complementary development interventions, as well as options for extending PEP employment into the social and environmental sectors in order to find additional ways of absorbing labour and addressing development challenges. This final section draws on the Productive Safety Nets Programme (PSNP) in Ethiopia, the Vision Umurenge 2020 Programme (VUP) in Rwanda and the Expanded Public Works Programme (EPWP) in South Africa

The key innovations introduced in MGNREGA which are discussed in the paper are:

- Universal rights-based approach
- Decentralised planning and administration
- Well-defined terms and conditions of employment
- Durable asset creation, maintenance and management
- Focus on Natural Resource Management and shock responsiveness
- Transparency and accountability measures

The demand driven and universal rights-based approach of MGNREGA is the most fundamental innovation and is discussed first in this paper. Further, innovations in administration are discussed and although MGNREGA is a Central Government sponsored scheme, both the Centre and State play key roles in planning and implementation, drawing on an elaborate system of administration with 400,000 personnel working in different cadres across national, state, district, block and local government levels. The decentralised administration system, the bottom-up planning and labour budgeting process and the resource allocation mechanism are discussed in this section in the paper.

The third innovation discussed in this paper is the terms and conditions of employment under the Act, with a focus on the fact that the Act requires unemployment allowance to be paid if work is not provided within 15 days. Additionally, workers must be given compensation if wages are not paid within 15 days of work completion along with provision for worksite facilities such as shelter, drinking water provision, and crèches.

The fourth innovation is the development of processes to enhance the durability of the assets created. The infrastructure created through the programme is intended to provide durable assets in rural areas which either enhance rural living standards or contribute to sustainable livelihood opportunities. Asset selection processes and the provision of appropriate technical inputs at all levels are designed to promote asset quality, as are mechanisms for asset maintenance and management.

The fifth innovation is the focus on Natural Resource Management and shock responsiveness. Since 2016, MGNREGA has been implemented in convergence with the programmes of the Indian Ministry of Water Resources and the Agriculture Ministry's *Mission Water Conservation*. 65% of MGNREGA funds must be spent on water and Natural Resource Management (NRM) work each year, especially in water-stressed areas of the country, enabling the programme to perform as a responsive strategy to slow onset and recurrent shocks such as droughts, floods and cyclones.

The final innovation explored is the focus on enhancing the programme's transparency and accountability through a variety of monitoring mechanisms, including a real-time online Management Information System, community and local government social audits and geo-tagging of the assets created.

The challenges of working-age poverty, under- and un-employment and adverse economic incorporation are growing in absolute terms globally. These challenges have acute consequences for low and unskilled workers in low and middle income countries. Governments and development partners are increasingly looking at PEP as a short-term response to this challenge, but the dominant PEP design norms prevalent in SSA are proving inadequate in terms of the support they offer. Hence, there is an urgent need to rethink the PEP paradigm and MGNREGA provides alternate modes of conceptualisation, design, and implementation which may be better suited and more responsive to the needs of vulnerable workers in the realities of the current global labour market.

The paper also notes that programming innovations have also been taking place in key programmes in SSA, which have experimented with alternative design and implementation approaches in contexts where national governments perceive PEP as a critical instrument to address the challenge of working-age poverty. These programmes can also offer lessons to the broader PEP community, as well as MGNREGA, creating an opportunity for a two-way dialogue on programming to meet the challenges of the twenty first century.

1. Global Labour Market Context and Public Employment Programmes

Objective of this report

The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), introduced in India in 2006, has taken a unique approach to public employment in terms of programme design and implementation. The focus of this report are the key innovations introduced by this scheme that aim to provide an accessible introduction to key programming developments for those developing and implementing PEP across sub-Saharan Africa.

The Labour Market Challenge

The growth in labour supply has outstripped the growth of labour demand in developed countries, resulting in a chronic problem of surplus labour availability. Economic growth is failing to generate sufficient employment to absorb the expanding labour force in many emerging and developing countries. At the same time, the structure of national, regional and global labour markets has changed profoundly in recent decades, exposing the limits to economic growth as a major driver of poverty reduction through employment. The result is a growing body of surplus labour, particularly in the bottom segments of the labour market, and increased numbers of unemployed and underemployed workers, who are not able to generate sufficient production or income to support their families above the poverty line (ILO, 2017).

This situation is the result of a combination of cyclical and structural factors. Slow economic growth is a fundamental driver of both unemployment and also working poverty, with competition for employment in the context of an increasingly integrated global labour market driving down wage rates. Though significant economic growth has taken place in some places in recent decades, it has been characterized by low-employment growth, with the employment created being largely of poor quality and in the informal sector (McCord, 2018).

In sub-Saharan Africa (SSA), a slower than anticipated structural transition out of agriculture into the industrial and services sectors has meant that the anticipated growth in formalised and decent work has failed to materialise across the continent (Filmer and Fox, 2014). The result is a chronic crisis of unemployment and working poverty, with many workers being poorly remunerated and working in poor conditions without basic labour rights or security of employment, which is negatively affecting development and poverty reduction in developed and developing countries alike. As these challenges are linked to sustained changes in nature of global economy, they are neither transient nor temporary, but represent major new development challenges.

Two hundred million workers are unemployed globally; approximately 6% of the global labour force.⁴ Alongside unemployment, working poverty is also a major challenge, with 42% of those in employment globally living in poverty as the result of underemployment or incorporation into the economy on adverse terms (ILO, 2017), as much new work fails to conform to the 'decent work' standard, or provide adequate remuneration for workers to support their families. Taking both unemployment and working

⁴ ILO World Employment Social Outlook 2017- https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_541211.pdf

poverty into account, half of all workers in South Asia (335 million workers) and two thirds of all workers in sub-Saharan Africa (231 million workers) live in poverty (ILO, 2017). Globally 1.4 billion workers live in poverty, a number which is increasing by 2.7 million annually. Addressing this challenge is now recognised as a global priority (see for example the ILO's Future of Work Initiative and the Global Commission on the Future of Work),⁵ and this report aims to contribute to the development of PEP adapted to provide a more effective response to this crisis, by learning from the MGNREGA experience.

PEPs have become a popular approach to policy adopted in response to the challenge of chronic unemployment in many developing, low- and middle-income countries. They are a preferred instrument to support the working age poor, and favoured over cash transfers. They are also implemented in a variety of situations where labour markets are characterised by severe cyclical unemployment or disrupted by financial or humanitarian crises resulting from conflict, natural disasters or environmental shocks and degradation.

Globally, almost 70 million people are now employed in PEP at a cost of over ten billion US dollars each year, mainly in South Asia, South East Asia and Sub-Saharan Africa. A large number of PEPs are concentrated in SSA where dozens of programmes are implemented as part of national social protection strategies, with support from the donor community except the Productive Safety Nets Programme (PSNP) in Ethiopia (detailed below) that provides only small scale employment to a limited section of the working age poor (see McCord and Slater, 2009 for an overview of PEP programming in SSA). There are multiple PEP in South Eastern and South Asia, including numerous government and donor-supported programmes, many of which are also part of national social protection strategies, such as the long running national Samurdhi programme⁶ in Sri Lanka (founded in 1995). In some countries, multiple externally supported programmes are implemented simultaneously, as in the case of Nepal, where at least seven PEPs were underway in 2013 (Harris, McCord, and Sony KC, 2013). In other countries such as in India, one major national programme such as MGNREGA is implemented that employs more people than all other globally implemented PEP.

Many of the PEP implemented with the support of donor agents are of a similar design, often reflecting development partner preferences and operational priorities. For example, the International Labour Organisation (ILO) tends to prioritise programmes that promote labour intensification of infrastructure creation with support from their Employment Intensive Infrastructure Programme (EIIP). On the other hand, World Bank and DFID-supported PEP are often implemented to support the working-age poor cash transfer (CT) (social assistance) interventions for those unable to work (children, the elderly and the sick or disabled) to contribute to the development of Social Protection Floors (ILO, 2012), as part of the wider social protection systems. These programmes which form part of donor-supported social protection initiatives typically offer either a single episode of short term employment (McCord, 2012), or several brief episodes over a limited number of years, with strictly rationed access. Examples of this prevalent form of PEP are to be found in Tanzania (TASAF), Malawi (MASAF), Northern Uganda (NUSAF) and Mozambique (the Productive Social Action Programme, or PASP). In this context, cash transfers

⁵ http://www.ilo.org/global/topics/future-of-work/WCMS_569528/lang--en/index.htm

⁶ <https://www.centreforpublicimpact.org/case-study/samurdhi-programme-sri-lanka/>

provide social assistance to support those unable to work and PEP operates as a complementary instrument for the 'able bodied poor', selected due to concerns regarding the potential disincentive effect CT provision might have on employment, despite the fact that there is no empirical basis for this concern (see Posel et al, 2006; Beierl and Grimm, 2017).

These types of PEPs are implemented alongside cash transfer programmes as part of Social Action Funds, often in association with a range of other interventions, with the objective of promoting graduation out of poverty. The World Food Programme (WFP) also implements numerous PEPs in both SSA and Asia to support those whose access to food is compromised due to environmental crises, natural disasters and conflict. These are similarly designed to other donor-supported programmes, but provide support as long as the food access is compromised, in the short term where people are facing an acute crisis, and on a longer-term basis where protracted crises are experienced.

In terms of addressing chronic unemployment, the mainstream PEP design approaches which characterise many of the PEP outlined above have been criticised for failing to match the scale of the labour market crisis they are attempting to alleviate. Many offer small-scale and short-term programming which provide only temporary relief in situations of chronic and often cyclically concentrated unemployment, to a small subset of those in need, and provide low wages in order to limit demand (McCord and Slater, 2009). The quality of assets created through such programmes has been subject to limited scrutiny, but it has often been found to have been compromised by the prioritisation of employment creation objectives. Also, trade-offs between the design and implementation requirements of increasing the amount of employment created on one hand, and the quality of assets created on the other, with technical and management constraints at local level often exacerbating challenges in asset selection, design and construction (Ludi et al, forthcoming).

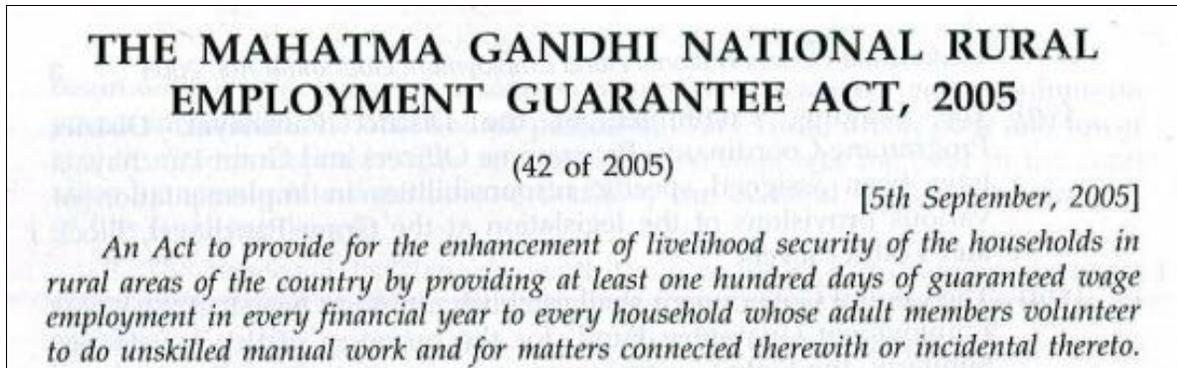
These design factors have meant that many SSA programmes are poorly matched with the purpose of social protection provision for the working-age poor, with impacts compromised by the temporary nature of support provided, the highly rationed nature of access to employment, sub-market wage rates, and late and unpredictable payments. Many programmes are subject to implementation challenges related to inadequacy of managerial and technical inputs required to administer and execute public works programmes, inadequate funding for capital input and coordination challenges, for example between the implementing agency and the line ministries with responsibility for asset creation, maintenance and staffing (McCord, 2017). A recent meta-study suggests that implementation shortcomings and low wages may also partly explain poor performance and differences in observed outcomes and argues that PEP as currently implemented may be a weak response to covariate shocks (Beierl and Grimm, 2017).

It is these identified challenges in current sub-Saharan African PEP design and implementation practice that this report aims to address, sharing innovations from the largest PEP in the world, the Indian Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS).

2. Introduction to MGNREGA

The Indian Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) was passed in September 2005 with the objective of addressing the statutory right to food security. The associated Public Employment Programme, the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) is a central Government scheme under the Ministry of Rural Development (MoRD), with shared responsibility between national and state governments for its implementation.

Box 1: The Mahatma Gandhi National Rural Employment Guarantee Act, 2005



Programme implementation began in 2006, and was initiated in three phases;

Phase I (2006-2007) - the 200 most backward districts of the country

Phase II (2007-2008) - extended to an additional 130 districts

Phase III (2008 onwards) - extended to all remaining rural districts

MGNREGA is currently the largest funded rural development programme in India with an annual budget of USD 8.44 billion in 2019-20, compared to an initial budget of 1.6 billion in 2006-07. MGNREGA is operational in 34 out of the 36 states and Union Territories, and 691 of the 712 districts, which includes 6,918 blocks and 262,432 Gram Panchayats, the lowest tier of the Local Government system in India⁷. It is the largest Public Employment Programme in the world employing 52 million people and creating 2.34 billion person-days of work in 2017-18. 128.5 million rural households are registered in the scheme, and are eligible for work on demand (30.85% of India's rural population).⁸

⁷ http://mnregaweb4.nic.in/netnrega/all_lv1_details_dashboard_new.aspx

⁸ http://planningcommission.nic.in/data/datatable/data_2312/DatabookDec2014%20307.pdf

The six key areas of MGNREGA innovation of particular relevance to PEP programming in sub-Saharan Africa are discussed in this report:

- Universal rights-based approach
- Decentralised planning and administration
- Well-defined terms and conditions of employment
- Durable asset creation, maintenance and management
- Focus on natural resource management and shock responsiveness
- Transparency and accountability measures

One area of innovation is discussed in each of the following chapters.

3. MGNREGA: Self-targeted and universal rights-based approach

India has a long history of implementing public work and food security programmes directed towards poverty alleviation and famine-relief measures. However, the introduction of MGNREGA in 2006 marked a fundamental policy shift from the provision of rural employment work to a legislatively-backed 100 day employment guarantee. MGNREGA provides all rural Indian households with an entitlement to demand for up to 100 days of work at any time each year.

MGNREGA is implemented by the Ministry of Rural Development as a Central Government sponsored scheme. The MGNREGA approach is premised on an acceptance of the national government's responsibility to provide employment to compensate for structural labour market failure, as evidenced by the periodic inadequacy of work opportunities for the rural labour force. This analysis of the structural nature of the labour demand deficiencies experienced by the rural poor and the explicit recognition of the state's responsibility to compensate for this failure as part of the state-citizen compact is not found widely outside India, as a key principle underlying PEP programming.

The programme is based on the principle of 'right to work', and as a rights-based programme, the administration is responsible for creating awareness about the entitlement of workers and ensuring access to the entitlements through the provision of adequate employment. A budget for Information-Education-Communication (IEC) activities to raise awareness of entitlement to work under the scheme is included in the programme.⁹

Reflections from Sub-Saharan Africa

In programmes throughout SSA, PEP design is not based on the concept of universality or entitlement, but is rather constrained by the financial, technical and administrative resources available to the implementing agency. As a result, much of the provision is supply driven, with fewer workdays created than demanded, resulting in the need to target and ration access to the scarce employment opportunities created. The implications of this conceptual difference between MGNREGA and most SSA programmes are profound, and the key issues arising are briefly outlined below.

The Right to Work

PEP in SSA do not share the legislative basis of MGNREGA or provide entitlement-based programming. This affects the nature of the programme design and also the resources allocated to it by the state. Programming is not based on a labour market analysis which recognises and attempts to address the chronic and structural nature of the growing challenge of poverty among the working poor through nationally implemented programmes. In these programmes, the responsibility for dealing with the challenge of market failure is not directly assigned to the government.

