

Call for Paper

For

International Seminar on ***Rural Poverty: Key Initiatives in achieving Millennium Development Goals and the Role of NREGA***, New Delhi, 21st and 22nd January, 2009

Organised by

Ministry of Rural Development and UNDP

In recent years Government of India has accelerated its pace of poverty alleviation strategies by mobilizing greater budget resources, creating time frames for quantifiable deliverables, linking, with global frameworks of action, such as the Millennium Development Goals which provide an umbrella approach for addressing multi-dimensional deprivations. The seriousness and urgency of these policy and resource commitments to poverty alleviation are exemplified in a single legislation: NREGA an Act to strengthen livelihood security through time bound guaranteed wage employment. NREGA, with its Rights Based framework, is a paradigm shift from all other development programmes that were traditionally supply led. Centrally funded entirely through domestic resources, the implementation of this law is supported by a budget based on demand for employment.

Apart from providing livelihood to millions of households, over the last two years, the Act has become a significant vehicle for strengthening grassroot level democratic processes and regeneration of India's depleting natural resource base. The legislation has also had a positive impact on the socio-economic empowerment of women (the Act mandates at least 33 percent participation for women).

Ministry is organizing an ***International Seminar on Rural Poverty: Key Initiatives in achieving Millennium Development Goals and the Role of NREGA on January 21-22, 2009***. The seminar will bring together practitioners, policy advisors, academics, professionals, activists and media, to present and discuss their studies, research, significant experiences and practices in addressing the complex issues of poverty and ways that have proved effective in promoting the key Millennium Development Goals of sustainable development and empowerment in India. The themes for seminar are

- **Promoting Employment:** Wage Employment (workfare programme), Conditional cash transfer, Self Employment Programmes (SHGs), Developing Capabilities Skill Building
- **Focusing on Inclusive Growth:** Gender Equity, Social Inclusion, Financial Inclusion
- **Regeneration Natural Resource Management:** Impact on Agriculture, Productivity, Afforestation, Horticulture, Adaptation to Climate Change
- **Impact on Livelihood Security:** Distress Migration, Wage to Sustainable Income, Ensuring Food Security
- **Impact on Governance:** Grassroots Institutions of Democracy, IT for Governance, Social Audit and Proactive Disclosure

The MORD and UNDP invite submissions of papers on the above mention topic. The papers should be based on empirical research and strong analytical evidence. An abstract of the paper should be sent to nreganet-mord@nic.in by 15th December 2008. The abstracts will be screened internally and selected fellows will be informed by 20th December. Author of selected papers will be invited to participate in the seminar. MORD-UNDP will bear the expenses related to economy class return air tickets, boarding and lodging only.

Background Paper

Rural Poverty: Key Initiatives in achieving Millennium Development Goals and Role of NREGA

The first Millennium Development Goal (MDG) of 'Eradicating Extreme Poverty and Hunger' aims at reducing the proportion of people whose income is less than \$1 between 1990 and 2015 by half. India's 11th Five Year Plan¹, reiterating the country's commitment the MDGs, has set socio-economic targets for inclusive growth and development. These include, reducing the headcount ratio of consumption poverty by 10 percentage points, raises real wage rate of unskilled workers by 20 percent and creating 70 million new work opportunities.

According to the National Sample Survey Organization, 300 million Indians live in extreme poverty.² The poor face absence of basic capabilities to function in society and lack opportunities such as access to public infrastructure and income earning. A majority of them earn their livelihood through unskilled, casual manual labour and exploitation of the natural resource base. This dependence makes them more vulnerable to crises, like climate shock, natural disaster, ill-health, all of which adversely impact their employment opportunities and reduce their ability to move out of the poverty trap.

The Government of India has adopted a multifaceted development strategy that promotes economic growth and also addresses the needs of the poor by ensuring their basic rights. The Ministry of Rural Development has a gamut of targeted programmes from providing direct employment, self employment, social security, housing, building rural infrastructure and manage land resources to alleviate poverty. In this context, workfare programmes have been important interventions. Through short term employment, these programmes provide income transfers to poor households during critical times such as lean agricultural seasons, and enable consumption smoothening. Over time, this will facilitate the transition of the village economy from subsistence to self-sustenance by increasing agricultural productivity and creating durable assets for regeneration of the natural resource base. The infrastructure will not only lead to market linkages but also create further employment opportunities.

