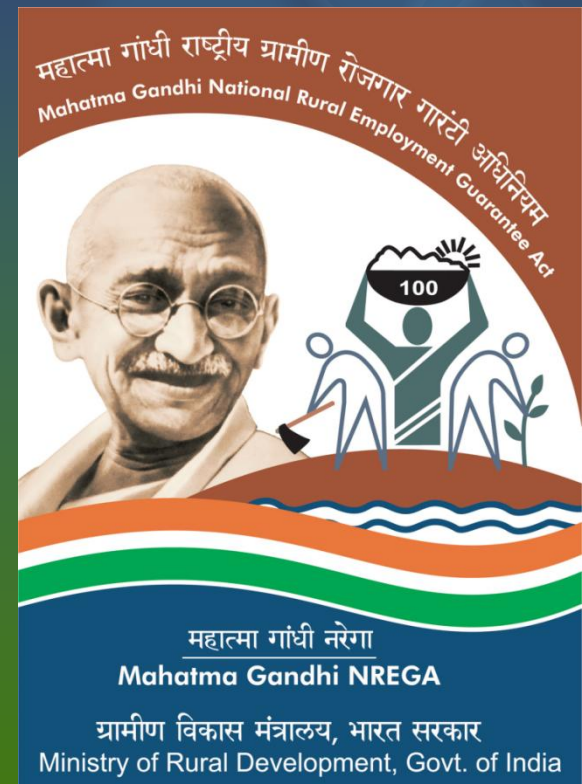


Participatory planning of water assets for multiple uses in MG-NREGS, India

Shilp Verma

MUS Group Meeting,
IFAD, Rome.

May 31 – Jun 01, 2011

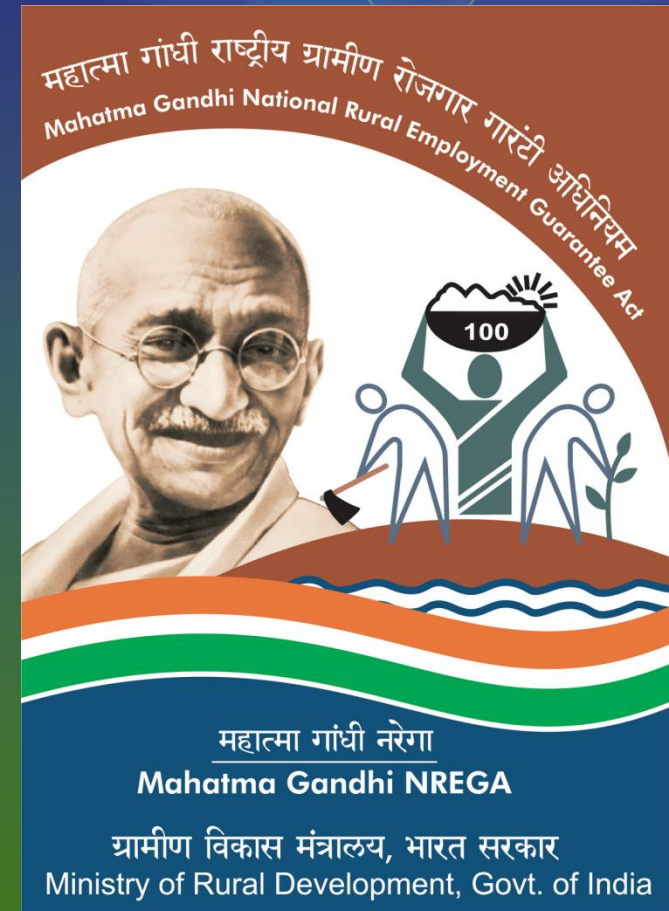


Outline of the Presentation...

- What is MG-NREGS (and why is it important)?
- Studies and Themes
 - Shah et. al. 2010; Verma et. al. 2011...
- Some Results...
 - Performance of MG-NREGS Water-Assets
 - Interaction between MG-NREGS and Local Labor Markets
 - MG-NREGS and Multiple Uses
 - Determinants of Success
- Lessons and Issues for Discussion...
 - For the future of MG-NREGS in India
 - For MUS / IFAD / Multi-lateral Donors
 - For Other Countries, specifically the Community Works Program in South Africa...


What is MG-NREGS?