Mass Provision

The implication of the demand-driven and rights-based nature of the MGNREGA means that the scale of employment provision must be significant relative to the scale of demand and made available nationally.

⁹ 6% of State budget for MGNREGA can be utilised as administration expenses.

It also means that work must be available to the rural poor repeatedly, depending on need. The scale of PEP provision relative to the scale of under and unemployment is significantly smaller in SSA, often reaching only a few percent of the workforce¹⁰ (McCord, 2012). Many programmes offer short term employment (most providing less than 100 days) which is often available only on a one off, rather than repeated basis (McCord and Slater, 2009) and coverage is geographically limited in scope. The limited scale of programming in SSA means that mass provision, entitlement, rights based access to work, and repeated or ongoing provision of employment through demand driven programming are not part of the SSA PEP discourse.

The **Expanded Public Works Programme (EPWP) in South Africa** for example aimed at ‘massification’ of provision to create one million jobs per annum in its second and third phases, between 2009-10 and 2019-20. However, programme size was dictated by resource availability and investment requirements to address infrastructure and service provision deficits, rather than employment or social needs (Tsukamoto, 2017). In 2017, out of a total labour force of 22 million, the unemployment figures were between 6 and 8.5 million (depending on the definition adopted¹¹), which implies that the programme has reached less than 17% of the total unemployed (5% of the labour force).

While the **Productive Safety Net Programme (PSNP)** in Ethiopia also aims to provide mass access to PEP work on the basis of need, access is rationed, and some beneficiaries are removed from muster rolls or ‘graduated’ by programme managers prior to significant and sustained changes in their poverty status. This arrangement enables new entrants to join the programme in the context of limited financial resources and employment opportunities (see discussion in Devereux et al, 2014).

Targeting through a Low Wage

Since PEP in SSA are exclusively supply-driven, rather than demand-driven, provisions of PEP employment demand falls short. Hence, demand has to be managed and access rationed. Typically, the provision of a low wage is used to target the poorest as a form of demand management. This is summarised as:

‘Maintaining the program wage at the level no higher than the ruling market wage for unskilled labour can enable the poor to self-select themselves into the program.’ (Subbarao, 1997: 5).

The SSA PEP discourse is largely based on an assumption that imposing a work requirement and offering a low wage represents an effective and low-cost way of targeting the poor (known as the principle of ‘less eligibility’), and that this is desirable as it removes the need for external control and screening, with the associated costs (McCord, 2012). This leads the World Bank, a key donor and designer of PEP in the region, to adopt this principle throughout their programming, arguing that;

¹⁰ While MGNREGS reaches approximately 13% of the total labour force, two of the largest SSA programmes, the Ethiopian PSNP and South African EPWP reached only 4.8 and 1.3% of the labour force respectively, and even the celebrated New Deal Programme in the USA between 1933 and 1940 reached only 3.4-8.9% (McCord, 2012)

¹¹ The narrowly defined (those actively seeking employment) unemployment rate in South Africa was 27% in 2017 and the expanded rate (including those who have given up active job search), 36%. Stats SA, 2017 (<https://tradingeconomics.com/south-africa/unemployment-rate>)

'[PEP] can easily be self-targeting by paying wages below market rates' (World Bank, 2001: 155)

and

'maintaining a low program wage ensures that participation rates are low, attracting only the poorest to work site' (Subbarao et al, 1997:78).

This reflects a concern that higher wages will increase the participation of the non-poor (causing inclusion errors) and that the adoption of a low wage rate will address this through 'self-selection' by the poor into programmes, while the less poor will find them unattractive and not seek to participate, reducing levels of leakage. The associated argument is that this approach removes the need for more complex and costly poverty-targeting mechanisms based on community selection or means testing. The relative ease and low cost of targeting through a low wage rate is a deciding factor in the selection of low wage PEPs and preferred over alternative social protection instruments.

This approach is widely used in SSA, and while it may reduce targeting related costs, it may also have adverse outcomes in terms of targeting performance and programme impact. In the context of inadequate supply of employment, the less poor may out-compete the poor for programme inclusion even at a low wage rate. The poor may actively select themselves out of the programme if the wage is too low, and the wage offered may not be adequate to meet the welfare objectives of the programme.

In situations of chronic poverty, where the scale of PEP employment is trivial in relation to the scale of working age poverty, as is the case in most of SSA, there is a risk that competition of employment among both, the poor and less poor will erode any potential self-targeting effects (Barret and Clay, 2003). The limited research available on this issue suggests that PEP employment at a low wage may be attractive to surplus labour with a low marginal value in less-poor households, rather than the poorest, and that in the absence of explicit poverty-targeting mechanisms, the poor are not well-placed to compete against less-poor segments of the unemployed for PEP work opportunities. For example, in the case of ILO-supported Gundo Lashu programme in Limpopo, South Africa, spare labourers from less-poor households were found to successfully out-compete labour from poorer households for programme inclusion (McCord, 2003).

There is also a significant risk with adopting a low wage as it may exclude the poorest, particularly those in labour constrained households with higher marginal value than that of unemployed labour in households with a more plentiful supply. Recent evidence from the VUP in Rwanda (Pavanello et al, 2017) and the Productive Social Action Programme (PASAP) in Mozambique (McCord et al, 2016) suggests that a low wage leads the poorest either to choose not to join programmes in the first place, or to withdraw during the course of the programme, while less poor households with surplus labour may choose to participate, even at a low rate, with the wage serving as additional household income to complement the income of other household members.

In addition to the targeting implications, a low wage can also be problematic in terms of addressing poverty, as noted in a recent overview of PEP performance:

'Even [... consumption smoothing] is not guaranteed, especially if the wages paid are low in relation to the household poverty gap (which is typically the case in countries where chronic poverty and underemployment are widespread and persistent almost throughout the year).' (Beierl and Grimm, 2017: 48)

While the tension between addressing poverty reduction objectives of a PEP and retaining a low wage is recognised (Andrews et al, 2012), it continues to be a mainstream approach in SSA, particularly where resource constraints are also an issue.¹² It is, however, subject to ongoing criticism;

'If the poorest ought to be reached and at the same time derive tangible benefits that improve their livelihoods from employment, the targeting mechanism should be more sophisticated than just relying on self-targeting based on low wages.' (Beierl and Grimm, 2017)

State Financing and Donor Co-funding

The budgetary implications of universal employment guarantee programming are significant, with the MGNREGA consuming approximately 0.42% of GDP in Indian Financial Year (FY) 2017-18.¹³ This reflects the government priority accorded to addressing working age poverty directly in India, and the selection of PEP as the primary instrument to address it. Most SSA states, however, have not addressed the structural nature of the mass contemporary labour market challenge in their policy portfolio, as in India, but rather adopted PEP design as described above, often at the behest of the donor community, as complements to cash transfers as a means to deliver short term small scale social protection provision to a limited percentage of the working poor.

As most governments in SSA do not display a similar legislative or fiscal commitment to addressing working age poverty directly on a mass scale, most PEP receive significantly less funding as a proportion of GDP, with the notable exceptions of the EPWP in South Africa, and the PNSP in Ethiopia, expenditure on which is approximately 1% of GDP (2009 figures, drawn from Tsukamoto, 2017). In terms of financing autonomy, the only major fully domestically financed PEP in SSA is the EPWP, the second largest PEP in the continent, after the PSNP. The fact that most PEP in the region are donor-funded, rather than domestically-funded, there is limited scale of programming and support for mass rights-based provision in line with universal demand for most cases would be outside the financial feasibility of donor financed programmes. The limited government commitment to this form of intervention in SSA, and the reliance on donor funding or co-funding means that most PEP remain small scale in line with donor financing modalities and resource constraints.

A notable exception to this scenario is the PSNP, which receives donor funding, enabling it to reach over one million workers (reaching approximately seven million beneficiaries) each year. This is due to the humanitarian origins of the programme which was developed as an alternative to decades of high cost annual donor funded interventions, and the fact that in the absence of implementation, the risk of

¹² Within the EPWP in South Africa there is a live debate regarding whether in the context of a limited budget and mass demand, a lower wage should be considered in order to extend coverage (McCord, 2018).

¹³ <https://www.indiabudget.gov.in/ub2018-19/bag/bag7.pdf> | http://mofapp.nic.in:8080/economicsurvey/pdf/001-027_Chapter_01_Economic_Survey_2017-18.pdf

significant malnutrition and mortality would be high. In this case, it is the history of donor intervention and also the high human cost of non-implementation which drives donor co-financing for mass provision. The same considerations do not guide most donor-related PEP financing.

Programme Design Autonomy

Differences in vision, targeting, financing and the level of donor engagement have significant implications on programme design. Many PEP in SSA are developed in line with designs promoted by development partners, and as such, they tend to be focused on short term provision of income support as part of social protection 'systems', alongside cash transfers for those unable to work (children, elderly and the disabled). The Social Action Fund (SAF) is the primary model for the delivery of this two-part approach, and is promoted by the World Bank, and DfID, such as the programmes in Northern Uganda (NUSAF), Malawi (MASAF), and Tanzania (TASAF). These programmes follow similar blueprints rather than building on existing domestic programmes or being informed by local socio-economic factors. This results in a degree of homogenisation of programming design, and lack of responsiveness to local needs, opportunities and capacity. Also, many donor-supported programmes are implemented outside existing government structures, and not fully incorporated into local planning processes, limiting prospects for sustainability and integration into national institutional structures that the MGNREGS has been able to achieve. Prevalent donor model of PEP does not accommodate the ideas of universality, rights, demand driven design or mass provision which are central to MGNREGA.

4. Decentralised Planning and Administration

The mass scale of MGNREGA provision has required the rapid development of administrative innovations to enable effective planning, budgeting and implementation to scale, including significant decentralisation. A selection of the key innovations developed in MGNREGA in order to accommodate mass provision and rapid implementation of an entitlement-based programme to scale are outlined below. The innovations discussed are the ‘Job Card’, the development of an administration with a dedicated cadre of workers, a decentralised and technology driven planning approach and the implementation of a standardised documentation system.

Job Cards

In order to realize the rights-based and demand-driven aspect of MGNREGA, all rural households are entitled to register for MGNREGA employment. To enhance transparency in this process, all households receive a ‘Job Card’ upon registration which serves as an identity document within MGNREGA. The Job Card includes the name and details of all adult members in the household and provides a formal record of the demand for work, work allocated, work done, payments received; thus, covering each of the stages of the household’s engagement with the programme. This card enables beneficiaries to track the number of days worked under MGNREGA and provides proof in case of failure to provide work, delayed payments or other grievances. In this way, each registered household can monitor programme performance and whether administrative processes are completed in line with programme objectives and timelines. As of November 2018, job cards have been issued to 128.60 million households, covering 251.60 million people in rural areas of India.¹⁴

Box 2: MGNREGA Job Card Legislation

Para 1, Schedule II Mahatma Gandhi NREGA: The adult member of every household residing in any rural area and willing to do unskilled manual work may submit their names, age and the address of the household to the Gram Panchayat at the village level [the lowest tier of local government] (hereafter in this Schedule, referred to as the Gram Panchayat) in the jurisdiction in which they reside for registration of their household for issuance of a job card.

Para 2, Schedule II Mahatma Gandhi NREGA: It shall be the duty of the Gram Panchayat, after making such enquiry, as it deems fit, to issue a job card within 15 days from the date of such application.

Administration

In order to administer this scale of programme, a dedicated administration cadre has been set up across all levels, from the local to the central government. 460,000 staff have been deployed across the various cadres to implement the programme, including a mix of government officials assigned to MGNREGA, and contracted staff, employed exclusively for MGNREGA activities. Alongside the officials, there are also elected representatives at the respective levels, and they work together in implementing the programme (see figure 1). MGNREGA also allows states to utilise up to 6% of its annual expenditure towards meeting administrative expenditure. Bundling administrative expenses as a percentage of the budget of a state thus allows creating and supporting the ‘right-size’ support systems from state to local

¹⁴ www.nrega.nic.in – At a glance page

levels, and further enables high programme efficiencies and abilities to mobilise and monitor as part of the PEP design.

Figure 1: NREGA Implementation officials at different levels of administration.



The decentralised nature of MGNREGA enables the planning process for MGNREGA to be bottom-up, starting at the village level in local governments. Programme implementation is also carried out at this level, while the personnel in higher levels are mostly involved in planning and monitoring activities.

Decentralised and Technology Driven Planning

The bottom-up planning process is designed to enable MGNREGA to provide sufficient work days to meet demand, a key requirement in an entitlement based and demand-driven programme. The planning process begins at the village level self-governing council (*Gram Sabha*) which is part of the village administration and includes government representatives as well as the local community (including MGNREGA workers). The village council is mandated to meet at least twice a year, with MGNREGA being one of the prime programmes to be discussed along with other development initiatives.

The village council identifies the shelf of projects to be taken up under MGNREGA for the upcoming year. Labour demand is also estimated, and the labour budget is prepared accordingly. It is an essential annual work plan document that entails planning, approval, funding and project execution modalities. It will also comprise a month-wise anticipated quantum of demand for work along with a plan that outlines the quantum and schedule of work to be provided to those who demand work.

The labour budget is then consolidated upwards at the block, district, state and national level to prepare the annual 'labour budget' for MGNREGA at the national level. As MGNREGA is a demand-driven programme and entitles any rural household to demand for work at any point of time, the labour budget is used only as an estimate to inform financial allocations to cover labour and a portion of material input

costs. If the demand exceeds supply in an area at any point of time, the labour budget estimate is revised, and the demand is met.

Technical Innovations in Planning

GIS based integrated NRM planning

In 2016, a Geographical Information System (GIS) based approach for integrated planning of NRM and water-based interventions under MGNREGA were developed by the GIZ Project 'Environmental Benefits through MGNREGA'¹⁵. The objective was to assist MGNREGA technical functionaries to survey topographical, hydrological and biophysical aspects, and assess the scope of integrated NRM interventions under MGNREGS in an easy and time-bound manner. It is providing scientific inputs to the community-based participatory planning process under MGNREGS at the grassroots level. This would enhance the impact and effectiveness of NRM works and assets created in rural areas under MGNREGS.

This model was scaled-up by the MoRD across the country in 2017 for planning NRM and watershed interventions (see discussion in section 7). This approach is hosted on the geo-platform of the Indian Space Research Organization (the Bhuvan Portal).¹⁶ GIZ further supported MoRD in training 500 state-level Resource Team persons through 19 regional trainings across India. To capacitate 65,000 technical functionaries of MGNREGA at the district, block and gram panchayat levels, GIZ further developed a Massive Open Online Course (MOOC) for MoRD. The MOOC has been titled '*e-Saksham*' (electronic capacity development) and has been hosted in the official MGNREGA website.¹⁷ The '*e-Saksham*' is 2.20 hours duration, and includes six modules in Hindi and English providing a comprehensive input on the GIS-based planning methodology for trainees. The ministry has made it mandatory for all MGNREGA technical staff on-ground to complete the MOOC, thereby strengthening digital and holistic planning competencies closest to the ground.

In addition, GIZ is also setting up 26 GIS Facility Centres in Andhra Pradesh, Chhattisgarh and Rajasthan to provide technical support to the planning process, and a model MoRD is being replicated in 30 centres across India. These are meant to provide the hardware spine for digital planning, supporting local government planning with spatial and statistical data, technical support for prioritisation, technical approvals and implementation monitoring.

SECURE Software

MoRD is currently mainstreaming an innovation by the State Government of Kerala which uses a customised software package for project information and cost estimation. This software, known as SECURE (Software for Estimate Calculation Using Rural Rates for Employment), is used for the systemisation of work estimate preparation and online approval of works under MGNREGA. GIZ is providing technical support for national-level mainstreaming of SECURE.

