

#### **EVIDENCE FOR POLICY DESIGN**

**Center for International Development** *at Harvard University* 

### **MGNREGA WAGE PAYMENT DELAYS**

**AN OVERVIEW** 

### September 17, 2015 Ministry of Rural Development, Government of India

# ABOUT EPOD INDIA (1/2)

- Evidence for Policy Design (EPoD) is part of the Center for International Development, Harvard Kennedy School
- Conviction: Public resources need to be optimized for the benefit of low-income populations through evidence-based policymaking
- Primary Activity: Research that utilizes economic tools to provide answers to pressing policy questions
- Reputed Partners
  - National Bureau of Economic Research, MA, USA
  - International Growth Centre, London, UK
  - Center for Economic Research in Pakistan, Lahore, Pakistan

# ABOUT EPOD INDIA (2/2)

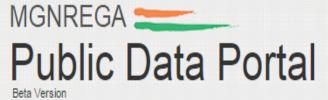
- EPoD's partner in India is the Institute for Financial Management and Research (Chennai)
- EPoD India operates out of New Delhi, but is active across states
  - Madhya Pradesh, Kerala, Bihar
- EPoD India's current projects
  - MGNREGA Monitoring
  - Skill Training and Evaluation
  - Attendance at Central Government Offices (attendance.gov.in)
  - Environmental Compliance
  - National Rural Livelihood Mission
  - PolicyHack
  - LBSNAA training programs
- EPoD India has been working very closely with the NIC, the MoRD, and the Delhi Government

## EPOD INDIA'S ENGAGMENT WITH MGNREGA

- Since 2013, EPoD India has been working on NREGA-related issues
  - EPoD India has been working closely with the MoRD (under an MoU)
- Our involvement is aimed at enhancing efficacy and transparency
- Engagement with MGNREGA includes the following projects
  - MGNREGA Public Data Portal
  - MGNREGA Dashboards
  - MGNREGA Report Cards for Bihar Officers
  - MGNREGA Village View







MGNREGA Home Contact

and Earlier

Ministry of Rural Development POLICY DESIGN

Select regions Select year Level of detail: State 2013-2014 - 🗌 India v Andaman and Nicobar Andhra Pradesh Arunachal Pradesh View data Assam Download data Bihar Chhattisgarh For FY 2010-11 Dadra & Nagar Haveli

#### Select indicators

Worker participation details Job cards

Total households applied for job card

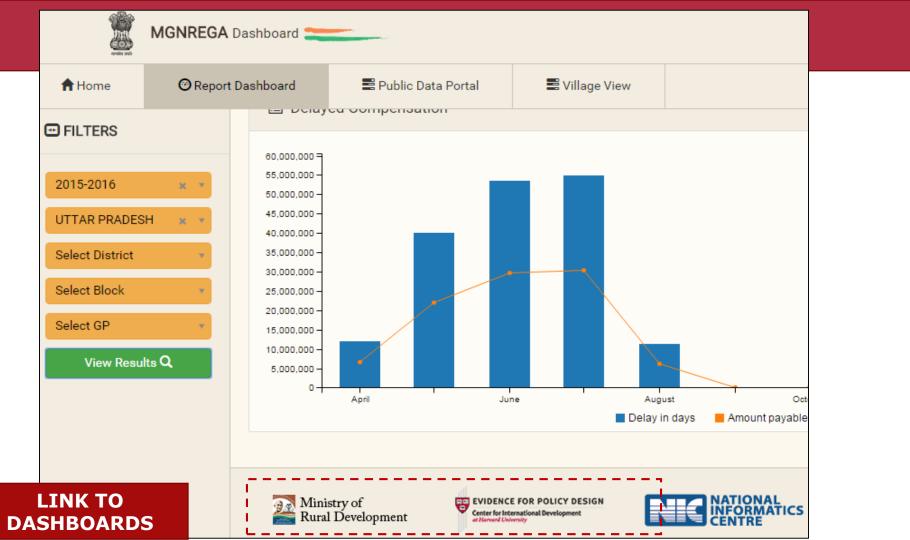
Total job cards issued

Total job cards (SC)

Total job cards (ST)

Total job cards (non-SC/ST)

#### LINK TO PDP



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A Home	C Report Dashboard	Public Data Portal	■ Village View				
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		Ministry of Rural Development	EVIDENCE FOR POLICY DESIG Center for International Development at National Development		INFORMATICS DFID	Department for International Development	LINK TO VILLAGE VIEW