- **Mahatma Gandhi National Rural Employment Guarantee Scheme, 2005**
 - **Law, Act of parliament** – NOT another government development scheme / project / program
 - A **Right to Work** – 100 days/year /household @ minimum wages ~ INR 100-120/day (**US \$2.5-3/day**)
 - **Phases of Implementation**
 - 200 most-*backward* districts in 2005-06
 - 130 additional districts by 2007-08
 - All >600 districts by 2008-09
 - **Resources**
 - Implemented by Ministry of Rural Development (MoRD), GoI
 - State, district, block and village level NREGS administration




TOTAL DISTRICTS: 615



 Phase I NREGA (200)
(commenced 2.02.06)

 Phase II NREGA (130)
(extended on 1.4.07)

 Phase III NREGA (285)
(notified on 28.9.07)

What is MG-NREGS?

- 2010-11
 - > 2.5 Billion person-days of employment
 - ~ 48% Women workers
 - ~ 55 Million Households
 - ~ US\$ 9 Billion budgetary allocation, un-capped (1.0-1.5% of GDP)!
- Between 50-67% of MG-NREGS investments *water-related*.
- Works, *in theory*, identified by the *Gram Sabha*, the general body meeting of the village-level governance institution.
- *Arguably* the world's largest rural livelihoods security program and may well be the world's largest rural water security program.