¹⁵ <https://www.youtube.com/watch?v=8ah8oRmZd4s&t=3s>

¹⁶ [Bhuvan Portal](#)

¹⁷ www.nrega.nic.in

Standardised Documentation System

Until 2016, the administration of MGNREGA projects varied by state, with no requirement for standardised documentation, resulting in up to 28 different administrative programme registers being maintained by some states. This *ad hoc* approach was found to be problematic in terms of state-level management and also in terms of programme coordination at the national level. In response, a set of seven registers was introduced nationwide in 2016 by the MoRD¹⁸ to standardise core MGNREGA management information (the '*seven registers*'). The standardised registers include *Job Card* applications, employment demand and work allocation, and are maintained at the village council level.

SSA Reflections

The MGNREGA administration innovations outlined above are significantly different from the administrative approaches adopted in most PEP in SSA, which do not tend to enjoy the same level of effective vertical integration or decentralisation for programme implementation.

Limited Cadre of Employees to Implement

Most PEP in SSA do not tend to have a significant dedicated national staff component which is integrated in the regional and local government institutions. The administration of most PEP in SSA takes place outside the formal institutions of government in semi-autonomous, and often donor-financed Programme Implementation or Programme Management Units (PIU/PMUs). PEPs are frequently managed on a project basis, rather than integrated with the functions of government. The numbers and quality of administrative staff, who represent the interface between beneficiaries and the programme during implementation, often reflects a point of programme weakness. This role may be played by programme staff, or local or international NGOs contracted to deliver the programme, known as Implementing Partners (IPs). This cadre of workers are frequently insufficiently resourced, poorly trained and/or unfamiliar with broader programme vision, and as such the point of delivery is often where implementation breaks down. This is documented in the case of the Northern Uganda Social Action Fund (NUSAF) PEP (McCord, et al, 2013) where poor understanding of the programme on the part of the programme officers, and excess workload due to high staff turnover resulting from poor conditions of employment led to deviations from programme practice in terms of targeting and project identification, and poor integration with local government institutions. The use of contracted IPs offers benefits but also introduces challenges linked to capacity in terms of the adequacy of staffing levels and technical capacity to support the range of activities anticipated within the programme, with the IPs having financial incentives to limit the staff resources allocated to programme oversight. These challenges are common across PEP in SSA, and have been highlighted in relation to WFP NUSAF;

'IPs have good structures to get down to community level, but the challenge is the quality of work due to time and technical constraints.' (Gayfer et al, 2012:41)

There is often a reliance on already overstretched local government capacity for technical aspects of programme execution, which may or may not be forthcoming, depending on the level of integration between the PEP and local government activities and priorities, leading Gayfer et al to conclude, in

¹⁸ An indicative framework for the 7 registers can be found [here](#).

relation to NUSAF that;

'IPs acknowledge that they underestimated and under-budgeted for the level of technical expertise required to support the programme. IPs have drawn – where possible - on the district technical staff. This has been a positive development but is not sufficient in terms of responding to the emphasis that needs to be placed within the programme on knowledge and skills transfer.' (ibid)

Planning processes with limited technical inputs and levels of integration with local government

Evidence of these challenges is sometimes seen in planning processes which are only weakly integrated with local planning processes and priorities, resulting in the creation of assets which remain ungazetted (in case of roads), unstaffed and unsupplied (in case of health or education facilities), and unmaintained (in case of physical infrastructure). This is mostly because they are outside local budgetary allocation processes, and sometimes even unused, if they are not in line with local asset demand or usage patterns, as summarised by McCord;

'The institutional and developmental isolation of PWP, in the sense that they are often poorly integrated with other developmental and line ministry initiatives, also contributes to the fact that assets created under PWP are perceived, in many instances, to be white elephants by the communities in which they are implemented (Robinson and Torvik, 2005).

This is largely as a result of inadequate community consultation regarding asset preferences, the non-strategic selection of assets and the fact that PWP asset construction is often not coordinated with other local development initiatives. It is not possible, however, to substantiate this perception empirically, given the lack of data on the use of PWP assets post-construction. This problem is particularly acute in situations where asset construction is a secondary rather than primary PWP objective, where labour absorption and satisfaction of the work conditionality, rather than strategic asset selection, is the priority or where PWP are implemented outside regular government structures, for example, through PMUs or NGOs, whose activities may not be adequately aligned with local government infrastructure development priorities.' (McCord, 2012)

The lack of formalised processes for incorporating programme selection, design and implementation into local institutional process can result in the production of assets of inadequate quality particularly when the programme can neither contribute sufficient technical expertise, nor draw on the expertise available in local institutions. This was found to be the case with the PASP in Mozambique in which programme implementation was reliant on technical inputs from local government, but where the lack of engagement and ownership of the programme on the part of local government staff meant that the limited technical resources available in the district were not prioritised in favour of the PEP, resulting in some quality shortfalls in the design and execution of assets (McCord et al, 2016).

5. Well-defined terms and conditions of employment

MGNREGA has been particularly innovative in terms of conditions of employment, and particularly, the wages. It has developed modalities to set the wage equitably and preserve its value by means of indexation. It has also adopted payment approaches to increase efficiency and promote mass financial inclusion, provide compensation for delayed wages or failure to provide employment, and also, arguably, created an income floor for casual wage labourers in some states. All of this has been made more efficient with MGNREGA's end-to-end digitisation and efficient MIS system, and can be monitored on a real-time basis.

Key innovations relating to the terms and conditions of employment have been introduced under MGNREGA to ensure that workers' rights are respected during their employment and encourage participation by marginalised workers. Innovations relating to wage, worksite facilities and supervision, employment practices and extended employment in response to shocks, and of particular relevance to SSA, are outlined in this section.

Setting the wage

While the section from the Act above specifies minimum wage as INR 60/day (EUR 0.75) in 2005, the current minimum MGNREGA wage rate is INR 168/day (EUR 2.1). The Central Government follows Section 6 (1) of the Act and notifies wage rates for each state during the start of every financial year,¹⁹ although states may provide a higher wage rate if they finance the additional cost from state funds. The wage rate for each state is indexed and revised each year on the basis of the Consumer Price Index for Agricultural Labourers (CPI-AL), although the adequacy of this index is contested as the MGNREGA wage has fallen below the formal state-fixed agricultural minimum wage rate in 17 states since they were last equalized in 2009.²⁰ In 2017, MoRD established a committee to develop alternate proposals including shifting to an alternative index (the CPI for Rural Labourers (CPI-RL)), and the issue is still under discussion due to concerns regarding the cost implications of a nationwide upward revision of the MGNREGA wage.²¹

Gender and Social Wage Equality

The same wage rate must be paid to all MGNREGA employees in a state, irrespective of gender, caste or any other characteristic (see box 3).

Box 3: MGNREGA legislative wage determination

¹⁹ The wage rates for current financial year 2018-19 are available here:

http://nrega.nic.in/netnrega/writereaddata/Circulars/2325Revised_Wage_Rates_2018.pdf

²⁰ See for example <https://thewire.in/gender/mgnrega-minimum-wages-women> and http://www.business-standard.com/article/pti-stories/mgnrega-wages-lower-than-agricultural-wages-in-17-states-uts-117122801062_1.html

²¹ <http://www.downtoearth.org.in/news/mgnrega-wages-should-not-be-less-than-minimum-wage-of-a-state-expert-panel-45445>. The wage rate for FY 2018-19 was set based on the previous pattern itself, for more information on the current situation see <http://indianexpress.com/article/india/no-hike-in-mgnrega-wages-in-10-states-5118873/>

Schedule II, Para 32 MGNREGA: There shall be no discrimination solely on the ground of gender and the provisions of the Equal Remuneration Act, 1976 shall be complied with.

Schedule II Para 2 Section 3 MGNREGA: Every person who has done the work given to him under the scheme shall be entitled to receive wages at the wage rate for each day of work.

In the Indian context, this is an innovation where female labourers and those from marginalised groups are by convention paid less than male workers.²² While the official minimum wage for agricultural labour in India is consistent across gender, women's wages fall significantly below those of men, as the minimum wage is poorly enforced compared to the MGNREGA wage. So while the level of the MGNREGA wage is problematic, having fallen below the minimum wage in some states, the principle and practice of gender wage parity and also wage equity across SC/ST and other marginalised groups has been achieved.

There is evidence that the wage encourages female participation in the labour force. While the Act mandates that at least one-third of the beneficiaries who have registered and requested for MGNREGA work are women, at present, 53 per cent of the annual person-days generated under MGNREGA are by women²³. This can also be compared to the general workforce participation (WPR) of women in India which is only 25.51 per cent as per Census 2011.

Impact on Casual Labour Wage Rates and Creation of a Wage Floor

While the relationship between the MGNREGA wage and the official minimum wage is complex and varies over time and across states, there is evidence that the programme has created a wage floor for rural casual labour in some areas by guaranteeing mass employment at a wage which is higher than the market wage for casual agricultural labour. A number of research findings indicate that MGNREGA implementation has driven up rural wages. Some researchers have identified an overall 4.5% increase in rural casual labour wages during the lean season in districts where the programme was first implemented (Imbert and Papp, 2015). Others have found that the wage floor effect is particularly marked for female labour, with wage increases of 8 per cent documented in MGNREGA districts compared with non-MGNREGA districts, along with a marginal impact on male wages (Azam, 2012). These findings are consistent with evidence that the JRY and MEGS (forerunners of the MGNREGS) also pushed up the reservation wage for agricultural labour, reducing landowner profits and contributing to a reduction in local income inequality (Gaiha and Imai, 2005). This outcome is generally presented within the MGNREGA discourse as a positive achievement, such that it serves to correct distortions resulting from the oversupply of labour, which results in exploitation of a highly segmented labour market at the bottom end.

Piece work

While the wage rate for a state is notified annually, the wage that a worker receives for a day's work is based on 'piece work', with workers paid a fixed rate for each unit produced or action completed. This approach was selected as an alternative to a set daily wage to promote productivity and avoid perverse

²² <https://thewire.in/gender/mgnrega-minimum-wages-women>

²³ www.nrega.nic.in – At a glance page as on November 2018.

incentives which can arise if payment is made on a daily wage irrespective of output. In other words, the workers are required to complete a specified quantity of work per day to receive the prescribed MGNREGA wage.

The quantity of work required is defined in a *Schedule of Rates* (SoR) based on time and motion studies for different types of work and different seasons, and includes specifications such as the cubic metres of earth to be moved in a working day. MGNREGA SoR is fixed by state governments, and as a result, SoR for similar works differ by State. The schedule of rates of wages for various unskilled labourers shall be fixed so that an adult person, who has worked for eight hours, including an hour of rest, will earn a wage equal to the stipulated wage rate. The working hours of an adult worker are flexible, but are not permitted to extend over more than twelve hours on any day.²⁴

SoR are revised periodically, with separate schedules being prepared for women, the elderly, people with disabilities and people with ‘debilitating ailments’. Performance against the SoR is monitored at the group level, and the wage paid to each group of labourers is based on the total amount of work done, with the result that each worker on a site receives the same wage. The MGNREGA worksite supervisor, commonly known as the mate, supervises the daily work, and ensures that each worker contributes their share of labour. If the work specified in the SoR is not completed, the full wage is not paid, resulting in average wage rates which differ from the notified MGNREGA wage rate.

Financial inclusion and Direct-beneficiary transfer

Initially, wages were paid primarily in cash as few workers had bank or post office accounts.²⁵ However since 2009, enforcement of the mandate for financial inclusion by the Reserve Bank of India and the MGNREGA initiative in which staff assisted workers in opening accounts have resulted in the opening of nearly 133 million bank or post office accounts by MGNREGA household members. This means that MGNREGA has supported 11.02% of India’s population to open financial accounts. 60.99% of these accounts were opened by women.²⁶ As of November 2018, 96.5% per cent of MGNREGA payments are processed electronically²⁷, making MGNREGA also the ‘world’s largest ever financial inclusion scheme.’²⁸

The household, and not the individual, is the administrative unit within MGNREGA, with employment being provided on the basis of the household entitlement of 100 days of work. While all household members are registered on the Job Card, and any adult household members can work towards the 100 days allocated, wage payments were initially paid into the account of the head of the household, or in cash. Even in cases where only women household members worked, the payment was still made to the head of the household, who was mostly male member. In order to address this inequity and ensure that

²⁴ MGNREGA Annual Master circular for FY 2018-19

²⁵ The Indian Postal Department offers financial services including savings bank accounts.

²⁶ <http://mgnregs-sdg.in/decent-work-and-economic-growth.html>

²⁷ www.nrega.nic.in - At a Glance Page; as on 19 March 2018.

²⁸ https://cbps.in/wp-content/uploads/2015/11/Final-Report_NREGA-and-FI.pdf and http://mnregaweb4.nic.in/netnrega/state_html/mis_bank_post.aspx?fin_year=2017-2018&source=national&Digest=w3h8VMbqzt/SyplZlwb6Gw

wages are provided to those who actually contributed their labour, a new Direct Benefit Transfer (DBT) system was introduced.

Under MGNREGA Direct Benefit Transfer, all payments to the workers are credited into the accounts of the workers in the Bank/Post Offices, unless exempted by the Ministry under special circumstances. The credit may either be effective using the bank or Post Office account details or using beneficiaries' unique ID numbers (the Aadhaar number) to which their accounts are linked²⁹ (see box 4).

Box 4: Aadhaar – The Indian National Identification Authority

Aadhaar in India is the world's largest biometric ID system. It is a 12-digit unique identity number which is to be issued to all Indian residents based on their biometric and demographic data. Data is collected by the Unique Identification Authority of India (UIDAI), a statutory authority established in January 2009 by the Government of India, under the Ministry of Electronics and Information Technology, following the provisions of the Aadhaar (Targeted Delivery of Financial and other Subsidies, benefits and services) Act, 2016. The Aadhaar Based Payment System (ABPS) was also set up to enable a bank customer to access his/her bank account using aadhaar number and perform basic banking transactions.

Subsequently, Ministry of Rural Development initiated ABPS for wage payments in MGNREGS. The MGNREGA workers were encouraged to enroll under Aadhaar and link their aadhaar numbers to their MGNREGA job cards.³⁰ As of November 2018, 140.17 million workers registered under MGNREGA (54.09% of the total workforce) have enrolled under Aadhaar. Of this, 69.07 million workers receive wages through the ABPS.

Though the objective was to enhance the transparency and faster reach of Direct Benefit Transfer to the workers, the ABPS was criticised by well-known economists and social scientists.³¹ Though the case was contested in the Supreme Court of India, the verdict in September 2018 holds that Aadhaar is necessary for MGNREGA and many other Government schemes in India.³²

In line with this system, joint accounts were split to create individual accounts for each worker. Wages are now processed through an electronic-fund management system, and paid directly into the bank and post office accounts of the workers. As a result, over 95% of the accounts into which MGNREGA wages are now paid are individual accounts.

²⁹ MGNREGA [Annual Master Circular 2018-19](#)

³⁰ Official MGNREGA circular on Aadhaar -

http://nrega.nic.in/netnrega/writereaddata/Circulars/1739344637_17th_August.pdf

³¹ <https://www.financialexpress.com/economy/jean-dreze-exclusive-mgnrega-workers-have-become-guinea-pigs-for-aadhaar-payments-system/1246759/>

³² <https://www.livemint.com/Companies/egiWCYZXFLH6OTVAnSGw6N/How-Supreme-Courts-Aadhaar-order-affects-you.html>

Compensation for Wage Payment Delay

MNGREGA has attempted to introduce administrative procedures that monitor and promote adherence to the payment terms and conditions specified in the Act. Under MGNREGA, wage payment must be made within 15 days of the completion of work on the basis of muster rolls record of the work completed by each worker. If payment is delayed beyond the sixteenth day, a worker is entitled to compensation at the rate of 0.05% of the unpaid wages per day in addition to the wage due. The compensation has to be paid initially by the state government's State Employment Guarantee Fund (SEGF), and can then be recovered from the functionaries/agencies responsible for the delay, although the delay in paying delayed compensation is significant. This system was adopted to promote prompt payment, serving as an institutional disincentive to administratively driven payment delays at local level. Official documentation indicates that 86% of wages are now processed within the stipulated 15 days,³³ although this figure is subject to contestation due to the method of calculation.³⁴

Unemployment Allowance

If the demand for work is not met within 15 days of application, applicants are entitled to a daily unemployment allowance. This is set at a quarter of the wage rate for the first thirty days rising to half of the wage rate for the remaining period of the financial year.³⁵ The state government is responsible for setting the rate of the unemployment allowance, framing the rules for its implementation, and making the necessary budgetary provision for payment of unemployment allowance. The fact that the allowance is state-funded means that it functions as a fiscal incentive to ensure that an adequate supply of work is provided under the programme.