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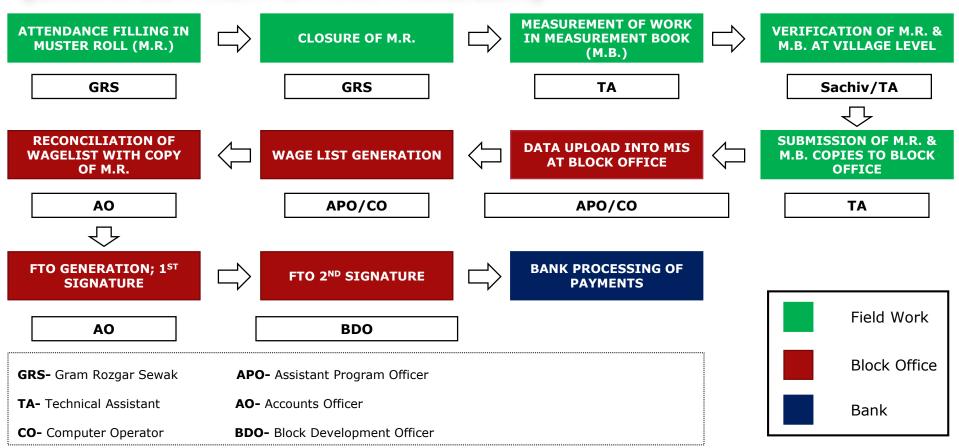
### **PAYMENT DELAYS UNDER MGNRGEA**

**AN ANALYSIS** 

# **EXECUTIVE SUMMARY**

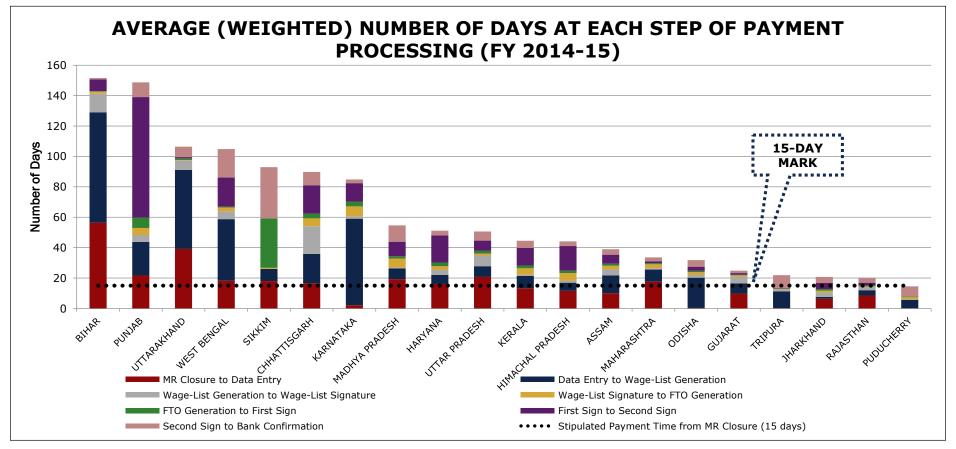
- Payment Disbursal process involves multiple steps and actors
  - Block Office
  - Gram Rozgar Sewak (GRS)
  - Engineers/Technical Assistant
  - Village/Panchayat Administration
- For FY 2014-15, across most states/UTs, average time for wage payment was more than 15 days
  - Of 20 states/Uts for which data is available, only Puducherry has an average<15 days
- Most delays happening at three stages
  - MR Closure to Data Entry into MIS
  - MIS Data Entry to Wage List Generation
  - First Sign on FTO to Second Sign
- Delays are proving detrimental to beneficiaries and MGNREGA's appeal
  - Undermining the goal of smoothing income shocks
  - Evidence that demand is lowered by delays in payment

### **PAYMENT PROCESSING SYSTEM** (EXAMPLE FROM UTTAR PRADESH)



Note: White boxes beneath steps present the officials responsible for implementing that step

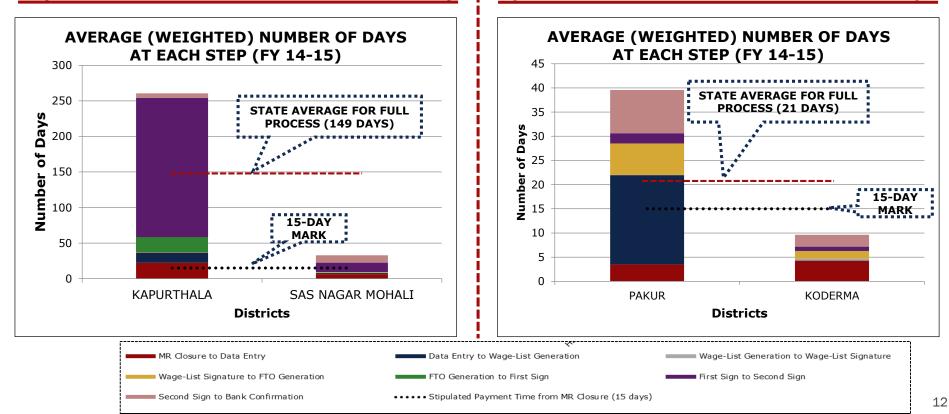
### **STATE-WISE PERFORMANCE FY 2014-15**