Evolving the design of the wage employment programmes to more effectively fight poverty, the Federal Government formulated the National Rural Employment Guarantee Act (NREGA) in 2005, a paradigm shift from earlier programmes. With its legal framework and rights-based approach, NREGA provides employment to those who demand it. Notified on September 7, 2005, NREGA aims at enhancing livelihood security by providing at least one hundred days of guaranteed wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work. The Act covered 200 districts in its first phase, implemented on February 2, 2006, and was extended to 330 additional districts in 2007-2008. All the remaining rural areas have been notified with effect from April 1, 2008.

¹ Planning Commission

² The Universal Recall Period (URP)-consumption distribution data of the 61st Round. Under the URP method, consumption data is collected using 30-day recall period (also known as reference period) for all household items.

percent in the rural

NREGA is the first ever law internationally, that guarantees wage employment at an unprecedented scale. The potential of NREGA spans a range of possibilities. The primary objective of the Act is augmenting wage employment. The choice of works suggested in the Act addresses causes of chronic poverty like drought, deforestation and soil erosion, so that the process of employment generation is maintained on a sustainable basis. The Act is also a significant vehicle for strengthening decentralization and deepening processes of democracy by giving a pivotal role to local governance bodies, that is, the *Panchayati Raj Institutions*.

The Scheme is sponsored by the Ministry of Rural Development, Government of India. Unique features of the Act include, time bound employment guarantee and wage payment within 15 days, incentive-disincentive structure to the State Governments for providing employment as 90 per cent of the cost for employment provided is borne by the Federal Government or payment of unemployment allowance at their own cost. The Act also mandates 33 percent participation for women.

Over the last two years, implementation trends vindicate the basic objective of the Act.

❖ **Maximizing Work Opportunities: Livelihood Security**

In the words of E.F. Schumacher, primary consideration to trigger development should be to maximize work opportunities for the unemployed and under-employed to trigger development. India has a long history of wage employment and self employment programmes and capacity building. Under NREGA, in 2007-08 33.9 million households were provided employment and 1.4 billion days of work were generated. With the expansion of the programme to the entire country, upto mid August 2008, 26 million households have worked under NREGA for 952.7 million work days.

Emphasis has also been laid to ensure that economic growth is inclusive and reaches the weaker sections of our society, especially the Scheduled Castes (SCs) and the Scheduled Tribes (STs), Other Backward Classes (OBCs) and minorities. NREGA has generated sufficient volumes of employment to provide the means for uplift of large numbers of the population. Workforce participation of marginalized groups has been high with 57% (SC/ST) in 2007-08 and 55% upto mid-August 2008. Women workforce participation has also surpassed the statutory minimum requirement of one third participation. In FY 07-08, women participation was 43%, which has increased to 49% upto in FY 08-09 (upto mid-August) including states like Kerala with 85% women workforce participation.

By securing livelihood, NREGA also mitigates seasonal/distress migration which has been a significant source of employment and income for a large proportion of rural population. Employment opportunities at the village level itself, local labour availability for agriculture increases. Irrigation facilities for SC/ST farmers and land reform beneficiaries not only enhance productivity of their small holdings but enable them to be better endowed during peak farming periods.

While the scope of NREGA is unskilled wage employment, a more sustained form of self employment is provided through Swaranjayanti Gram Swarozgar Yojana (SGSY) which works through processes like social mobilization of rural poor into Self-Help Groups (SHGs), their training & capacity building, provision of credit and subsidy for procuring income generating assets/ micro-enterprises, making available appropriate technology, providing infrastructure support and backward and forward linkages for facilitating marketing of the rural products.

The Federal Government has also decided to set up a National Skill Development Mission under which 1600 more ITIs and polytechnics, 10,000 vocational education schools and 50,000 skill development centres are planned proposed in Public Private Partnership mode in order to train 10 million persons per annum to develop human capital and engage the rural unemployed youth

in productive employment. This would provide employment to about 5 million rural youth living below the national poverty line in rapidly growing sectors of the economy.

❖ **Augmenting household income, savings and investment:**

Low level of income continues to be the barrier for the poor to escape the poverty trap. Most of the initiatives of self employment and skill building aim to provide the safety net to the poor from the “poverty that kills”. Besides the legal guarantee of 100 days of work in a financial year, NREGA households are also assured of basic minimum income³. Post-NREGA, there has been a revision of minimum wages across the country in last three years, and the average daily wage rate has increased from Rs. 75 (\$1.66) to Rs 80 (\$1.77) in FY 08-09 (upto mid-August) at the national level. Higher incomes are expected to raise household savings, accelerating economic diversification and household investments in human capital.