Worksite Facilities, Support and Supervision

The MGNREGA details out the requirements of worksite facilities to ensure that workers' health and safety needs are addressed. This includes the provision of drinking water and shade for workers, and also of a fully stocked first aid box and access to medical expertise. The act also requires that a crèche facility is provided if five or more children below the age of six accompany their parents to a worksite. The crèche is to be staffed by one or more of the female workers at the site including elderly women, lactating mothers, etc. who are paid the same rate as unskilled MGNREGA workers.³⁶

Worksite supervision is carried out by a dedicated MGNREGA 'mate' who is also responsible for site level record keeping. One mate is recruited for every 50 workers employed at one or more worksites. The mate works with the Village Council and is tasked with a range of management, monitoring and administrative tasks as well as supporting the workers, and promoting awareness of the MGNREGA work entitlement among community members to stimulate demand and registration. Mates, who need to have basic literacy skills, are chosen from among the workers at a worksite and are paid the wage of a

³³ www.nrega.nic.in- At a Glance Page

³⁴ <http://azimpremjiuniversity.edu.in/SitePages/pdf/PaymentDelayAnalysisWorkingPaper-2018.pdf>. Recent efforts by Ministry to address this challenge are set out in http://rural.nic.in/sites/default/files/nrega/Library/Books/Guidelines_Compensation_delayed_wages_pay.pdf

³⁵ MGNREGA Annual Master Circular 2017-18

³⁶ MGNREGA Operational Guidelines 2013: http://nrega.nic.in/Circular_Archive/archive/Operational_guidelines_4thEdition_eng_2013.pdf

semi-skilled worker. Mates are trained at mate schools in the various tasks which they are mandated to carry out (see box 5).

Box 5: Mate School Initiative in Chhattisgarh

Two MGNREGA mate schools were set up in Chhattisgarh, one each in Dhamtari and Rajnandgaon districts.³⁷ A six-day capsule course is used for training new mates and orienting existing mates. The training does not require any particular infrastructure except a class room for the lecture sessions and an open space for the hands-on sessions. The objectives of mate school include:

- To provide technical knowledge about MGNREGA works to the mates.
- To enhance their awareness about the expected outcomes of each work.
- To provide hands-on training for the measurement of different types of MGNREGA works.
- To equip the mates in identifying potential environmental works under MGNREGA and estimating a budget for the same.
- To capacitate the mates about ensuring quality and management of works under MNREGA.
- To build their leadership and facilitation skills for supervising the work under MGNREGA.
- To equip them with a comprehensive range of technical tools required for worksite management.
- To make them aware about the administrative and management process.
- To give them a broad overview about watershed concepts and NRM related works.

The duties of a mate include:

- Being part of village resource group for MGNREGA planning
- Creating awareness about rights and entitlements under MGNREGA
- Facilitating applications for Job Cards and submitting them to the Gram Panchayat
- Promoting demand for work and submitting demands to the Gram Panchayat
- Facilitating participatory identification of works
- Marking out work sites
- Recording daily worker attendance at the worksite
- Allocating of work daily to groups of workers
- Measuring work completed at the end of the day against piece rate norms
- Preventing free-riding within the work group
- Submitting work details to the Employment Guarantee Assistant
- Helping illiterate workers to learn to sign and calculate wages earned

³⁷ Supported under the 'Environmental Benefits through MGNREGA Project' Commissioned by the German Federal Ministry for Economic Cooperation and Development in partnership with the Indian Ministry of Rural Development, implemented by GIZ in India.

- Distributing pay slips to workers
- Updating Job Cards with details of the amount of work done and wages received by each worker, and
- Overall worksite record keeping

Prioritising access by vulnerable sections of the community

Under MGNREGA, priority is given to the employment of women and identified marginal groups. There is a requirement that at least one-third of the beneficiaries should be females, and priority is given to the inclusion of particular categories of workers, including people with disabilities, Scheduled Castes (SC), Scheduled Tribes (ST), Vulnerable Tribal Groups and other Special Groups. The terms SC and ST are various officially designated groups of historically disadvantaged people who are formally recognised in the Constitution of India. These are specified in detail in the Act as priority employees, alongside:

- Persons with disabilities
- Primitive Tribal Groups
- Nomadic Tribal Groups
- Denotified Tribes
- Women in special circumstances
- Senior citizens above 65 years of age
- HIV positive persons
- Internally displaced persons, and
- Rehabilitated bonded labourers³⁸

Work within 5 km radius

The Act entitles workers to be given work within 5 km radius of their households. This is empowering for women especially in rural areas and because the commuting distance is short, women who have not previously worked outside their homes, engage in MGNREGA work. If employment is provided outside the specified radius, it must be provided within the block, and the labourers are paid an additional 10% of the wage rate to meet transportation and expenses.

SSA reflections

The PEP wage discourse in SSA differs fundamentally from the MGNREGA wage discourse as the wage is often set with the objective of limiting demand and targeting the poorest (as discussed above), rather than with the objective of creating a wage floor for casual rural wage labourers (McCord, 2012). This is a critical area of MGNREGA innovation which is relevant to the SSA context.

The other wage innovations outlined above, relating to the range of administrative processes introduced to protect workers' interests in terms of ensuring that the wage holds its value over time, provides compensation for late payment or failure to provide employment in line with programme objectives. It

³⁸ Detail on each of these groups is available in; http://nrega.nic.in/Circular_Archive/archive/nrega_doc_FAQs.pdf

uses the programme to contribute to wider national goals relating to of financial inclusion, and also offers options for responding to challenges experienced in many PEPs in SSA.

Wage Floor vs Labour Market Distortion

Many development partners supporting PEP implementation, and also some governments, perceive the creation of a wage floor as a potentially negative distortion of the labour market. An undesirable programme outcome, this is avoided through design features such as the purposive selection of a PEP wage which is below the prevailing casual labour wage rate. This orientation among programme designers is recognised to have a significant adverse effect on the poverty reduction impact of programme participation, and also potentially the exclusion of labour constrained households, as discussed above. Notwithstanding these negative impacts, the adoption of a low wage is common practice within donor-supported PEP in SSA and is adopted to prevent the PEP distorting local labour markets to raise the reservation wage of labourers and draw workers out of alternate employment opportunities. For this reason, PEP wages tend to be kept lower than the prevailing wages, however inadequate it is in terms of household consumption needs. This results in programmes where the daily wage rate is equivalent to the value of half a daily grain portion in a PEP in Ethiopia (Gilligan et al., 2009a regarding a programme in Ethiopia, cited in Beierl and Grimm, 2017), or falls significantly below the income required to meet basic household subsistence needs. This was seen in the case of the Malawi Social Action Fund (MASAF) PEP despite the fact that the programme was meant to improve livelihoods of the most vulnerable and marginalised groups in Malawi through productivity enhancement and increased self-reliance (McCord, 2004, drawing on Chirwa et al, 2004).

The notable exception to this practice is in Food for Work (FFW) programmes where payment is in food, and the ration tends to be set in line with household consumption needs (subject to availability), which typically has a higher cash value than a cash wage. PEPs supported by the World Food Programme (WFP) use this approach, with wages often set to correspond to a basket of household consumption needs. Cash wages tend to fall significantly short of meeting household consumption needs. By deliberately setting the wage low to avoid affecting the reserve price of casual labour, there is an increased risk of creating the perverse outcome that donor and government sponsored social protection programmes have by replicating patterns of exploitation experienced by the most vulnerable in the bottom segments of the labour market (McCord, 2012).

Whether the elevation of the reservation wage or withdrawal of labour from the lowest and most poorly paid segments of the labour force are interpreted as positive or negative outcomes of PEP implementation, it is largely contingent on the ideological perspective of funding and implementing agencies. Development partners are particularly keen to avoid the risk of distortion in their programmes in SSA and most argue that the PEP wage must be set low so it does *not* drive up local wages. The PEP discourse in SSA does not include the articulation of concern to create wage floors to address exploitation, and what is celebrated in relation to MGNREGA is considered an unacceptable distortion in SSA by most development partners (McCord, 2013).

It should be noted that it is the mass scale and high concentration of MGNREGA employment which promotes its wider impact on wage rates. Wage inflation is only likely to occur in the context of mass

PEP employment which is relatively concentrated, with programmes employing a significant proportion of available labour. Such scale and concentration of PEP employment is not widely found outside India (McCord, 2012); the wage floor effect is less likely, given the small scale and weak concentration of most African PEPs.

Financial Inclusion, Indexation and Compensation

Wage setting and payment approaches in the MGNREGA also offer other programming benefit ; the focus on promotion of electronic payment through post offices and banks as a result of both legislative requirements and bank-led campaigns for financial inclusion, and practical support by MGNREGA staff to promote the opening of bank accounts have been key to mass expansion of financial inclusion. This approach has been adopted in some SSA programmes, such as the Zibambele programme in South Africa in which programme staff assisted workers to open and then manage bank accounts, with the programme management negotiating preferential account terms for workers, including restricted charges, taking account of their low incomes (McCord, 2008). However, such an approach requires PEP staffing levels that can accommodate direct support to individual participants. This represents an additional cost to the programme, which is not always possible in PEPs in SSA.

The indexation of the MGNREGA wage is important to limit depreciation in the real value of a PEP wage over time. Not all PEPs in SSA are similarly indexed or enjoy systematic wage revisions in line with inflation, resulting in a significant drop in the real value of programme participation over time. The MASAF programme in Malawi, for example, experienced a one third drop in its real value between 2001 and 2004 (Chirwa et al, 2004), undermining the value participation in a programme already characterised by a low wage, a challenge also noted by Sabates-Wheeler and Devereux, 2010, in relation to the PSNP.

The formal incorporation of administrative penalties to incentivise timely payment and employment creation are also relevant in the SAA PEP context. PEP in SSA typically lack formal incentives or penalties relating to the delivery of employment in a timely way, due in part to the fact that these programmes are not rights or entitlement based, and as such the failure by implementing institutions to comply with work delivery objectives is not perceived as a critical aspect of programme performance.

Productivity and piece work

The piece work approach adopted in MGNREGA can create efficiency incentives, which can be missing in daily wage rate projects where there may be incentives to extend the duration of the project through low productivity. Piece work can however be problematic if not correctly calibrated to the local geophysical conditions and physical capacity of the workers, and this has been found to be a challenge in some SSA contexts, particularly where labour productivity is adversely affected by hunger or illness. In the case of one ILO project in Ethiopia, worker malnutrition necessitated a downward revision of the programme piece-rate during programme implementation, as workers were not able to meet the required work norms due to ill health (Mengesha and Osei-Bonsu, 2007)). Appropriate piece work design is critical, given the social protection objectives of the programme. There is also a need to ensure that concerns with productivity do not adversely affect the health of workers or undermine the developmental goals of the intervention.

The aspiration to accommodate the rights and welfare of workers which is articulated in the MGNREGA exceeds the provision included in the design of most PEPs in SSA. MGNREGA investment in local capacity for programme administration and implementation, including worksite management, is significant in terms of the worker's experience of participation in the PEP, and this level of investment is not typical in SSA. This has been elaborated below.

Worksite Supervision

The recruitment and training of workers' representatives to function as interlocutors between the workers and the programme have the potential to enhance the experience of employment and promote the voice of programme workers, but not accommodated in most PEPs in SSA.

The administrative and representational functions of the mate address challenges commonly articulated by workers in SSA PEPs relating to uncertainty about issues such as the number of days contracted, what payment is due, when payment will take place, and even their terms of employment (see Pavanello et al, 2017 for an example of this in worker uncertainty in the case of the VUP in Rwanda). In the absence of formally publicised PEP, obligations relating to employment practices such as creation of a dedicated post within the programme to help workers to monitor performance can be hard for workers to hold PEP institutions accountable for poor employment practices.

It is the entitlement aspect of MGNREGA that informs the mate's mandate to promote knowledge about the programme and stimulate demand for registration. The active promotion of programme participation is unique to MGNREGA, as implementing actors in most SSA programmes are mandated to ration and limit access to those demanding work, rather than encourage increased demand for programme employment. The execution of most PEP in SSA also fails to take into account the workplace rights or needs of workers. The provision of water, shade, and care for children is not routine aspects of PEP design and has only been formally introduced into some programmes, while the provision of basic first aid materials and medical support for workers has not yet started.

Limited Worksite Support

The worksite support provided under MGNREGA by the mate is a challenge in many PEPs in SSA, largely due to absence of adequately trained PEP personnel at the point of programme delivery. This has implications for various aspects of the quality of programme implementation and effective administration. Where a piecework approach is adopted, based on piece rates rather than a daily rate, the independent monitoring function carried out by the mate is essential.³⁹ Piecework is less common in SSA for this reason, and it is primarily in ILO-supported programmes, including those implemented under the Employment Intensive Infrastructure Programme (EIIP) that enjoy a higher level of technical inputs, and tend to favour this approach (this issue is discussed in detail in section 7 below).

Timeliness of Employment Provision

A concern with the timeliness of employment provision is also absent from many PEP in SSA. An example of this is the Cash for Work Temporary Employment Program (CfWTEP) in Liberia, which was

³⁹ Piece work is employment in which a worker is paid a fixed piece rate for each unit produced or action performed regardless of time.

implemented as a response to the 2007-2008 food crisis with funding from the Rapid Social Response trust fund administered by the World Bank.⁴⁰ Although developed as a rapid response to the food crisis, the programme did not reach its intended beneficiaries in a timely way.

Box 6: Timeliness Challenges in Shock Responsive Emergency PEP in Liberia and Sierra Leone

A temporary employment project was developed in Liberia jointly by the World Bank and the government. The project was a pilot that employed members of 17,000 households out of 400,000 absolute poor households (4%), providing 40 days of support for each participant. The full work provision was completed only by mid-2010, some 18 months after the project was initiated and almost two years after the crisis struck. A similar programme developed and implemented in Sierra Leone did not provide employment to its target of 16,000 households until 2010. Clearly, the shock-response capacity of new PWPs is limited by the time taken to develop and roll-out such programmes. This timescale risks compromises both social protection and social stabilisation objectives and, therefore, undermines the rationale for programme implementation (Andrews et al., 2011).

Flexibility of Household Worker Alternates

While registered MGNREGA households can provide any adult member as a worker, the accommodation of alternative PEP workers within a household is a rarity in SSA, with only a limited number of programmes recognising the beneficial impact of permitting multiple household members to work as alternates in a PEP. This approach facilitates ongoing labour reallocation within the household to optimise household income overtime and enable replacement workers in the case of sickness to prevent the double negative impact of sickness and income loss, a particular benefit where there are high instances of HIV/AIDS. Some SSA programmes accommodate one nominated alternative, but many restrict participation to a single named household member.