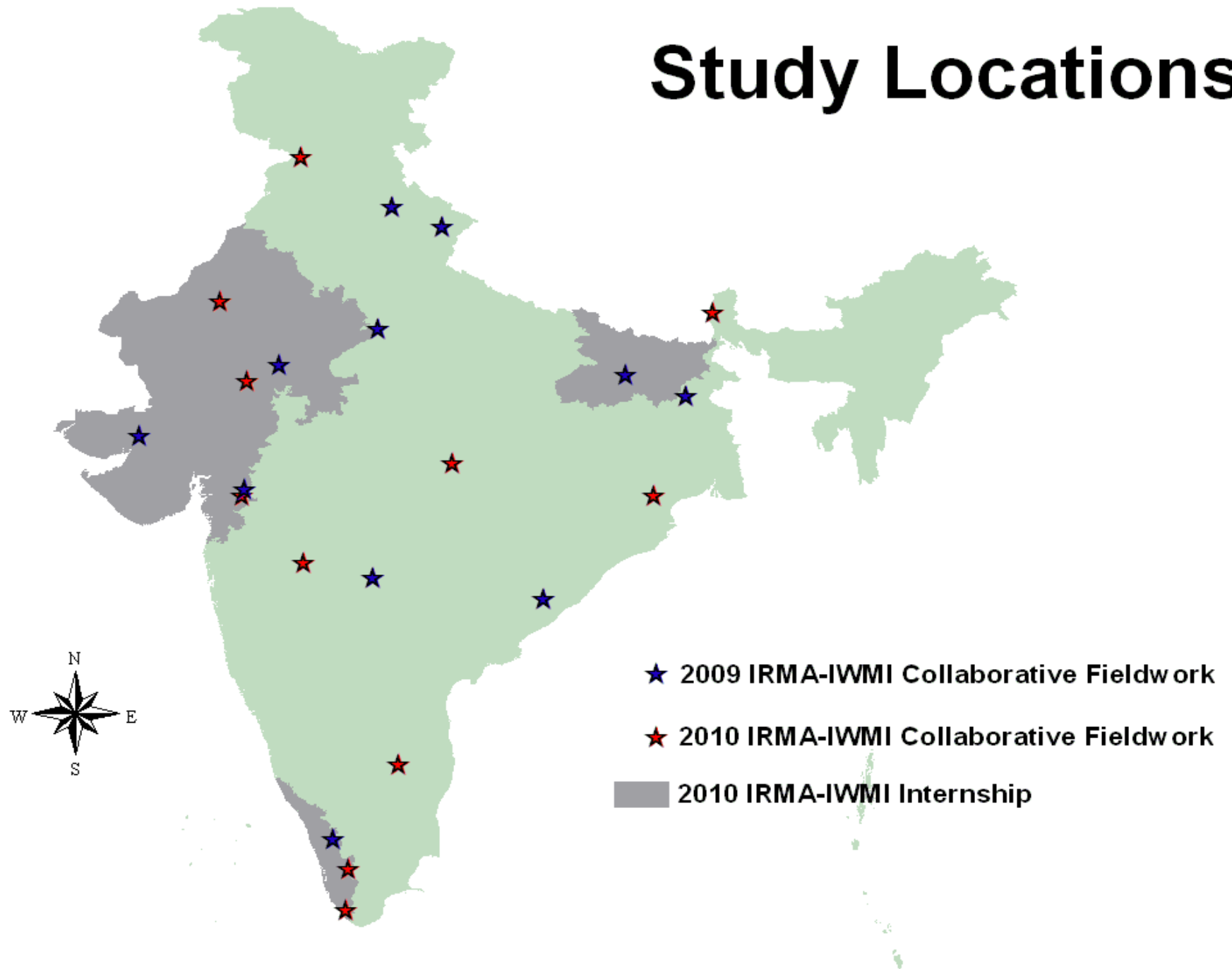
Unique Self-targeting Program

- Mis-targeting and elite-capture common ails of social programs in India
- However, in MG-NREGS, rich elite unlikely to be willing to work at minimum wages of US\$ 3/day
 - Lot more Job Cards issued vis-à-vis people turning up for work
- Drawbacks:
 - Might get branded as *raahat kaam* (relief work)
 - Completely bypasses the rich, may even alienate them
- Benefits from MG-NREGS
 - Wage Benefits: Employment close to home
 - Non-Wage Benefits: Creation of public assets
- Without significant non-wage benefits, might be better to replace MG-NREGS with an IT-enabled Cash Transfer Scheme in post-UID India

Studies and Themes...

- NOT done with MUS-framework in mind, post-facto analyses
- **Studies and Surveys**
 - Shah et. al. 2010:
 - 2009-10: 40+ case studies of MG-NREGS works in 26 villages by 35 masters students (11 districts, 9 states)
 - 2010-11: 13 village studies by 26 masters students (11 districts, 9 states)
 - Verma et. al. 2011:
 - 2010-11: 140+ case studies of **best-performing** MG-NREGS water-assets (8 districts, 4 states)
 - Yet to be completely processed:
 - 2010:11: Village Surveys in 75 villages (8 districts, 4 states)
 - 2010-11: Survey of ~ 950 workers and employers (8 districts, 4 states)