The Federal Government has directed that all wage payments to be made through bank and post office accounts of wage seekers. Thus far, 33 million (upto mid-August ‘08) NREGA bank and post office accounts have been opened to disburse wages, largest number of accounts linked to a development programme. Agencies for wage payment are being separated from implementing agencies through accounts-based wage payment. This will not only infuse integrity in wage payment, bring the most vulnerable people in rural India into formal banking and credit system. Workers under NREGA are provided medical and health cover insurance. Initial experiments in the use of smart cards and biometric signatures for wage payment to NREGA workers in remote villages are being supported.

SGSY also has induces a habit of thrift among the poor through SHGs and allows access to subsidized credit. The banks and other financial institutions are closely associated and involved in preparing the projects to avoid delays in sanctioning of loans and ensure adequacy of financing.

❖ **Regenerating Natural Resources- Complementing Food Security**

Land degradation, depletion of natural resources like grass lands and forests; price shocks, and population growth are already a major concern for sustaining agricultural productivity. Time and again it has been shown that wasteland development begins with water. For instance, once a water-harvesting system is built and equitable sharing of the water evolved, the local community becomes involved in protecting and re-greening the catchment of its water system.

The auxiliary objective of NREGA is natural resource base generation and addresses growing concerns of the food security with emphasis on water and soil conservation through increasing squeeze on water availability and new irrigable land for expanded crop production, facilitating

³ Minimum wage as per NREGA 2005: Wage fixed by the State Government under Section 3 of Minimum Wages Act, 1948 for agricultural labourers as applicable in that area

dual cropping and crop diversity. Cultivation of bio-fuels has also been encouraged under NREGA and works relating to drought proofing and flood protection are aimed to provide resistance to climate shocks and natural disasters. Thus, NREGA can actually be seen moving towards its objective of food and livelihood security and long term sustainable development through ecological regeneration.

In FY 07-08, 1.78 million works were undertaken, of which 49% constituted water conservation. In FY 08-09, upto mid-August, 1.72 million works have been undertaken, of which 46% relate to water conservation.

Early trends indicate enhancement of agricultural productivity (through water harvesting, check dams, ground water recharging, improve moisture content, check in soil erosion and micro-irrigation), stemming of distress migration, increased access to markets and services through rural connectivity works, supplementing household incomes, increase in women workforce participation ratios, and the regeneration of natural resources.

❖ **NREGA as investment in Climate Change for Poor:**

Climate change is happening and will increasingly affect the poor who are most vulnerable to it by reducing access to drinking water, negatively affecting the health of poor and posing a real threat to food security. Among the poor, vulnerability may also vary, since some groups are more lacking in the financial, social, and political means of securing alternative livelihoods less exposed to risk than others. Women, for example may be constrained by social and cultural structures that place them in inferior social positions, limiting their access to income, education, public voice, and survival mechanisms. NREGA integrates responses to climate change and adaptation measures into strategies for poverty reduction to ensure sustainable development. It strengthens capacity to cope with current climate variability and extremes and to adapt to expected future climatic conditions.

Climate change policy & mechanisms can also generate income for small & marginal farmers and investment flows for rural communities. It is seen that only 3-4% of carbon trading is sourced from agriculture, land use, land use change, agro-forestry and forestry. Efforts may also be directed in using the unique identity of NREGA workers, NREGA works, detailed documentation & records, the MIS systems in place and advanced ICT to streamline measurement, financial flows to benefit rural communities from carbon trading.

❖ **NREGA: Beyond Wage Employment**

Benefits of NREGA are not limited enhancing economic potential of supplementing income through wage earnings, savings and investments and financial inclusion. Various multiplier effects of NREGA are now emerging:

- a) Social Capital Formation: Entitlements have conferred on the most vulnerable group can help build capacity among them to articulate needs and negotiate their rights.
- b) Physical Capital: NREGA Works have close affinity with inputs for improving productivity of land and rural connectivity
- c) Ecological Synergies: Focus on strengthening natural resource management such as afforestation, drought proofing, flood proofing, water conservation help cope with Climate Change stress
- d) Democratic Processes: Strengthens local capacity for planning & decision making: Gram Sabha, PRIs. It also infuses transparency and accountability in grass root democratic processes through social audits.

e) Sustainable Development: Untied Fund for Local Area Planning encourages convergence for sustainable development.