6. Durable Asset Creation, Maintenance and Management

MGNREGA's objectives included the promotion of sustainable livelihoods from the time it was enacted:

The mandate of the Act is to provide not less than one hundred days of unskilled manual work as guaranteed employment in a financial year to every household in rural areas as per demand, resulting in creation of productive assets of prescribed quality and durability, to strengthen the livelihood resource base of the poor. (Para 4 of Schedule - I, MGNREGA)⁴¹

Initially, greater emphasis was given to employment creation rather than livelihoods promotion. It was only from 2015 that the government increased its attention to the creation of durable quality assets, with a view to promoting sustainable livelihood opportunities in the rural areas (MGNREGA, 2017c). In

⁴⁰ The Rapid Social Response (RSR) Trust Fund was established in 2009 explicitly to support responses to the 2007-9 food, fuel and financial crisis in Low Income Countries (LICs). The RSR had the objective of catalysing and supporting the development of new social safety nets (SSN) through the provision of small scale funding (McCord, 2013).

⁴¹ http://nrega.nic.in/Netnrega/WriteReaddata/Circulars/AMC_2018-19_nk_v3_21.03.18.pdf)

order to achieve these dual objectives, the programme aims to create rural infrastructure and assets with a potential to contribute to sustainable livelihoods through wage employment.

There can be tensions between optimal decision making for employment creation and for asset creation, and programming decisions may be made differently depending on whether employment or asset creation is the primary goal. This tension can be seen in the history of prior programmes before MGNREGA, which over time, switched focus from employment to assets primacy and vice versa in attempts to reconcile the two sets of programming objectives and associated processes (see McCord and Chopra, 2010).

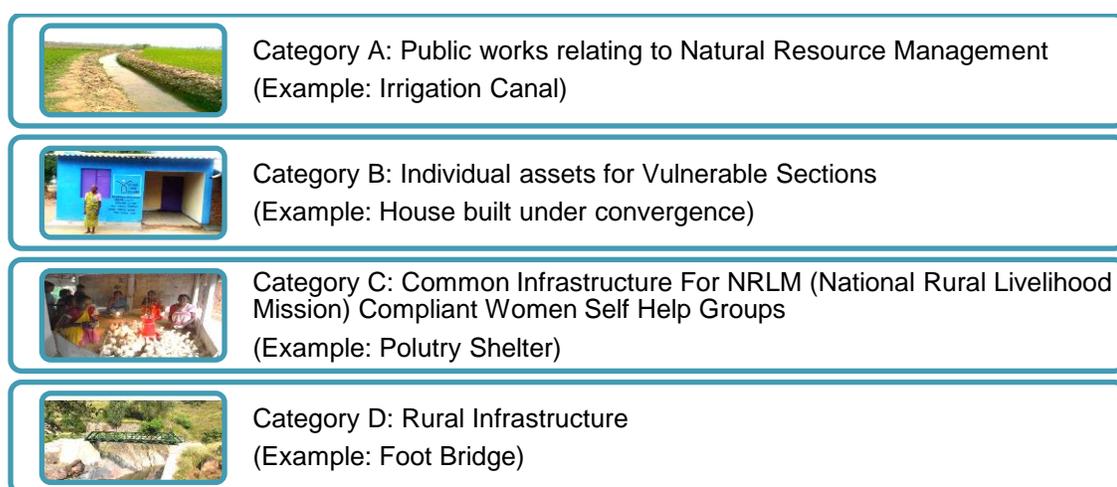
Currently in MGNREGA, employment is directed towards developing durable community assets and rural infrastructure that will support MGNREGA households to build stable sources of income beyond MGNREGA employment, and improve living conditions in the rural areas more generally. Most of the assets constructed are public assets, although some assets are also constructed for individual households from the vulnerable sections of the community.

To this end, MGNREGA currently includes 260 ‘permissible works’ or activities.⁴² All activities must i) ensure that a minimum of 60% of the work is done through unskilled manual labour, ii) contribute to rural development, and iii) not be required on a recurring basis. The timeline for work is not defined and can range from a small piece of work that can be completed in 10 days to a larger one that takes more than a year, in which case it will be divided into smaller projects, for ease of tracking and monitoring. As such, a worker might work in the same worksite or at multiple different worksites in a year.

The Categories of MGNREGA Work

The permissible activities may be grouped into four categories for the ease of planning and monitoring, following work categorisation that was introduced in 2012⁴³ (see figure 2).

Figure 2: The Four Categories of MGNREGA Work



⁴² This list is revised by the Ministry of Rural Development, India on a regular basis. The previous list, specifying 155 activities is available [here](#).

⁴³ http://nrega.nic.in/Circular_Archive/archive/Operational_guidelines_4thEdition_eng_2013.pdf

Each of the four categories is discussed in detail below.

Category A: Public works relating to Natural Resource Management (NRM)

Community level NRM activities falling under this category include water conservation and water harvesting structures, watershed management, micro and minor irrigation works and renovation of traditional water bodies, as well as afforestation, tree plantation, horticulture, land development and other works on common land. Under the Mission Water Conservation (MWC) Framework launched jointly by Ministry of Rural Development (MoRD), Ministry of Agriculture and Ministry of Water Resources, River Development and Ganga Rejuvenation (MoWR, RD & GR) mandates 65% MGNREGA expenditure on NRM (especially water) related works in the 2264 water-stressed blocks across the country. Further, all states are encouraged to spend at least 60% of the total MGNREGA annual budget on NRM related works.

Category B: Individual Assets for Vulnerable Sections

MGNREGA permits the creation of private (individual) assets for vulnerable sections of the community, including women headed households and persons with disabilities, as well as members of the SC/ST, and other disadvantaged groups. The works focus on improving land productivity by providing irrigation infrastructure, creating infrastructure to enhance livelihoods through horticulture, sericulture, plantation, farm forestry, livestock and fisheries. Under this category of activity, MGNREGA also supports the national rural housing scheme, Pradhan Mantri Awas Yojana (G)⁴⁴, contributing the unskilled wage component to housing construction for marginalised communities.

Category C: Common Infrastructure for NRLM (National Rural Livelihood Mission) Compliant Women Self Help Groups

MGNREGA constructs assets to promote agricultural productivity under this category of activities. Common worksheds are also constructed for livelihood activities to support the MoRD's National Rural Livelihoods Mission (NRLM)⁴⁵ that aims to create efficient and effective institutional platform for rural women, enabling them to increase household income through sustainable livelihood enhancements and improved access to financial services.

Category D: Rural Infrastructure

Under this category of activities, MGNREGA creates a range of rural infrastructure assets. These include all-weather rural roads, rural sanitation, playing fields, buildings for village councils and other civil society groups, grain storage structures, disaster preparedness structures including cyclone shelters and the production of building material required for construction works.

Supporting Asset Quality

On an average, 10 million MGNREGA workers are employed in one million worksites throughout rural India every day,⁴⁶ supported by a cadre of technical personnel, working from the Central to the Village Council level, complementing the cadre of administrators described above. The technical cadre plays a

⁴⁴ <http://www.iay.nic.in/netiay/home.aspx>

⁴⁵ <http://aajeevika.gov.in/>

⁴⁶ www.nrega.nic.in – At a Glance Page

critical role in ensuring the quality assets constructed using MGNREGA workers. Additional roles were created in order to address quality challenges arising from the inadequate supply of technical skills at the point of implementation. The responsibilities of this cadre at each level are detailed in figure 3 below.

Figure 3: Technical Responsibilities by Cadre

Programme Officers at the national level	<ul style="list-style-type: none"> • National level team responsible for developing national level strategies and policies for ensuring quality of assets; planning and implementing nation-wide roll out.
Programme Officers at the State level	<ul style="list-style-type: none"> • State level team responsible for contextualising national policies/ developing new policies and strategising implementation and monitoring mechanisms.
Junior Engineer, Technical Assistant, Barefoot Technicians	<ul style="list-style-type: none"> • Preparing technical estimates, giving technical layouts and sanctions, work measurements and monitoring on ground.
Employment Guarantee Assistant, Mate	<ul style="list-style-type: none"> • First point of contact for MGNREGA Workers; Mobilisation and awareness generation, supporting in annual MGNREGA planning, identification of works, validating initial work measurements etc.

Central and state governments have recently introduced a number of initiatives to address challenges identified during monitoring visits that adversely affected asset quality. The three most significant technical, administrative and monitoring innovations relating to the quality of asset creation are the development of a cadre of Barefoot Technicians, the creation of standardised technical documents, and a process of geo-tagging MGNREGA assets. Each is outlined below.

Barefoot Technicians

A cadre of Barefoot Technicians (BFT) was created to promote the technical quality of work at village-level by supporting junior engineers and technical assistants. This also provided an opportunity for MGNREGA workers to move from unskilled to skilled employment status, with any MGNREGA household member who passed Class 10 being eligible for a selection exam and if successful, participate in a 3 month basic civil engineering course to become a BFT.⁴⁷ The BFT initiative is considered to have contributed significantly to an increase in the quality of programme execution.

While barefoot technicians are mostly at the village council level and were the latest cadre to be added, there are Technical Assistants at the cluster level and engineers at the block level to monitor the work and ensure that the quality of the asset is maintained.

⁴⁷ The training includes how to measure the earth work done and prepare work estimates. See http://nrega.nic.in/Netnrega/WriteReaddata/Circulars/AMC_2018-19_nk_v3_21.03.18.pdf

Maintaining Standardised Project Files

Initially, there was no universal system to ensure that key technical documentation was prepared at each work site. Later when officials visited to monitor the work completed, they were obliged to rely on self-reporting by the MGNREGA workers.⁴⁸ In order to address this, a physical file containing case records is now maintained for every MGNREGA work or project. It includes a set of 20 documents including the work estimates, technical sanctions, demand applications, work allocations and wage lists and provides material to enable monitoring and auditing.⁴⁹

The maintenance of standardised case-record files began in 2017. Progress in this regard is not closely monitored as it is perceived as universalisation of innovative practices, and states have autonomy to decide how closely to monitor the roll-out and adherence to the system.

Geo-MGNREGA

In the early years of the programme, there was no consolidated system documentation of what assets had been created and where. As such there was no formal record of what was created, challenging prospects for programme management and planning, as well as accountability, transparency and public scrutiny. This also made the monitoring of asset quality, value, durability and utilisation problematic, and contributed to the risk of asset duplication. In order to address these challenges, a geo-tagging approach was introduced which enables the concentration of asset location and the types of asset created in each area to be appraised more easily.

All new MGNREGA assets are now geo-tagged, and the geo-tagging data is made available on the MGNREGA public portal to enhance transparency. A retrospective tagging process is ongoing and as of November 2018, 33.36 million of the 36.43 million assets created under MGNREGA have been tagged.⁵⁰ This approach is considered to have made a significant contribution to programme accountability and transparency.

Asset Maintenance and Management

The use of MGNREGA labour for the creation of assets addresses the objective of employment generation. However, assets created to contribute to sustainable livelihoods require asset durability and proper use by the community. This becomes a challenge as once the work is completed and the asset is developed, there is no MGNREGA representative or other individual or group with a mandate to take care of the asset and is perceived as a common property. As a result, many assets had to be remade as they were not adequately maintained. In response to this challenge, user groups have started to be introduced under MGNREGA. Plantations, for example, which need regular maintenance, are being handed over to collectives or similar groups for three year trial maintenance periods, with provisions to ensure payment for the maintenance work. Examples from the GIZ supported 'Environmental Benefits through MGNREGA' (MGNREGA-EB) project are outlined in the box below.

⁴⁸ Case record files maintained in Karnataka State were used as a basis for the national system, see: http://rural.nic.in/sites/default/files/nrega/Library/Books/3_Indicative_framework_for_Case_Record_Workfile.pdf

⁴⁹ An indicative framework proposed by the Ministry of Rural Development can be found [here](#).

⁵⁰ http://bhuvan.nrsc.gov.in/governance/mgnrega_phase2.php#

Box 7: Examples of Asset Maintenance through MGNREGA-EB



Antodaya Vaatika ('Garden of Empowerment'). River Mahanadi, which has its origin in the hills of Dhamtari District in Chhattisgarh, contributes to the fertility of the lands in Dhamtari, but river overflow and soil erosion have created problems for villagers. In 2015-16, a project piloted and developed a horticulture plantation model, with on-ground support from Agrocrats Society. Following the successful pilot, similar initiatives were undertaken through

MGNREGA in by 32 Village Assemblies on the banks of River Mahanadi covering 100 hectares of common land. Government of Chhattisgarh is currently scaling it up across the State. The MoRD has identified Antodaya Vaatika as a nationally replicable model and issued an advisory to all States and UTs to adopt the initiative.

The horticulture plantation was developed through MGNREGA in collaboration with the Pradhan Mantri Krishi Sinchayee Yojana (PMKSY - Prime Minister's Irrigation Programme). While land development, pit digging and plantations were done through MGNREGA, the drip irrigation facility was installed for efficient irrigation through PMKSY. MGNREGA provided a wage for plantation maintenance for up to two years at a rate of Rs.15/plant and women's Self-Help Groups (SHG) in the villages were identified to carry this out. The groups are thrift and credit collectives of 10-20 local women that meet regularly. They are formed under the National Rural Livelihoods Mission of the MoRD and are linked to banks for credit and work as a group on micro-enterprises, farming, and the provision of labour to MGNREGA.

The SHG linkage model for the horticulture plantation was designed on mutual benefit basis and members were made the user group of the plantation. A Memorandum of Understanding was developed for legalising the agreement between the village council and the groups according to which the council would maintain the plantation for the initial year, and transfer it to the groups for the next nine years, along with the usufruct rights. Group members would be paid MGNREGA wages for maintenance for the first two years. As horticulture plantations take time to bear fruit, the groups were allowed to produce vegetables on the land.

SSA reflections

Tension between Employment and Quality Assets

The MGNREGA has introduced a number of programme innovations to address the challenge facing employment programmes that seek to create quality assets with the potential to promote sustainable livelihoods, in addition to employment. These innovations recognise the range of technical,

administrative and monitoring inputs that are required to promote and then monitor the quality of asset creation. This remains a major challenge for many PEPs in SSA, in which asset creation is sometimes more of a way to occupy labour in a programme that is fundamentally concerned with employment creation, than an attempt to create quality physical infrastructure which is liable to have a positive impact on livelihoods. Concerns regarding the quality of assets created through PEP and the tension between employment and quality asset production have been raised in recent PEP literature relating to programming in SSA (see for example Ludi et al, forthcoming), that highlights the lack of attention paid to the quality of assets produced, their sustainability, and their livelihoods impact over time. Beierl and Grimm, (2017) argue that;

‘Without substantial benefits through that channel, PWP’s are little more than ineffective conditional cash transfers that keep people occupied. Unfortunately, the available robust (quasi) experimental evidence is largely silent on the role of the asset vector in achieving the observed outcomes.’

Recent research indicates that when monitored, the quality and impact of assets created through PEP in SSA programmes may be less than anticipated in terms of livelihoods impacts. For example, Beegle (2015), in reference to the impact of MASAF in Malawi, and Ludi et al (op cit) with regard to a Food for Assets (FFA) programme in Kenya⁵¹ and the PSNP Ethiopia had limited livelihoods impacts and explained below:

‘The findings from the research in the two case study areas suggest that although the discourse of longer- term benefits is central to their conceptualisation, both programmes prioritised short-term food security concerns and the need to absorb large amounts of labour over the quality and functionality of the assets. Examples of this are the absence of attention to assets in monitoring systems; the absence of attention to assets in reporting; and in some instances weaknesses in the design and implementation of the assets. These technical deficiencies represent a breakdown in accountability, and are linked to the fact that the programmes prioritise short-term wage-provision to meet food security needs, over the creation of quality assets to meet medium-term objectives. This attempt to kill two birds with one stone (short term food security and medium term livelihoods through asset creation) undermined the potential of the programmes to bring about sustained livelihood improvement’ (Ludi et al, forthcoming, emphasis added)

Lack of Investment in Technical Capacity

In many SSA, PEP asset quality is compromised by local institutional weaknesses in terms of technical capacity which are compounded by PEP technical capacity limitations at the point of delivery, as PWP typically rely heavily on scarce local technical skills, rather than supplying their own skills. Lack of

⁵¹ The Food for Assets intervention was supported by the World Food Programme (WFP) as part of its 2009–2012 Protracted Relief and Recovery Operation (PRRO) 10666 (*Protecting and Rebuilding Livelihoods in the Arid and Semi-Arid Areas*) in the northern part of Makueni county, and the study assessed the livelihood impacts earth dams and water pans.

technical inputs has been repeatedly identified as a key challenge in asset quality examination, for example in the PASP, the VUP and WFP FFA (McCord et al, 2016; DFID 2014 and 2016; Ludi et al (forthcoming) In this context, the provision of programme specific technical support through programme-financed mates and the barefoot technician system are innovations which might be relevant in SSA, with potential benefits for asset selection, design, implementation and maintenance.