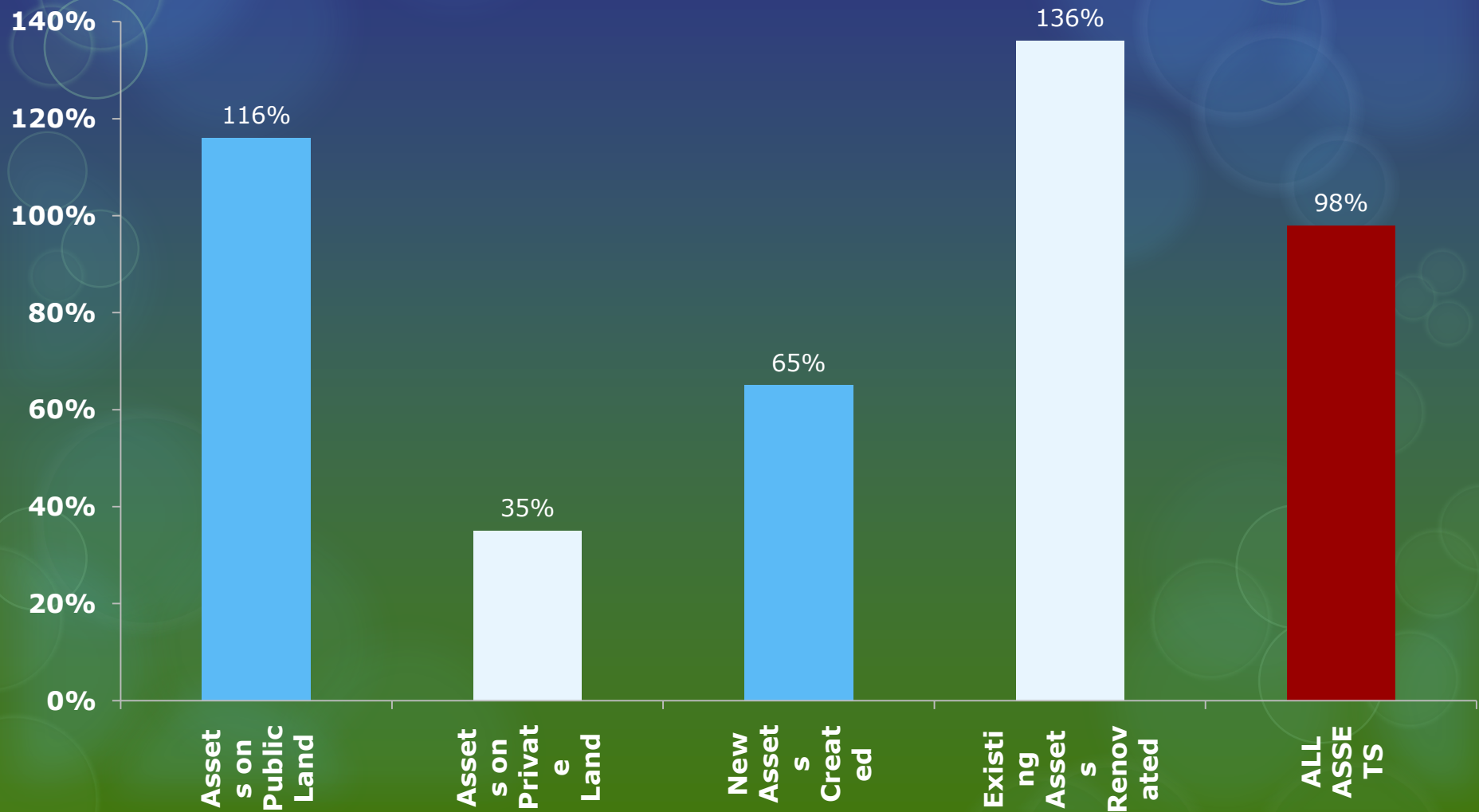
Study Locations