ICT as a growth trigger for rural development

Information Communication and Technology play NREGA has used technology effectively for inclusion:

- Monitoring and transparency: Web enabled Management Information System (MIS)(www.nrega.nic.in) is one of the largest data base of rural households through their engagement in NREGA job cards are on the web others in process. MIS makes transparency intrinsic to NREGA by placing all critical parameters such as wage payments, number of days of employment provided and works under execution online for easy public access.
- Encouraging the transfer of local solutions and best practices through an online Knowledge Network. Currently 400 District Programme Coordinators are members of this network. The network also links up with Civil Society Organizations
- Improving delivery of services: Initial experiments in the use of smart cards for wage payment to NREGA workers in remote villages are being supported

Promoting Good Governance

NREGA is a unique and unprecedented effort in strengthening grassroots democracy in India. It marks the first time that the Indian state has legally mandated the implementation of mechanisms that strengthen transparency and accountability at every step of the delivery chain, by creating platforms for citizens to articulate their voice and directly engage with the state. These efforts are extremely wide ranging. They include the creation of a digitized monitoring system, on site muster roll verification, proactive disclosure of all records and conducting regular social audits. Crucially, the Act itself offers citizens a guarantee of their basic rights. It is a paradigm shift from supply driven to demand driven approaches and has real potential to transform the ways in which citizens engage with the state.

This legal mandate has been a catalyst for state governments across the country to innovate with different tools through which accountability can be strengthened. Some governments' have entered into strategic partnerships with civil society organizations to develop accountability tools. In other parts of the country, one time mass social audits have been conducted, while others have seen the proliferation of networks of civil society organizations that have come together to conduct audits, create report cards and monitor the implementation of the Act.

Given the unprecedented scale of these initiatives and the enthusiasm with which some state governments are implementing them, NREGA offers an important window through which to learn about the impact of accountability mechanisms on governance structures at the grassroots. Yet, *remarkably little is being done to study and evaluate the effectiveness of these experiments*- what works, what doesn't work, under what conditions and perhaps most importantly, what lessons can be drawn from each of these experiments. Evaluating these experiments is critical both for enhancing our understanding of the impact of NREGA as well as to think about ways of scaling these up to other government programs.

Transparency & Accountability

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Given the unprecedented scale of these initiatives and the enthusiasm with which some state governments are implementing them, NREGA offers an important window through which to learn about the impact of accountability mechanisms on governance structures at the grassroots. A lot more needs to be done *to study and evaluate the effectiveness of these efforts*- what works, what doesn't work, under what conditions and perhaps most importantly, what lessons can be drawn from each of these experiments. Evaluating these experiments is critical both for enhancing our understanding of the impact of NREGA as well as to think about ways of scaling these up to other government programs.

International Seminar- Rural Poverty: Key Initiatives in achieving Millennium Development Goals and Role of NREGA

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Programme Agenda 21st -22nd January 2009 (Tentative)	
Registration	
Inaugural Session 9.30- 11.00 AM	
Technical Session I 11.00 AM-2.30 PM	Promoting Employment
	<ol style="list-style-type: none"> 1. Wage Employment (workfare programme) Conditional cash transfer 2. Self Employment Programme (SHGs) 3. Developing Capabilities Skill Building
2.30-3.00	Lunch Break
Technical Session II 3.00-5.30 PM	Focusing on Inclusive Growth
	<p>Mainstreaming the Marginalized</p> <ol style="list-style-type: none"> 1. Gender Equity 2. Social Inclusion 3. Financial Inclusion <ul style="list-style-type: none"> • Access to Institutional credit • Widening institution coverage • Insurance cover to the poor
DAY -2	
Technical Session III 9.00-11.30 AM	Regenerating Natural Resources Management
	<ol style="list-style-type: none"> 1. Impact on Agriculture productivity 2. Afforestation 3. Horticulture 4. Adaptation to climate change
11.30-11.45	Tea Break
Technical Session IV 11.45AM-2.15 AM	Impact on Livelihood Security
	<ol style="list-style-type: none"> 1. Distress Migration 2. Wage to Sustainable Income 3. Ensuring Food Security
2.15 PM-2.45 AM	Lunch Break
Technical Session V 2.45 PM-5.00 PM	Impact on Governance
	<ol style="list-style-type: none"> 1. Grassroots Institutions of Democracy 2. IT for Governance 3. Social Audit and Proactive Disclosure
5.00 PM-6.00 PM	Valedictory