Asset Monitoring and User Groups

The documentation of assets created through PEP has not been not formalised in most PEPs globally. This has also been identified as a significant challenge to the appraisal of PEP performance as well as programme planning and management (McCord and Duvendack, 2012), and Ludi et al (forthcoming). This issue is starting to be explored by some PEP donors, and in this context, the geo-tagging approach developed under MGNREGA may be an important model.

7. Natural Resource Management and Shock Responsiveness

While MGNREGA is primarily a wage employment programme, an emphasis has been placed on the development of durable assets. In 2013, the Synthesis Report on ‘Environmental Benefits and Vulnerability Reduction through Mahatma Gandhi National Rural Employment Guarantee Scheme’⁵² prepared by a team led by the Indian Institute of Science for MoRD and GIZ, based on evidence from five States for India, was a path-breaking study that brought out the importance of NRM in MGNREGA. In 2016, MGNREGA introduced a focus on Natural Resource Management (NRM) to support water conservation, irrigation and natural disaster mitigation with a particular focus on improving NRM and water resources in the rural areas. In this year, the MoRD in collaboration with the Ministries of Agriculture and Water Resources launched ‘*Mission Water Conservation*’ which mandated 65% of MGNREGA expenditure in 2265 water-stressed blocks⁵³ across the country to be spent on NRM and water-related activities. Under MGNREGA, each state is encouraged to allocate a minimum of 60% of MGNREGA expenditure on similar initiatives. As of 2018, 181 of the 260 activities permitted under MGNREGA are related to NRM, and 84 are exclusively water focussed.⁵⁴ In addition, agriculture and allied livelihood related work on individual land that contribute to sustainable livelihoods are given priority. Projects are also developed in collaboration with other schemes such as the Prime Minister’s Irrigation Programme, the National Rural Livelihood Mission, etc.

The selection of assets for construction under MGNREGA in each locality is determined by the village council in consultation with all the members residing in the area. Operational guidelines, based on NRM activity types included in the MGNREGA, are set out in box 8 below.

Box 8: NRM Activity Types included in the Operational Guidelines

The activity types set out in the MGNREGA Operational Guidelines, (2013) are;

- Water conservation and water harvesting including contour trenches, contour bunds,
- Boulder checks, gabion structures, underground dykes, earthen dams, stop dams and springshed development;
- Drought proofing including afforestation and tree plantation;
- Irrigation canals including micro and minor irrigation works;
- Provision of irrigation facility, dug out farm pond, horticulture, plantation, farm bunding and land development on land owned by households specified in paragraph 1C of Schedule I;
- Renovation of traditional water bodies including desilting of tanks;
- Land development;
- Flood control and protection works including drainage in water logged areas including deepening and repairing of flood channels, char renovation, construction of storm water drains for coastal protection;

⁵² <http://fes.org.in/studies/report-env-benefits-vulnerability-reduction.pdf>

⁵³ Areas which are categorised as irrigation deprived, over-exploited or critical in terms of water availability. List of blocks and further information available at:

http://nrega.nic.in/netnrega/writereaddata/Circulars/Mission_water_conservation.pdf

⁵⁴ All data for FY 2017-18; Source: www.nrega.nic.in as on 07 March 2018.

- Rural connectivity to provide all weather access, including culverts and roads within a village, wherever necessary;
- Construction of Bharat Nirman Rajiv Gandhi Sewa Kendra (a scheme for creating and augmenting basic rural infrastructure) as Knowledge Resource Centre at the Block and Village level;
- Agriculture related works, such as, NADEP composting, vermi-composting, liquid bio-manures;
- Livestock related works, such as, poultry shelter, goat shelter, construction of pucca floor, urine tank and fodder trough for cattleshed, azolla as cattle-feed supplement;
- Fisheries related works, such as, fisheries in seasonal water bodies on public land;
- Works in coastal areas, such as, fish drying yards, belt vegetation;
- Rural drinking water related works, such as, soak pits, recharge pits;
- Rural sanitation related works, such as, individual household latrines, school toilet units, anganwadi (rural mother and child care centre) toilets, solid and liquid waste management;
- Construction of anganwadi centres.
- Construction of playing fields
- Any other work which may be notified by the Central Government in consultation with the State Government

Source: MGNREGA Operational Guidelines, 2013

Through the focus on soil and water conservation, groundwater recharge, irrigation, land development and afforestation, MGNREGA is able to make a significant contribution to augmenting the land and water resources for sustainable agriculture and allied activities. A national study on the environmental impacts of MGNREGA in 2017 suggested that land and water conserving assets created under MGNREGA contributed to an increase in farm productivity by one third, and led to 11% increase in the income of rural households (IEG, 2017).

Coordination

MGNREGA planning and asset prioritisation are actively coordinated with major national- and state-level initiatives such that they contribute to wider developmental priorities. MGNREGA NRM activities are coordinated with the 'Mission Water Conservation'⁵⁵ (MWC) initiative launched in 2016 by the Ministry of Agriculture and Farmer's Welfare and the Ministry of Water Resources. The goal of the MWC is to enhance watershed-based interventions in 2264 water stressed blocks in India and MGNREGA has been reoriented to provide infrastructure in pursuit of this objective. MGNREGA's achievements in terms of enhancing irrigation facilities and promoting sustainable agriculture in rural areas are also integrated with other major national development programmes, including the Integrated Watershed Management Programme (IWMP), the Command Area Development & Water Management Programme (CAD&WM) and the Prime Minister's Irrigation Programme (the Pradhan Mantri Krishi Sinchayee Yojana (PMKSY).

The programme is also closely working with state-level schemes for promoting environmental benefits linked to NRM in rural areas, such as the *Mukhya Mantri Jal Swavlamban Abhiyan* (MJSA) or the *Chief*

⁵⁵ [Mission Water Conservation](#)

Minister's Water Conservation Programme in Rajasthan and *Neeru Chettu Mission for Water Conservation* in Andhra Pradesh. It is also linked with national livelihoods promotion activities, having developed a category of work specifically for developing farm and non-farm based livelihood opportunities of the women's self-help groups in collaboration with the *National Rural Livelihoods Mission*.⁵⁶

GIS based Integrated NRM Planning under MGNREGA

The GIS (Geographical Information System) based approach for integrated Natural Resource Management planning was developed for Ministry of Rural Development (MoRD) by GIZ. The objective of this approach was to assist about 65,000 MGNREGA technical functionaries (Gram Rozgar Sevak, Barefoot Technician, Technical Assistant, Engineer, etc.) to survey topographical, hydrological and biophysical aspects, and assess the scope of integrated NRM interventions under MGNREGA. With planning processes being often complicated and time-consuming when done manually, GIS based planning addresses this issue through use of publically available digital software and remote sensing data, saving time and cost. The objective is therefore to enhance the impact and effectiveness of NRM works and assets planned and created in rural areas under MGNREGA, as this planning process enables technicians to prioritise and select appropriate water conservation and harvesting interventions. GIS & Remote Sensing (RS) based INRM planning process was one of the components under the 'Saksham Capacity Development Programme' launched on 19 June 2017 by MoRD and was rolled out in 27 States and one Union Territory. Besides strengthening the planning processes on a technical level, it is also providing scientific inputs to the community-based participatory planning process, and supporting and building capacities of on-ground personnel.

To support MGNREGA technical functionaries nationwide, E-Saksham (saksham meaning capacity building in Hindi), a Massive Open Online Course (MOOC), was developed by GIZ, and launched by MoRD in July 2018. It comprises six modules and seventeen video tutorials in English and Hindi and is approximately 2:20 hours of duration. Besides the video material itself, which is available online⁵⁷ and on the official MGNREGA website, it is also downloadable as a mobile application for all Android devices. An e-mail-based helpline system and a discussion forum further support the participants. E-Saksham is available free of cost and can be accessed across India using email and mobile telephone registration.

NRM Shock Mitigation and Responsiveness

MGNREGA has also included work which serves as *ex-ante* measures to prevent or mitigate the effect of natural disasters on livelihoods among the activities permitted under the programme.⁵⁸ Among the 184 activities which are focused on sustainable use and management of natural resources, there are specific activities which are undertaken to prevent or reduce the occurrence of natural disasters such as flood,

⁵⁶ <http://aajeevika.gov.in/>

⁵⁷ www.esaksham.in

⁵⁸ Shock responsive social protection systems research, Oxford Policy Management, 2017 - http://www.opml.co.uk/sites/default/files/Shock_responsive_social_protection_Literature%20review_EN.pdf

drought or soil erosion. These include afforestation and plantation works which help to combat soil erosion, pollution and global warming.

Extended Employment in Response to Shocks

For households facing acute labour market challenges arising from natural disasters or other unexpected events, there is a provision under MGNREGA for the state to provide additional employment, beyond the 100 day entitlement. MoRD has approved an additional employment to 6000 drought affected villages in the state of Odisha in early 2018.⁵⁹ 31 million person-days were generated by 260,000 households who worked beyond 100 days across 1,757 drought affected villages in 2017-18.⁶⁰ In these cases, the wage cost is met from the State Employment Guarantee Fund (SEGF) rather than central government, but employment is recorded in the MGNREGA Management Information System. Through the injection of additional state funding, existing MGNREGA systems and infrastructure can be used to facilitate a crisis response and the rapid provision of emergency employment, as illustrated in box 9.

Box 9: Shock Response interventions under the MGNREGA

The Sabujayan Project – Vetiver plantation for flood protection

Nadia, a flood-prone district of West Bengal State in India, surrounded by seven rivers, experienced devastating floods in 2000 and 2015. During these floods, much of the district was water-logged and affected by soil erosion, resulting in wide-spread agricultural losses. Continuous attempts have been made to strengthen weak embankments in Nadia with engineering interventions designed to prevent erosion, but these have incurred significant financial and environmental costs and had limited success, resulting in a demand for alternative low cost and environmentally sustainable solutions.

Under the Sabujayan Project, vetiver plantation was undertaken along 744 km of riverbanks in Nadia District under MGNREGA. Vetiver (*Chrysopogon zizanioides*) is a perennial bunchgrass native to India which may be used to stabilise soil and protect it against erosion. The vetiver root grows up to 4 metres beneath the soil, stabilizing the soil and protecting it from erosion while the upper part of the plant is used by women's Self-Help Groups for handicraft products which are then sold in the local markets, contributing to sustainable livelihoods. MGNREGA also established nurseries to ensure the regular supply of saplings, and trained nursery staff. The project generated one million person days of employment in 2015-16 at a total cost of EUR 40,000.

The Jalamrutha Project, an integrated approach for drought proofing in Karnataka

The Jalamrutha ('prosperity of water') project was initiated as a convergence project of MGNREGS and the Agriculture Department in Belagavi District of Karnataka to fight the extreme drought in the area during 2016-17. During 2017, 3,671 community works and 28,110 individual works were completed in 10 blocks utilising 6.57 million person-days under MGNREGS, at an expenditure of EUR 22.12 million. While the community works largely included desilting rivers and streams, village tank development, farm ponds, rural gardens, plantations, etc., the individual work on the lands of vulnerable communities

⁵⁹ Official letter sent from MoRD to Government of Odisha can be viewed [here](#).

⁶⁰ www.nrega.nic.in

mainly focussed on alternate livelihood development activities such as horticulture, sericulture, building cattle sheds, borewell recharge structures, plantations, etc.

Renovation of traditional tank cascades in Andhra Pradesh

Vizianagaram District in Andhra Pradesh has experienced floods (18 times), cyclones (11 times) and droughts (8 times) in the past 30 years. Champavathi is a rain-fed river basin in Vizianagaram. It includes 3,673 traditional tanks (earthen bund reservoirs built during ancient times) subdivided into 124 tank cascades with a total capacity of 11,519 mc ft. Due to the lack of qualified manpower, the absence of local management and insufficient government funding, maintenance work slowly declined, resulting in diminished performance of tank systems. The renovation of tanks was undertaken through the MGNREGA-EB Project supported by GIZ. Two tanks, Tettangi and Garida were taken up as pilot and renovation was done through MGNREGA in convergence with PMKSY, Agriculture department, Water Resources Department among other stakeholders. De-silting and lining is done, encroachments are removed, sluice weirs are repaired, while also developing the foreshore area with plantations. Check dams and farm ponds are created to develop the catchment area. The remaining tanks are now being taken up. The developed tanks harvest water, and the cascade system helps in transferring the water through the linked cascades, thus minimising chances of flooding.

SSA reflections

SSA Interest in NRM, Climate Change and Shock Responsive PEP

There is a longstanding interest among the development partners in using PEP for the purpose of NRM. This has been augmented in recent years by a desire to also use PEP to address climate change and shock responsiveness, which has accelerated following the 2007-09 Food, Fuel and Financial crisis and the 2015 Paris Climate Change agreement, with the attendant reallocation of many development resources in favour of climate change interventions.

In this context, PEPs are increasingly being asked to promote resilience to climate change in terms of promoting both 'coping capacity' and 'adaptive capacity' (Beazley et al, 2016). The first relates to the capacity to withstand and recover after a climate shock; the second, to the ability to adjust to potential damage, take advantage of opportunities and respond to consequences. PEP reorientation is starting to take place, but weaknesses in design and implementation, including administrative, institutional and technical capacity constraints limit the potential for this to be done effectively in many instances, including the lack of practical integration (relating to planning and implementation) of PEP interventions with national NRM and climate change programming.

In SSA, this reorientation is sometimes experienced as an additional burden on programmes which are already struggling to perform their core functions. One example of this is the PASP in Mozambique, which is facing challenges in attempting to meet its core mandate in terms of providing sufficient employment and create functional assets, and at the same time, promote coping and adaptive capacity and develop the capacity to scale up rapidly in response to a range of climatic and other shocks (McCord

et al, 2016). In the PASP, as with other PEPs in SSA, creating quality assets and ensuring that they are effective in addressing NRM and linked with broader national priorities, can be a major challenge. Equally, the aspiration that PEP can be flexible to rapidly adapt the scale of employment provided during periods of heightened need is often not well matched with the reality of its operational systems.

Shock responsive extension of employment periods

The fact that the number of days of work provided can be extended in MGNREGA by channelling additional funds to cover wage costs while using the MGNREGA infrastructure and systems to deliver employment and assets, means that the programme has the flexibility to be extended rapidly in response to local shocks. This is a model which donor agencies are currently promoting for PEP in SSA, with PEP being encouraged to function as a form of shock responsive social protection as set out in the *World Bank Social Protection and Labor Strategy (World Bank 2012)*. This call has received added urgency in the wake of the Paris accords, given the requirement to identify approaches which can support local shock responsiveness and also climate change adaptation. To be successful, however, this approach is dependent on PEPs having well established implementation systems (Beazley et al, 2016). While this has been attempted on a small scale (see for example the partial extension of PASP employment in Mozambique in response to drought by bringing forward the period of employment) (McCord et al, 2016), this approach is not widely employed in PEP in SSA due to the ongoing challenge of financing and creating sufficient work days even to meet existing programme requirements, in a timely manner.