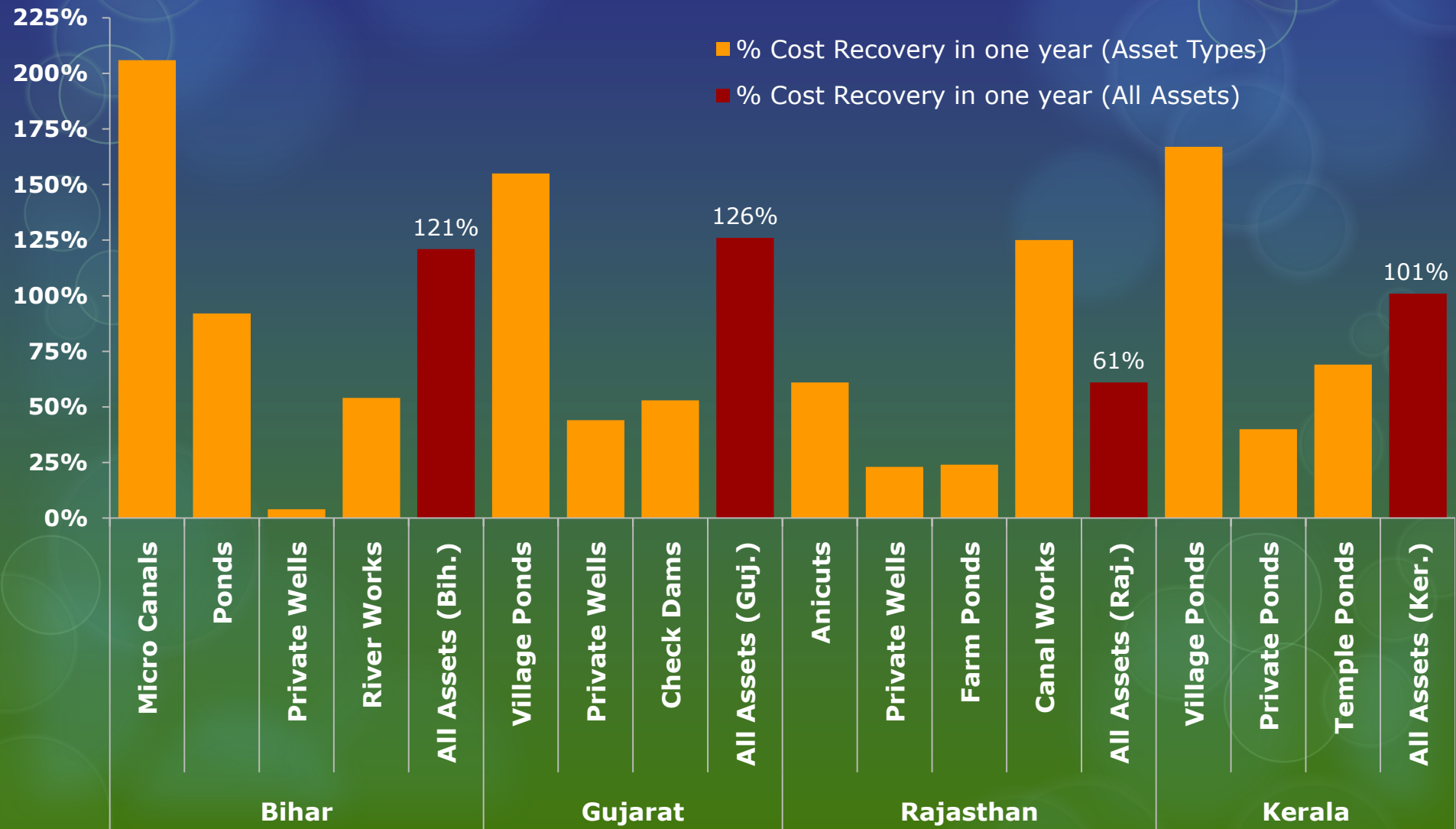
Case Studies and Surveys (2010)...