Note: Time-stamped data was unavailable for other states

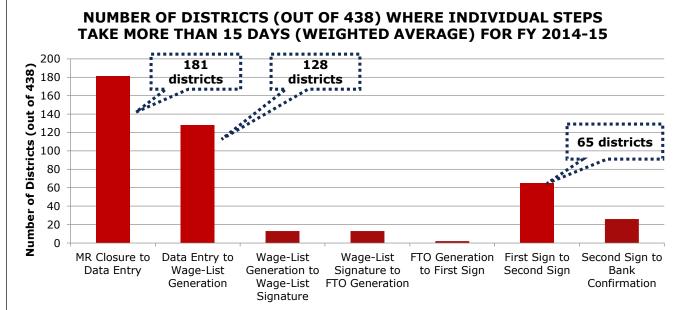
### INTRA-STATE DISPARITIES IN PAYMENT PROCESSING FY 2014-15

PUNJAB- ONE OF THE WORST PERFORMERS (BEST AND WORST-PERFORMING DISTRICTS) JHARKHAND- ONE OF THE BEST PERFORMERS (BEST AND WORST-PERFORMING DISTRICTS)



# SOURCES OF DELAY (1/2)

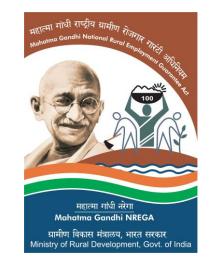
- Major bottlenecks at three steps
  - MR Closure to Data Entry into MIS
  - MIS Data Entry to Wage List Generation
  - First Sign on FTO to Second Sign



Note: Time-stamped data available for 438 districts (of 676 total)

# SOURCES OF DELAY (2/2)\*

- MR Closure to Data Entry into MIS
  - Informational Failures among GRS, Engineers, Block Office, Sachiv
  - Data Connectivity Problem at the Block Office
  - Violation of deadlines by officials due to over-burdened work schedules, lack of motivation, etc
- MIS Data Entry to Wage List Generation
  - Uploading only MR details in time, and not MB details
    - Engineers violating deadlines
- First Sign on FTO to Second Sign
  - BDO's unavailability
  - Data Connectivity Problem at the Block Office



# **CONSEQUENCES OF DELAYS**

- Purpose of MGNREGA is defeated
  - Harder to effectively smooth income throughout the year when faced with delays

- MGNREGA becomes unattractive source of employment
  - Delays make other sources of employment more attractive

- New avenues for informal lending by richer individuals in village
  - Sarpanch may provide upfront payments, and then recover money with his share\*

# WHAT WE PROPOSE TO DO?

- A Management and Information Tool
  - Aimed at fixing responsibility for delays at the ground level
  - Currently under development (final stages)
  - Pace of development currently contingent upon response from MoRD's NIC unit

#### Major Features

- Cost-effective
- Real-time updates
- Benchmarking
- Part of our ongoing engagement with the MoRD
  - Work order Issue

## **PRESENTED BY**

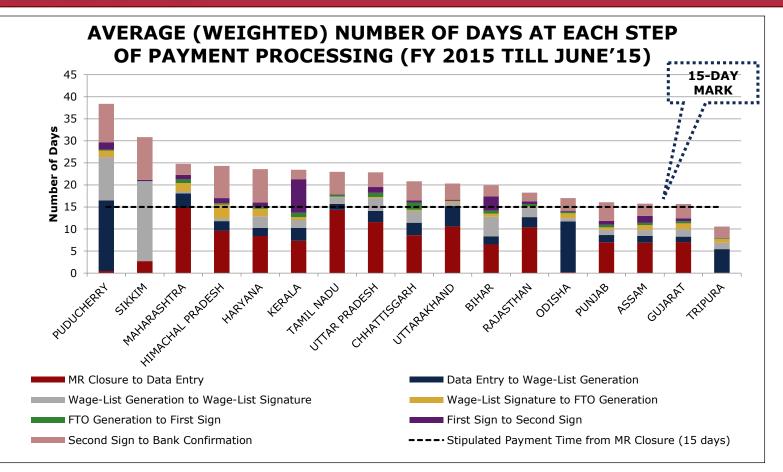


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## September 2015

## **APPENDIX-1**



## **APPENDIX-2**