8. Transparency and Accountability Measures

As a rights-based and demand-driven programme based on an entitlement enshrined in the constitution, and fully funded by the state, public accountability is a critical component of MGNREGA. To this end, a robust system for monitoring and evaluation has been developed as one part of the operational system which makes use of both technological and social approaches. Key innovations make use of technology to promote accountability, including an electronic Management Information System (MIS), electronic fund management, and geotagging (as discussed in sections above). These are complemented by the use of a system of social audits based on programme-funded civil society engagement.

Technological Innovations for Monitoring and Evaluation

Electronic MIS

Digitalisation of core management processes has been introduced in recent years to promote the transparency and efficiency of programme implementation. A centralised online MIS has been created especially for MGNREGA (NREGASoft). NREGASoft provides information to citizens in compliance with the *Right to Information Act*, and is updated in real time and is available to the public at www.nrega.nic.in. Important information including financial allocations, person-day generation, payments, and works undertaken are available from village council to national level. Data entry is done at the block level by a designated data entry operator, who is employed on permanent/ contract basis, and is paid from the allocated 6% budget for administrative expenditure under MGNREGA.

MGNREGA-SDG Dashboard

The online system currently includes tracking the MGNREGA contribution to the Sustainable Development Goals (SDGs) and associated targets. This was developed under the MGNREGA-EB Project for MoRD by GIZ. While MGNREGA can potentially contribute towards 13 SDGs⁶¹, currently the data available on the NREGASoft MIS enables reporting MGNREGA contributions to 6 SDGs and 11 targets. The report has been showcased on an online dashboard, www.mgnregs-sdg.in launched in July 2018. The dashboard is the first of its kind to be launched by an Indian Ministry, and is currently updated on annual basis.

National Electronic Fund Management System (Ne-FMS)

To streamline the fund flow mechanism and bring down delay in payment of wages, MoRD has been implementing the National Electronic Fund Management System (NeFMS), and coverage reached 24 states and one Union Territory by mid-2018. Ne-FMS is aimed to reduce the delay in allocation of funds for wage payment to the states and removes the risk of funds being delayed at various levels. By mid-2018, 95% wages were paid electronically into the Bank or Post Office accounts of MGNREGA workers through NeFMS compared to 37% in 2013-14. This has significantly reduced delays in payments to MGNREGA workers, as more than half of the processes are now digitally automated under this system.

⁶¹ GIZ and Development Alternatives Report on '[Mapping scope of MGNREGS to SDGs](#)' 2017.

The GeoMGNREGA Portal

Geotagged information on the assets created under MGNREGA from 2006 is available for public scrutiny on the GeoMGNREGA⁶² portal,⁶³ hosted on the Bhuvan Platform.⁶⁴ The portal is a web-based application which allows users to visualise the geo-tagged locations. It also allows authorised users to moderate the collected geo-tagged assets before it is made visible to the public and receives a summary overview of the assets geo-tagged in their respective jurisdiction.⁶⁵

Social Approaches to Accountability

Social Audits are a mandatory component of MGNREGA programme management. Section 17(1) of MGNREGA mandates the monitoring of the works undertaken by the village council by community meetings comprising all the adults who live in the area and conduct regular social audits of all the projects under the scheme. The Act mandates the village council to make available all relevant documents, including the muster rolls, bills, vouchers, measurement books, copies of sanction orders and other connected books of account and papers to the community meetings for the purpose of conducting a social audit. Social audits are supposed to be conducted every six months at the Gram Panchayat level. Audits are conducted by dedicated MGNREGA Social Audit Units, set up by state governments as independent actors responsible for facilitating the community consultation meetings at village level to elicit the views of the community on particular issues of interest relating to MGNREGA performance.

Setting up the state level units and implementing MGNREGA social audits have been challenging, and it was only in 2017, that the central government started to actively support and monitor the process closely. These processes are complemented by a range of innovations relating to the public provision of information regarding MGNREGA processes and performance, and worker entitlements in order to promote transparency and accountability and limit opportunities for corruption. These include the provision of boards outlining wage rates, SoR and asset creation details for each project, as well as public muster rolls.

SSA reflections

Digitisation of MIS

MGNREGA innovations relating to the digitisation of MIS, the formal tasking of personnel with responsibility for data entry, the use of standardised electronic processes, and focus on real time data availability means that reliable, consistent and current data is available to programme managers in a way that it is not in most PEPs. This reflects a concern to monitor aspects of programme implementation that are not prioritised in most SSA PEPs and enables closer scrutiny of programme performance than is possible in other programmes, linked to programme accountability concerns relating to both the public as funders and workers as rights holders. PEP monitoring in SSA tends to focus on more limited process or output indicators relating to the number of work days created and people employed, and the number

⁶² https://bhuvan-app2.nrsc.gov.in/mgnrega/mgnrega_phase2.php#

⁶³ Source: www.nrega.nic.in as on 07 March 2018.

⁶⁴ The portal is found at <http://bhuvan.nrsc.gov.in/governance/mgnrega>

⁶⁵ <http://mord.geomgnrega.in/support/solutions/articles/6000158552-what-is-bhuvan-geomgnrega-portal->

of assets created. Generally in PEP, less attention is paid to outcomes and impacts linked to programmes' medium and long term objectives, as highlighted in a review of evaluations of PEP funded by the World Bank (2000-2010) that identified limited monitoring and data on outcomes as a weakness in PEP globally (IEG, 2010). This issue is not yet addressed by MGNREGA on a programme wide basis.

The concern with accountability to recipients and the wider public is less developed in SSA PEP, partly due to the supply driven nature of programmes, and the absence of an imperative to measure performance derived from the entitlement and rights basis of the MNREGA. Most recipients in SSA perceive PEP employment as a privilege rather than an entitlement, and there is scant evidence of beneficiaries holding programmes to account for their performance against programme implementation processes and targets, many of which are not publicised or known to workers. As DPs and governments also do not generally require management information beyond basic output indicators, or require evidence of programme performance from the community perspective, there is little scope for social audit-type monitoring in most PEPs in the region. As a consequence, the use of instruments such as social audits to explore the realities of programme implementation and performance are not common.

Despite many PEPs have objectives that extend to sustainable livelihoods promotion and labour market engagement, MIS for most programmes in SSA tend to gather limited data, and analysis exploring performance is primarily limited to quantitative data relating to immediate outputs and process rather than impacts over time. Monitoring and documentation of key aspects of programme implementation are not routinely or systematically carried out, for example, in relation to payment regularity, asset creation or beneficiary perceptions and satisfaction. Hence, the e-FMS and MIS and social audit approaches address real challenges in much current PEP management and monitoring.

Accountability

PEPs in SSA do not routinely entail investment in the creation of processes (such as social audits) or institutions to promote accountability to communities or workers. Most engagement in this regard is limited to the creation of 'user groups', which enjoy limited ongoing support or engagement from programme managers over time, and as a result may be of limited functionality.

Absence of Asset Registers

The lack of asset registers and other forms of systematic recording and monitoring of assets created though PEP is a challenge in terms of strategic asset selection and management in SSA. Formally, recording the location of assets created has been identified as a challenge in recent attempts to evaluate programme performance in SSA and more widely (for example see McCord and Duvendack, 2012 with regard to WFP programmes in Nepal, and Ludi et al, op cit, in relation to the PSNP in Ethiopia and WFP FFA programming Kenya, where identification of asset location was found to be a major piece of work in itself due to the lack of asset documentation. Geotagging has recently been introduced in a limited number of PEP in SSA but is not yet a common practice.

9. Key Issues from Africa for MGNREGA

While MGNREGA has developed a number of programme design and implementation innovations in the years to fulfill its mandate, there has also been significant rethinking and innovation in a number of influential PEPs in SSA. Since 2005, a number of innovative programmes have diverged from the dominant PEP model in SSA in terms of both conceptualisation and design. These have started to play a role in reshaping the PEP debate in the region, although this has not yet been reflected in significant programme redesign (McCord, 2017). Three programmes which offer innovations of particular relevance to the MGNREGA are the PEP components of the Ethiopian Productive Safety Nets Programme (PSNP), the Rwandan Vision Umurenge 2020 Programme (VUP), and the South African Expanded Public Works Programme (EPWP), all initiated in the mid-2000s as innovative new versions of the established PEP model. Innovative aspects of these programmes complement the developments in the MGNREGA and provide options for responding to some outstanding challenges including challenges experienced in other countries in SSA, drawn in McCord, 2017.

The innovations relate to two core ideas: productivity and service provision. The first innovation, found in the PSNP and VUP, relates to the attempt to develop ‘productive safety nets’ that can promote local economic development and hasten the movement out of poverty among workers (‘graduation’) It also includes the provision of social protection, by extending and complementing PEP provision with a range of rural development activities. The second innovation relates to the use of PEP labour to address not only physical infrastructure needs, but also service provision and social deficits, and has entailed an expansion in terms of the range of sectors in which PEP labour is employed.

Productive Safety Nets –PSNP and EPWP

PEPs have become linked in the international discourse with growing interest in ‘productive safety nets’ and ‘transformative’ social protection, growth and graduation, particularly in SSA. This interest is linked with the increasingly ‘productivist’ focus of many governments in the region (Golooba-Mutemi and Hickey, 2013), which identifies growth as the preferred driver of poverty reduction, and entails attempts to modify social protection to contribute to this priority as well as deliver basic social protection (McCord, 2017).

This is also in line with the DP preference to reconceptualise social protection interventions, including PEP, as instruments to contribute at individual level to ‘graduation’ out of ‘dependence’ on social protection support by enhancing livelihoods, productivity and labour market engagement (McCord and Slater, 2015), and play a ‘transformative’ function (Devereux and Sabates Wheeler, 2004) with participation actively shifting the social and economic status of participants. Some PEPs are being called upon to become active labour markets programmes (ALMP) to promote labour activation and engagement (McCord and Slater, 2015). These extended aspirations for social protection have become increasingly common following the shock of the 2008-09 triple financial, food and fuel crisis and are linked to concerns regarding the fiscal feasibility of the provision of ongoing and universal social protection provision on the part of key development partners (World Development Report, draft 2019, forthcoming).

In this context, there has been experimentation with the concept of the productivity-enhancing PEP with the potential to contribute to both micro- and macro- level growth. It has attempted to characterise the PEP as an instrument to facilitate movement out of poverty, and is instrumental in the process of poverty reduction and transformation, rather than as a tool that facilitates temporary consumption smoothing and associated programming innovations. The viability of the ‘graduation’ approach has been challenged for failing to take into account the structural drivers of mass working age poverty (Devereux and Sabates-Wheeler, 2015) but is nonetheless an attractive model to many DPs and governments in SSA who hope that PEP interventions may have the potential to accelerate local economic development in contexts where decades of previous integrated rural development initiatives have failed. This thinking informed the design of the PSNP in Ethiopia in 2005 and the VUP in Rwanda soon thereafter (McCord, 2017), which are briefly discussed below.

The PSNP

The PSNP is a leading exponent of the ‘productive safety nets’ PEP model, and has also introduced a number of other programme innovations based on decades of PEP implementation experience. This is a reflective response to the challenges in programme performance during the first phases of implementation. The programme is described in box 10.

Box 10: Ethiopian Productive Safety Nets Programme (PSNP)

The Productive Safety Nets Programme (PSNP), initiated in 2005, the same year as MGNREGA, is one of four components of the Ethiopian National Food Security Programme (FSP).⁶⁶ The second phase of the programme was completed in 2015.

The PSNP was intended to replace the annual appeal and short term donor funded humanitarian food security intervention approach, largely based on public works, which had been in place for several decades, supporting a core chronically food insecure population in the context of declining overall food security (Hilhorst and van Uffelen, 2013). The PSNP was innovative in this attempt to promote a shift away from *ad hoc* annualised humanitarian interventions to a proactive pre-planned multi-year programme response which aimed to address immediate food security needs while at the same time promoting food security and graduation out of poverty, reducing future demand for international humanitarian support. The programme was developed jointly by the Ethiopian government and the donor community, drawing on decades of humanitarian public works experience, and is dependent on external co-funding.

The PSNP includes both PEP and cash transfer (CT) components, targeted to food insecure households, with and without labour respectively, which were previously reliant on humanitarian provision. The programme is implemented by civil society, INGO and government actors, depending on the locality.

Source: Derived from McCord, 2017

⁶⁶ The other three components are the Household Asset Building Programme, the Complementary Community Investment Programme and the Resettlement Programme.

Complementary Programming

A key design innovation included from the initiation of the programme is that the PEP component of the FSP is part of a medium term strategy to promote food security. This is in recognition of the fact that the provision of sponsored employment alone on an annual *ad hoc* basis as a response to periodic food insecurity did not address the need to promote sustained food security benefits. As such, the programme is now explicitly linked to complementary agricultural extension and micro-finance interventions.

Need for Ongoing Support in absence of Graduation

The recognition of the need to provide multi-year support for participating households in an attempt to increase the potential for sustained graduation out of poverty, and the retention of households in the programme on a multi-year basis if necessary represents a significant positive shift in conventional PEP thinking in SSA, which often provides only one-off short term employment whilst retaining an aspiration of graduation. This shift was inspired by a recognition of the ongoing food insecurity of participants and the humanitarian risk inherent in premature programme withdrawal, which was perhaps more extreme in Ethiopia than in development contexts characterised by lower levels of food insecurity. During the first round of implementation, many beneficiary households were ‘rotated’ out of the programme each year in line with ‘graduation’ objectives, before they achieved food security (Dagnachew, 2013, but the programme was revised to accommodate the reality of ongoing food insecurity among participating households, and by 2012, almost 90% of workers had been in the programme for three years or more (DFID, 2014). In this way, the programme implicitly recognized the existence of a sub-population of beneficiaries experiencing chronic food insecurity, who, by virtue of their lack of labour or high dependency ratios, were unlikely to graduate from programme dependence in the short term, even with significant additional support. This is a significant divergence from the analysis underlying most PPA in the region, and echoes the labour market analysis informing MGNREGA.

Promotion of Asset Quality

Another innovation has been the attempt to promote the value and relevance of assets created through the programme, with a greater focus on asset quality in the second phase in response to critiques of the first. This has been supported by increased investment in the administrative resources required to promote the quality of asset selection and construction, together with increased investment in support for extension workers in order to enable households to capture the potentially positive impacts on production. This has included attempts to enhance the integration of the PSNP with district infrastructure planning processes and agricultural extension programming, and also the provision of complementary inputs. The efficacy of these initiatives in terms of local-level feasibility and programme outcomes is still to be confirmed, but the analysis underlying their adoption is an important departure for programming in the region.

Flexibility of Programme Scale and Wage Modalities

Additional notable PSNP successes are the scale and flexibility of implementation, and payment innovations. Based on an analysis of food production in key areas of the country using key food security indicators, the PSNP reaches between 7 and 10 million beneficiaries each year, with programme scale flexing according to need. The programme has introduced a number of payment related successes. The

fact that the wage level is set on the basis of household size with the aim of ensuring basic consumption needs, payment may be provided either in cash or food, with a degree of beneficiary choice. Attempts have also been made to index the cash value in order to retain the real cash value in a context of inflation.

Remaining Challenges

Despite these significant design innovations, programming challenges remain, notably the limited likelihood of mass graduation among workers due to confounding external factors such as limited per capita land availability, production constraints linked to rainfall deficits, and national policies limiting opportunities for outmigration (Lavers, 2013). As with many PEP adopting the PSNP approach in SSA, the programme does not take into account broader structural factors driving and maintaining poverty and food insecurity, and overestimates the potential impact of a PEP intervention in promoting graduation or transformative outcomes. To date, there is no widespread evidence of the PSNP resulting in significant productivity enhancement or livelihoods diversification.

Drivers of Innovation

The PSNP has developed these innovations largely due to decades of experience of PEP implementation prior to programme initiation, and the associated development of processes, institutions and systems for delivery as with the MGNREGS. In addition, the programme enjoys significant government and DP commitment, partly because PSNP is too important to fail, and is the primary instrument in preventing excess mortality each year among chronically food insecure sub-populations. This results in medium-term financial commitment and ongoing technical support from the DPs and an associated interest in programme performance. Monitoring and evaluation scrutiny has contributed to significant learning and programme redesign over the cycles of implementation (Devereux and Teshome, 2013).