State	District	Assets	No.	No. of Villages	MG-NREGA Water-Assets		Surveys* (No. of respondents)	
					Public	Private	Laborers	Employers
Bihar	Bhojpur	Pyne micro-	10	08	5	5	51	41
	Nalanda	canals;	15	10	14	1	92	49
	Vaishali	Ponds; Wells	10	05	7	3	43	25
Gujarat	Junagadh	Ponds; Check	16	13	11	5	65	72
	Sabarkantha	dams; Wells	18	08	13	5	80	29
Kerala	Palaghat	Ponds	40	12	23	17	98	56
Rajasthan	Dungarpur	Anicuts; Farm	21	09	17	4	85	35
	Tonk	Ponds, Wells	13	10	9	4	90	40
Total				75	99	44	604	347
					143		951	

Performance of Best-Performing MG-NREGS Water-Assets...



Performance of Best-Performing MG-NREGS Water-Assets...



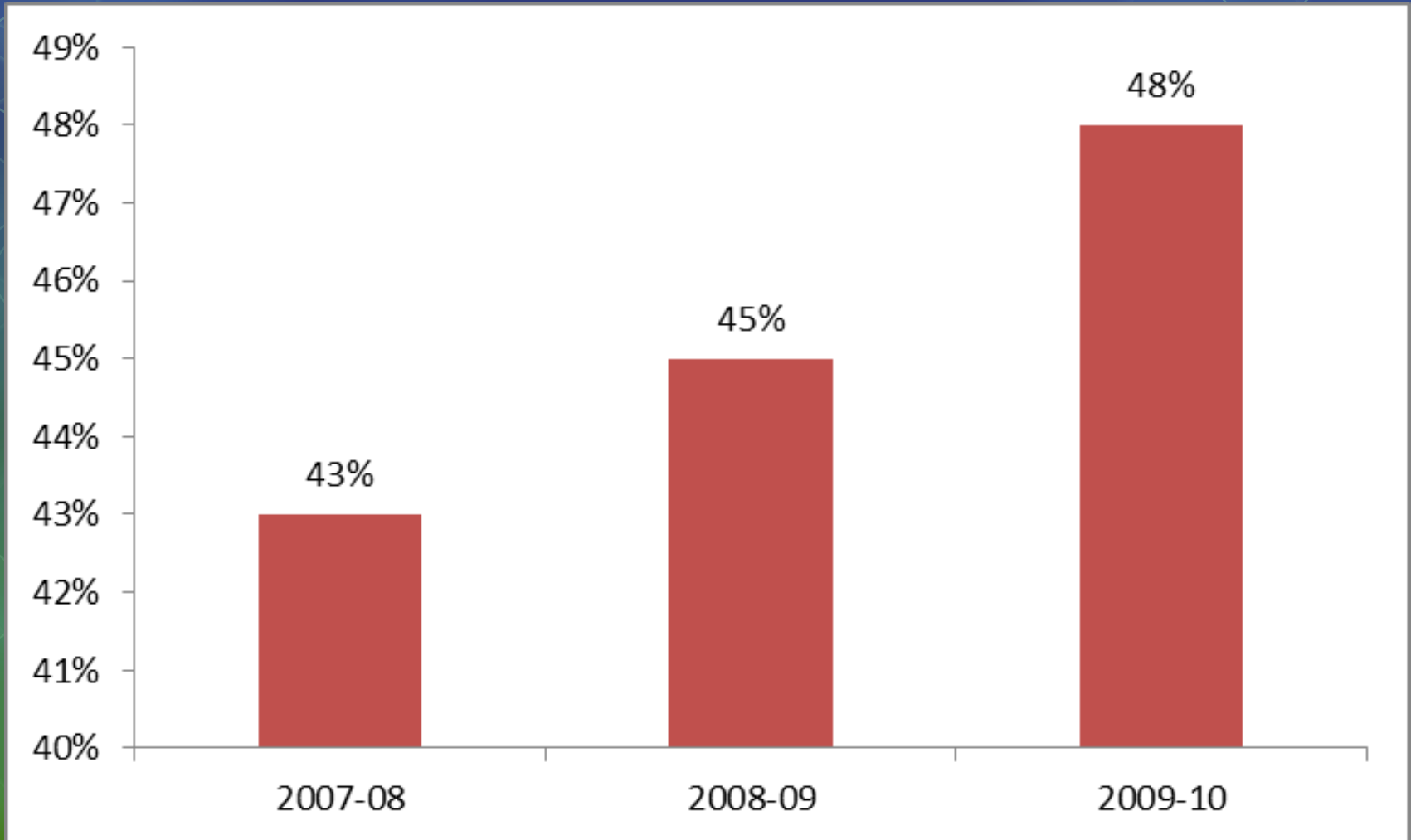
MG-NREGS Interaction with Local Labor Markets...

