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RESEARCH NOTE

Fifteen Years of India's NREGA: Employer of the Last Resort?

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Abstract

For the last decade, India's National Rural Employment Guarantee Act (NREGA, 2005) has been the world's largest public works programme. This legal entitlement provided employment to 28 per cent of rural Indian households in 2019–2020. After the COVID-19 pandemic, NREGA is increasingly emerging as an invaluable employer of the last resort. However, longitudinal data of implementation in its first fifteen years reveal distinctive trends. On the one hand, since inception, NREGA has rendered greater benefits to women and marginalised communities. But on the other, since 2014 till before the pandemic, the present National Democratic Alliance (NDA) regime has reduced NREGA coverage compared to its implementation during the previous United Progressive Alliance (UPA) coalition government which had enacted the legislation. Nevertheless, in light of the pandemic and based on international experiences in public work programmes, there is an urgent need for the expansion of the employment guarantee.

Keywords National rural employment guarantee act · India · Argentina · South Africa · Ethiopia · Employment · Women · Caste · Politics

JEL Classification J Labor and Demographic Economics · J08 Labor Economics Policies · J3 Wages, Compensation and Labor Costs: J38 Public Policy

1 Introduction

Since its enactment fifteen years ago, the National Rural Employment Guarantee Act (NREGA) has emerged as the world's largest public works programme. With the COVID-19 pandemic, as the worldwide economic recession intensifies, NREGA is also increasingly emerging as an invaluable employer of the last resort across rural India. Due to one of the most stringent COVID-19 lockdowns in the world

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(Hale et al., 2020), to combat the loss of livelihoods and incomes, the demand for NREGA has increased significantly. In 2020–2021, NREGA provided employment to an unprecedented 76 million rural Indian households. Though, as a temporary COVID-19 relief measure, the central government had allocated an additional Rs 40,000 crore ($5 billion) in 2020 for NREGA, within a few months, several state and local governments had exhausted their expanded budgets. Despite this shortfall, the finance minister in the 2021–2022 budget has substantially reduced the allocation for the legal employment guarantee by 34 per cent from the revised estimate of the previous year. Instead, in the face of these economic shocks, there is a compelling need to revive and expand the allocations for guaranteed employment.

However, since 2014, when the prime minister critiqued the entitlement in Parliament as a failure of the previous United Progressive Alliance (UPA) coalition government (Scroll, 2015), there have been repeated attempts to undermine federalism (Aiyar & Tillin, 2020) and indirectly pressurise states to curtail NREGA expenditure and employment, notwithstanding legal obligations (Sethi, 2016). Attempts have also been made to reduce the provision for compensation for delayed payments (Sethi and Makkar, 2017). Despite the legal principle of work on demand, the central government has also introduced unprecedented ceilings on NREGA expenditure by state governments (Abreu et al., 2014).

In this context, this paper analyses in the first section the fulfilment of the design of the NREGA as a legal entitlement conceptualised by a strong grassroot social movement to provide pro-poor benefits, especially for women and marginalised communities through the creation of productive assets. Second, the contention that the current NDA government has reduced support for the programme is examined for its veracity. Lastly, NREGA is compared with other successful international 'employer of the last resort' programmes to gauge the potential for its expansion. Based on this analysis, this paper argues for the universal expansion of employment guarantees in both rural and urban areas.

2 Employer of the Last Resort

Public works have a long history of implementation across developing countries from Cape Verde to Botswana. Since the 1929 Great Depression, Roosevelt's New Deal programs (1933–1939) in the USA were implemented as counter-cyclical measures inspired by Keynesian economic analysis of involuntary unemployment. They offered guarantees to all jobless persons at a base wage in public-sector projects. More recently, the "employer of the last resort (ELR)" or "job guarantee" proposals have remerged in popularity (Musgrave, 2017; Tcherneva, 2012). An ELR is a "direct job creation programme that provides employment at a basic wage for those who cannot otherwise find work" (Wray, 2007: 1). They are not designed as temporary, emergency programmes but rather as complementary to private employment. However since 2018 and particularly after the pandemic, in the USA and Europe, various proposals for a "Green New Deal" which combine pro-poor employment programmes with the generation of sustainable sources of renewable energy (Barbier, 2010; Bauhardt, 2014; Klein, 2020; Pettifor, 2020) have gained favour amongst several socio-political and environmental movements.