The Vision Umurenge 2020 Programme

The VUP PEP is another large scale programme which is part of the set of interventions (alongside CT and subsidised health insurance) that together contribute to an integrated system of social protection provision. The VUP has attempted to accommodate aspects of the PSNP and MGNREGA in its design, although does not include the concept of demand driven or rights-based provision. The VUP is described in box 11.

Box 11: Rwandan Vision Umurenge 2020 Programme (VUP)

The Vision Umurenge 2020 Programme (VUP) is a joint donor and government initiative which was launched in 2008, offering a combination of PEP, cash transfers and microfinance, with donor financial and design support, including conceptual input from the PSNP. The programme aims to provide 100 days of employment each year for the poorest, while at the same time, promoting 'graduation' out of poverty for participating households within a five year period through capital accumulation and livelihoods diversification.

The PEP and CT components are targeted to the poorest with and without labour, respectively, with the CT component being presented as an entitlement for all those who were eligible, and PW employment being discretionary. Targeting is based on self-reported poverty status under the community based *Ubudehe* targeting system. Members of the bottom two *Ubudehe* categories were eligible for inclusion in the VUP (and also entitled to several other poverty related benefits) until 2015, when the system was revised. Each participating household is eligible to receive 100 days of employment on the programme per annum, although this is not an entitlement and access is rationed. While the government makes a substantial financial contribution to the programme, and aspires to increase domestic funding, it remains dependent on external financing (DFID, 2016). The programme is implemented exclusively by local government actors.

Source: Derived from McCord, 2017

Programme Scale

The VUP has achieved mass coverage, both in terms of the absolute numbers of beneficiaries and also the geographical spread, which is rare in SSA. Coverage expanded after programme initiation in support of plans for nationwide provision, although progress was slowed by the 2008-09 financial crisis and DP financing fluctuations (DFID, 2016).

Remuneration

The VUP wage level was chosen to ensure a significant poverty reduction impact, unlike many other PEP where the adequacy of the wage in relation to needs is not a consideration. The VUP wage is in some cases above the prevailing agricultural daily wage rate. This approach enables recipients to hire additional labour with their PEP wages to substitute for or complement their own labour for domestic production, rather than forcing a choice between domestic production or PEP participation for immediate cash income with potentially adverse medium-term production implications.

Accommodation of Multiple Year Participation

Ongoing, multiple year support for participating households is accommodated within the programme, enabling those who are consistently ranked in the eligible *Ubudehe* categories to be re-employed, although this is subject to the limitations inherent in a rationed system, as the amount of employment provided is not adequate to absorb all those eligible.

Inter-ministerial Integration

Implementation of the VUP is integrated across line ministries, mirroring the MGNREGA innovation. The production of NRM assets created under the programme, for example, terracing and irrigation is carried out in close coordination with agricultural sector staff, enabling integration with agricultural extension and infrastructure programming and policies.

Performance Incentives and Accountability

The quality of VUP implementation is enhanced by the use of *imihigo*, or performance contracts, that govern the actions of civil servants at all levels of the administration as well as households, and performance against key VUP targets is closely monitored. The inclusion of VUP performance targets within *imihigo* and strict monitoring of performance against commitments enhances accountability and performance of programme implementation.

Complementary Programming

As with the PSNP, the VUP attempts formally to link PEP to other complementary developmental interventions to promote 'graduation'.

Remaining Challenges

Despite these significant achievements, the VUP faces a number of challenges, foremost among which is the difficulty of creating sufficient employment to provide 100 days employment each year for each participating household, with actual provision averaging only 48 days in 2016 (DFID, 2016). This challenge is exacerbated by the extension of geographical coverage without commensurate budget increases, resulting in a reduction in the number of workers in each district and the exclusion of a significant number of those technically eligible for support. This limits the social protection and 'productivity enhancing', 'transformative' and 'graduation' benefits of PEP participation.

Drivers of Innovation

The success of the VUP in terms of its expansion and performance were driven by effective field implementation which was promoted by adequate staffing levels, programme training, and skills availability at local level in the first phases of the programme. Additionally, the success was also possible because the performance incentives have been in place through the *imihigo*. The inclusion of VUP objectives within civil servants' *imihigo* is an indicator of political significance of the programme. The VUP is identified as a key part of the national strategy for addressing the economic inequities perceived to be one of the multiple factors underlying the genocide. As such the programme is publicly endorsed by senior politicians as a priority instrument to address poverty and equity challenges and promote stabilisation as a key part of the current state-citizen compact.

Consistent leadership and management of the programme over time by a team of skilled and dedicated civil servants with consistent support from key DPs, who have provided funding and a range of technical inputs over time, has also enhanced the quality of programming, enabling reflexive programme development over time.

PEP Expansion into New Sectors – the EPWP

The other major innovation emerging from SSA is the expansion of PEP concept beyond infrastructure in order to increase the potential for labour absorption and simultaneously address unmet social and service provision needs. This approach is illustrated by the Expanded Public Works Programme (EPWP) in South Africa. The EPWP is politically popular, retaining a high profile in terms of the national priority of addressing poverty among the working poor. The program has been successful in creating mass employment even though it is a supply driven programme and the provision of employment is lower than demand. Positive developments in the EPWP may be characterised by innovation in the sectors and activities providing employment, the incentivisation of employment creation, and realism regarding the limits to market capacity. The EPWP is described in box 12.

Box 12: South African Expanded Public Works Programme (EPWP)

The South African Expanded Public Works Programme (EPWP) is a nationally developed initiative launched in 2004. Its design was based on lessons from former national South African initiatives and local PEP innovations, together with national experience of the ILO's Employment Intensive Infrastructure Programme (EIIP) model - promoting the labour intensification of infrastructure expenditure, with the additional element of extending beyond the traditional construction sector focus and into the social and environmental sectors. In addition to social protection in the form of income, the EPWP aims to provide asset creation and also skills training to promote individual and community development.

The EPWP is implemented in four 'sectors' - infrastructure, social, environmental and culture, and 'non-state' (promoting employment through Non-Profit Organisations (NPOs)) and a community-based work programme. The programme aimed to provide 100 workdays per beneficiary on a one-off 'work opportunity' basis and created approximately one million 'work opportunities' per annum in its second phase, between 2009 and 2014. This was achieved through the creation of additional employment by public bodies from all spheres of government with government financing.

The government has also developed a further initiative, the Community Works Programme (CWP) as part of the second phase of the EPWP, to identify additional community-based options for employment innovation.

Source: Derived from McCord, 2017

Employment Creation across Sectors and the Labour Intensification of Government Spending

The EPWP has extended PEP employment beyond the conventional infrastructure sector, notably into the environmental and social sectors. In the environmental sector, this has included clearing millions of hectares of alien invasive plants, NRM relating to wetlands, and providing services to prevent and manage forest fires under a series of initiatives (including 'Working for Water', 'Working for Wetlands' and 'Working on Fire' programmes) managed by the Department of Environmental Affairs.⁶⁷ In the social sector, the programme has supported a range of activities including Early Childhood Development

⁶⁷ http://www.epwp.gov.za/sector_environmentl_and_culture.html

(ECD), Home Community Based Care (HCBC), school nutrition, community crime prevention and literacy, coordinated by the Department of Social Development and assisted by the Department of Basic Education and the Department of Health.⁶⁸ Components of the Social Sector EPWP are in the box 13 below.

Box 13: Components of EPWP Social Sector

Early Childhood Development: Provide education and care to children in the temporary absence of their parents or adult caregivers. Services include provision of child health, nutrition, education, psychosocial and other needs within the context of the family and the community. The beneficiaries are provided with skills to increase their capacity to generate an income hence improving care and learning environment

Home Community Based Care: Provide basic health services needs by formal or informal caregivers employed in EPWP projects to people in their own homes or home-based care that the community can access closer to their homes

School nutrition programme: The programme employs community members as food handlers to provide food to children from needy families and thus address malnutrition

Community Crime Prevention: It is aimed at encouraging community members by employing volunteers in EPWP projects to be active in helping to identify community safety priorities for their neighbourhoods

School Mass Participation: The programme provides work opportunities to sports coaches and encourages members of the public to participate actively in sports with the objectives of promoting good health, self-realisation, community development and social cohesion

Kha Ri Gude (Tshivenda for 'let us learn') is a Mass Literacy Campaign aimed at inviting adults who missed out on their schooling, and who cannot read nor write, to join literacy classes provided across the country

Source: EPWP⁶⁹

In addition, the programme has been innovative in promoting employment by requiring the labour intensification of infrastructure expenditure across government agencies in order to increase aggregate employment. Hence, the programme has found new ways to absorb labour, attempting to stimulate employment across sectors, and finding experimental ways of creating employment additional employment. This has been accomplished in part by mandating all ministries to contribute additional jobs, while also attempting to innovate by absorbing surplus labour in programmes to address a range of societal challenges, including environmental and security related challenges to increase aggregate employment. This has included promoting PEP employment in the NGO sector by financing a large scale shifts from voluntary to remunerated employment. In this way PEP employment has been linked to the

⁶⁸ http://www.epwp.gov.za/sector_social.html

⁶⁹ http://www.epwp.gov.za/sector_social.html

realisation of other government objectives and the promotion of a range of national policies, including the National Integrated Plan for ECD.

The government has also developed an additional initiative, the Community Works Programme (CWP) as part of the second phase of the EPWP, to explore community-based options for employment innovation (ibid).

Financial Incentives for PEP Work Creation

The EPWP has created financial incentives for agencies conforming to the requirements for work creation, including the establishment of an ‘incentive grant’ available to both government departments and non-state employers to reward the creation of EPWP employment (Philip, 2013).

Recognition of Market Failure as the Driver of Unemployment

In the first phase of the EPWP, it was expected that those exiting the programme would go on to find market-based employment in other PEPs in SSA, but by 2011, it was realised that there is limited growth-based employment creation and there is need for continued mass state sponsored employment, as in the case of MGNREGA. In the second phase of the EPWP (2009-14), it was acknowledged that market-based solutions would not be possible for the South African unemployment challenge given the systemic challenges within the mainstream economy and the need for repeated, rather than one-off employment provision – an unusual insight in the region.

‘The problem of unemployment and underemployment has become too big for market-based solutions to solve in the next 10 to 20 years. There is no doubt that market-based employment is the most sustainable source of job creation, but in even the most optimistic of scenarios, many people are likely to remain out of work. [...] The public employment programmes should target the creation of 2 million opportunities annually by 2020 or earlier, if possible.’ (National Planning Commission, South Africa, 2011)

Identification of Tension between Programme Objectives

EPWP managers have also formally recognised that there are trade-offs between the anticipated programme outcomes which incorporate not only i) the provision of social protection in the form of a wage resulting from work day creation, and ii) the creation of assets, as with MGNREGA, but also iii) the provision of training and skills development. There is a recognition that enhancing performance in one area ‘...is likely to result in decreases in the others’ (Department of Public Works, 2014a). Another fundamental insight not widely recognised in the region is where the PEPs are often perceived as able to deliver on these three key areas simultaneously, with the result that promoting skills and asset creation can compromise on social protection outcomes. Conversely, providing meaningful training inputs during the short interface provided by the period of EPWP employment remains a challenge.

Remaining Challenges

Despite many achievements, the EPWP faces several key challenges which are linked to its innovative design. Institutionally, the fact that the EPWP is implemented under the auspices of the national public works agency, traditionally mandated to manage public assets, rather than provide social protection or create employment, and with commensurately low cross-sectoral convening power, hinders its

performance. This is a particular challenge as the requirement to create employment and ensure skills development represents an additional burden on line ministries already struggling to deliver on their core mandates, which compromises implementation.

The programme has struggled to provide 100 days of work to each participant as intended. The adoption of targets which measure performance in terms of ‘work opportunities’ has promoted incentives to create EPWP ‘jobs’ (irrespective of duration) rather than sufficient workdays to ensure each participant has adequate days of employment. Also, the pressure on line ministries and other agencies to create additional employment has resulted in some substitution of EPWP workers for workers displaced from existing formal jobs, the renaming of pre-existing jobs as EPWP jobs, and the categorisation of voluntary workers receiving sub-market rate stipends as ‘EPWP employees’, which does not necessarily contribute to additional employment.

The EPWP was originally intended to be the instrument to nationally provide social protection for the working age poor, in preference to cash transfer provision, by the committee, charged with designing the social protection system for the new democratic South Africa.⁷⁰ However, the social protection function of the programme is compromised by the challenges outlined above. This has significantly limited its scale relative to the eligible population; the number of days of employment provided often falls short of the 100-day target, and many have the opportunity to participate in the programme for a single season. The intended ‘massification’ of employment through the EPWP in the style of MGNREGA has not been achieved and the programme has not developed into a demand-driven or entitlement-based intervention.

The use of EPWP labour to carry out core infrastructure and social service provision was identified as problematic by labour unions at the start of the EPWP. It risks creating a two-tier labour market in which PEP employees serve as alternative workers with inferior terms and conditions (not conforming to the ‘decent work’ terms of employment negotiated by unions in South Africa) (McCord, 2012). This also risks deterioration in the quality of services provided (Philip, 2013).

Drivers of Innovation

Government ‘job creation’ through investment in EPWP employment, is central to the policy discourse in relation to the challenge of the working-age poor, with unemployment being recognised as a major social, economic and political problem, with potentially destabilising consequences. As such the EPWP is part of the national vision and policy discourse as a key programme to address national priorities and has significant government support. It is exclusively domestically financed and has secure medium-term funding. Given its policy importance, the government has invested in innovation, adaptation and reflexivity in programme development since it was initiated and supported measures to promote impact.

Summary of SSA Lessons

The three programmes outlined above offer insights into alternative programming options which relate to attempts to integrate PEP into broader development processes, through an extended vision which

⁷⁰ <https://sarpn.org/CountryPovertyPapers/SouthAfrica/taylor/>

promotes horizontal programme integration linked to the promotion of sustainable livelihoods, experimentation with large scale provision, the use of PEP labour to address a range of social, rather than exclusively physical needs, and new methods for the promotion of accountability. While not universally successful, the experience of these SSA programmes in attempting to address these critical development challenges offers valuable learning points for MGNREGA and programming across SSA.

8. Conclusion

The MGNREGA is a world leader in terms of the innovations introduced in its PEP programming, which stem from the fundamental and unique conceptualisation of the programme as rights-based, employment guarantee scheme. In order to realise this vision effectively in terms of quality of programme administration and implementation, value for money, impact on poverty and accountability, the programme has faced a series of challenges since its inception in 2005. Key innovations identified in this paper, which are unique to the programme, relate to planning and administration, terms and conditions of employment, quality of assets created, linkage to NRM and shock responsiveness, and transparency and accountability.

These lessons are particularly relevant as the challenge of working-age poverty, under- and un-employment and adverse economic incorporation is growing in absolute terms in the global labour market, with particularly acute consequences for low and unskilled workers in low- and middle-income countries. Governments and development partners are increasingly looking forward to PEP to provide a short-term response to this challenge, pending economic restructuring, and the prevalent PEP design norms, particularly in SSA, are proving inadequate in terms of the scale and duration of the support they offer. There is an urgent need for rethinking the PEP paradigm and MGNREGA provides alternate modes of conceptualisation, design, and implementation which are perhaps better suited and more responsive to the needs of vulnerable workers in the realities of the current global labour market.

Innovation in response to these challenges has also been taking place in key programmes in SSA, which have had the space to experiment with alternative design and implementation approaches with support from national governments who perceive PEP as a critical instrument to address the challenge of working-age poverty. These programmes can also offer lessons to the broader SSA PEP community, as well as MGNREGA, creating an opportunity for a two-way dialogue on programming to meet the challenges of the future.

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