	Type I – Insignificant	Type II – Misfit	Type III – Significant	Type IV - Potentially Significant
Wage Rates	$W_{\text{MGNREGS}} > W_{\text{LOCAL}}$	$W_{\text{LOCAL}} > W_{\text{MGNREGS}}$	$W_{\text{MGNREGS}} > W_{\text{LOCAL}}$	$W_{\text{MGNREGS}} > W_{\text{LOCAL}}$
Opportunities	MGNREGS work insignificant vis-à-vis local demand	Booming local labor market offering much greater opportunities	MGNREGS significant vis-à-vis local demand	MGNREGS potentially significant but poorly implemented
Impact	Impact of NREGS insignificant	Local labor market situation renders NREGS <i>misfit</i>	Impact of NREGS significant	Impact of NREGS insignificant
Examples	Godda (Jharkhand), Koraput (Orissa), Nalanda (Bihar), Narmada (Gujarat)	Kutch (Gujarat), Uttarkashi (Uttarakhand), Kangra (Himachal Pradesh)	Dholpur (Rajasthan), Palakkad (Kerala), Chitoor (Andhra Pradesh), Jalna (Maharashtra)	Narmada (Gujarat), Mandla (Madhya Pradesh)

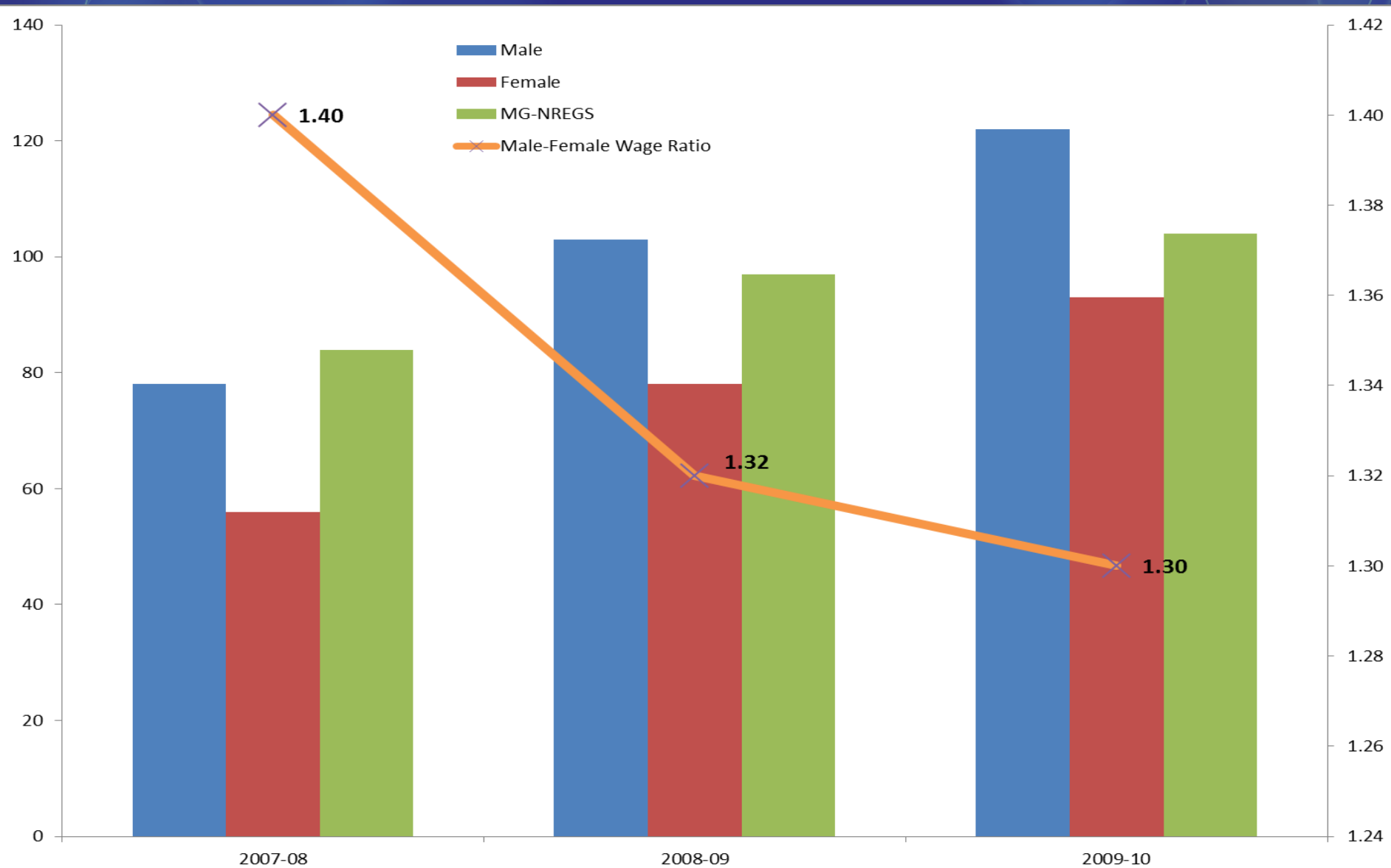
MG-NREGS Interaction with Local Labor Markets...

- Tighter farm and non-farm labor markets
- Significant increase in bargaining power for laborers
- Mostly additive (women), sometimes substitutive (Palakkad, Kerala) impact
- Reduction in distress-migration, little impact on opportunistic migration
- Principal-Agent Problem in MG-NREGS works on public land
 - Perception of MG-NREGS work being *lighter*
 - Employers feel MG-NREGS is *spoiling the work-ethic*; labor is becoming lazy and more demanding

Participation of Women in MG-NREGS...