India has a long history of large-scale employment programmes to protect against food shortages, natural calamities and famines dating back to the third century B.C. (Drèze & Sen, 1989). The 1947 Universal Declaration of Human Rights has also proclaimed that “everyone has the right to work…and to protection against unemployment.” Three years later, the Indian Constitution in the Directive Principles of State Policy explicitly stated that, “[T]he State shall, within the limits of its economic capacity and development, make effective provision for securing the right to work … and to public assistance in cases of unemployment…” Post-independence, a range of employment schemes were implemented from the Jawahar Rozgar Yojana (JRY) to the National Food for Work Programme (NFFWP), but these programmes did not guarantee any rights to workers.

The legal enactment of NREGA was the product of a long-people’s movement which was inspired by the Maharashtra Employment Guarantee Act, 1977 (EGA). The Maharashtra EGA, too, was the outcome of a powerful grassroot socio-political movement after the 1970–1973 drought in the state. Forty per cent of this workforce consisted of women (Patel, 2006). Therefore, this segment will evaluate whether NREGA has fulfilled its potential role as an, ‘employer of the last resort’ especially for marginalised communities and women.

2.1 Women

In the last three decades, India is one of the few middle-income countries in the world where despite rapid economic growth rates, female labour force participation has paradoxically declined from 30 per cent in 1990 to 24 per cent in 2016. NREGA officially provides for only one-third of jobs to be reserved for women. Nevertheless, similar to the Maharashtra experience, since the national law’s inception as a demand-driven programme, consistently more than half of the workers have been women (Narayanan, 2008). In 2020–2021, 53 per cent of workers employed on NREGA worksites were women, and their participation has soared 36 per cent in the last fifteen years. NREGA has emerged as a torchbearer for women’s empowerment.

Especially in the southern states of Karnataka, Kerala and Tamil Nadu more than 80 per cent of NREGA workers are female (Table 1). One crucial reason is the payment of equal wages. NREGA is one of the few government avenues where women are paid on par with men for unskilled labour. In contrast, agricultural or non-agricultural market wages for women are typically lower than men. Particularly, in the seven large states in southern and western India-Karnataka, Tamil Nadu, Maharashtra, Gujarat and Madhya Pradesh—as per data from the Labour Bureau, NREGA notified wage rates for 2020–2021 were equal to or marginally lower than the comparable prevailing farm wage rates for female agricultural labourers in January 2020. However, based on the limited data available in eastern and northern India, it appears that NREGA wages there were substantially lower than women’s agricultural market wages.

Table 1 Women NREGA workers and wages, 2020–2021

	NREGA notified wage rate, 2020–2021 (Rs/day)*	Market wage rate of agri-cultural labourers-Sowing or Harvesting (whichever is higher) (Rs/day) January 2020		NREGA Female wage difference = NREGA wages-Women's agricultural wages (Rs/day)	Women NREGA workers (% of total) (2020–2021)
		Women	Men		
South India					
Kerala	291	548.89	764.07	− 257.89	89
Karnataka	275	238.33	342.17	36.67	49
Tamil Nadu	256	266.89	429.17	− 10.89	85
Telangana	237	–	–	–	58
Andhra Pradesh	237	260.76	370.65	− 23.76	57
West India					
Rajasthan	220	275.42	314.69	− 55.42	66
Gujarat	224	234.83	243.83	− 10.83	47
Maharashtra	238	217.91	302.31	20.09	43
Madhya Pradesh	190	199.49	216.01	− 9.49	40
East India					
Bihar	194	258.92	312.87	− 64.92	55
Chhattisgarh	190	–	–	–	50
West Bengal	204	246.51	271.11	− 42.51	45
Odisha	207	193.65	234.44	13.35	45
Jharkhand	194	–	–	–	43
Uttar Pradesh	201	245.56	280.87	− 44.56	34
North India					
Punjab	263	334.4	357.09	− 71.4	57
Uttarakhand	201	–	–	–	55