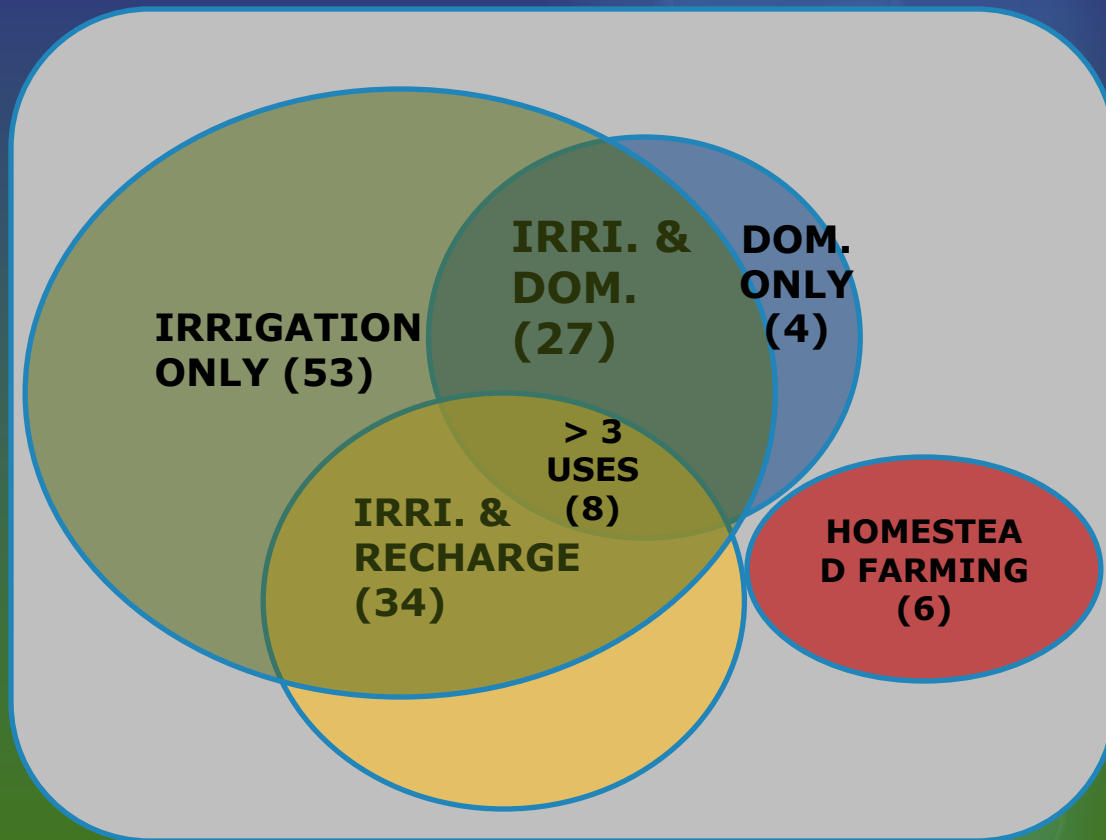


MG-NREGS and Male-Female Wages...



Multiple Uses of MG-NREGS Water Assets...

- Single-use mindset dominates the MG-NREGS administration
- However, people don't often use water assets for single use
 - Irrigation, Groundwater Recharge, Domestic Uses including Drinking Water, Homestead Farming, Pisciculture, Fishing...



Water Assets and Uses...

Bihar	Pyne (Micro-Canals)	Irrigation
	Ponds	Irrigation; Pisciculture
	Wells	Domestic; Homestead Farming
Gujarat	Ponds	Irrigation; Recharge
	Check Dams	Irrigation; Recharge; Livestock; Domestic
	Wells	Irrigation
Rajasthan	Anicuts	Irrigation; Recharge; Livestock; Domestic; Fishing
	Canal Works	Irrigation; (Recharge)
	Wells	Irrigation
Kerala	Ponds	Irrigation; Domestic

Four Drivers of Effectiveness...

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

Lessons and Issues for Discussion...

○ For the Future of MG-NREGS in India

- MG-NREGS administration is huge and costly. Only as an employment-generation / social-security / unemployment benefit / drought relief program, it can probably be effectively replaced by an IT-enabled direct / conditional cash transfer, especially post-UID implementation.
- However, as a water-security program, MG-NREGS assets that recover their investments in 2-4 years can become an unparalleled ***Participatory Water Security Program*** with tremendous potential for replication.
- Is target-driven approach the right approach? Shouldn't MG-NREGS crowd itself out in the long run?

Lessons and Issues for Discussion...

○ For the Future of MG-NREGS in India

- MG-NREGS is a rare self-targeting program by design but is prone to systemic corruption, especially in places where local governance institutions (Gram Panchayats) are not strong.
- MG-NREGS design automatically targets wage-benefits but its non-wage benefits are prone to elite capture. On the one hand, non-wage benefits create / enhance stakes for the non-poor in the success of the program at the village level. On the other hand, large-scale capture of non-wage benefits might exaggerate inequity in rural water access.
- There is, at present, little role for civil society except in social audits. There seems to be too much confidence in the strength and fairness of local governance institutions.

Lessons and Issues for Discussion...

○ For the Future of MG-NREGS in India

- Multiple uses of MG-NREGS assets not *formally* accounted for in design; not *formally* recognized in policy.
- There are no mechanisms for the maintenance and upkeep of public assets created under MG-NREGS. In fact, it is one of the few programs where you can request work on the same asset year-after-year. We found that most people treat the assets as *Panchayat* / Government property, and they turn into open-access resource even when they were community-managed earlier.
- Great potential for convergence – not only with other Government programs (which is already happening, to some extent) – but also with donor-driven, NGO-implemented projects as is envisaged in S. Africa.

Lessons and Issues for Discussion...

- For IFAD / MUS / Multi-lateral Donors
 - Backstopping the existing program for softer-issues like Gender, MUS, Sustainability, Institutions, Incentives
 - Awareness creation and capacity building / enhancement for *Gram Panchayats* and local MG-NREGS administration.
 - Making Social Audits more meaningful; designed to constantly feed into future decisions and not just flag failures and corruption
 - To convey the importance of reduction of MG-NREGS demand and to facilitate the move away from target-driven / budget-driven competition between blocks, districts and states.
- For Other Countries, specifically the Community Works Program in South Africa...

Thank You...