Table 1 (continued)

	NREGA notified wage rate, 2020–2021 (Rs/day)*	Market wage rate of agricultural labourers-Sowing or Harvesting (whichever is higher) (Rs/day) January 2020		NREGA Female wage difference = NREGA wages-Women's agricultural wages (Rs/day)	Women NREGA workers (% of total) (2020–2021)
		Women	Men		
Himachal Pradesh	248	427.67	–	− 179.67	61
Haryana	309	371.11	380.55	− 62.11	49
Jammu and Kashmir	204	–	448.44	–	32

Source: NREGA wage rates and women workers: nrega.nic.in

Market wage rate: (Government of India, 2020), Indian Labour Journal (Shimla: Labour Bureau, Ministry of Labour and Employment)

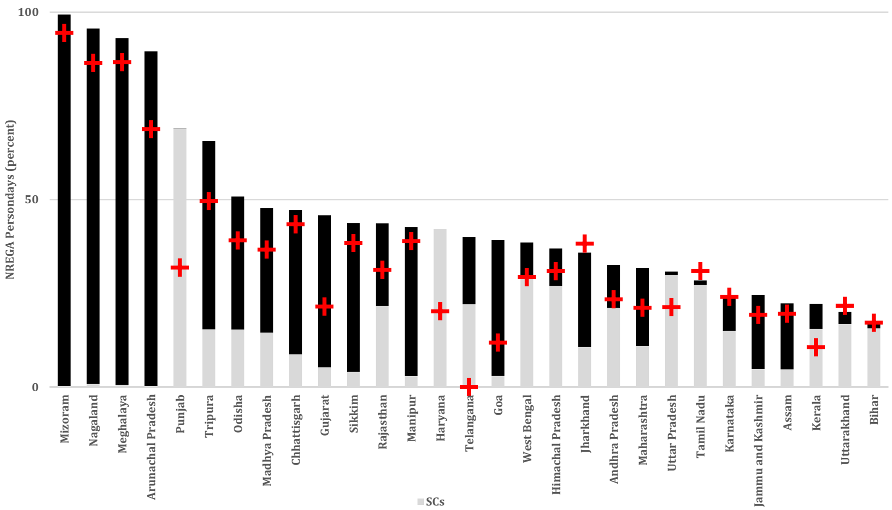

Fig. 1 NREGA Person-days for Dalit and Adivasi Households (%), 2019–2020

Further, in every state in the country, with available data, the notified NREGA wage rates were less than the prevailing agricultural market wage rates for men. Therefore, working-age able-bodied men prefer to be employed at higher wages on fields. Since each household has an allocated maximum quota of 100 days of NREGA work, it is therefore considered more economically prudent for women rather than men to fulfil this familial quota on NREGA worksites.

In addition, as primary breadwinners' men usually prefer the certainty of daily market wages especially since NREGA payments are often delayed. On the other hand, women prefer NREGA work due to a range of social and economic factors (Khera & Nayak, 2009). Since NREGA worksites are usually within 5 kms of homes, with mandated childcare,[1] women are usually better able to manage their "double burden" of household chores. Further, the southern states also have higher rates of female empowerment with fewer restrictions on women undertaking paid employment outside the home. However, typically female NREGA workers even in the southern states have low levels of literacy or only a primary education (Narayanan, 2008).

2.2 Marginalised Communities

More significantly, despite lack of any explicit targeting, consistently for the last decade more than 35 per cent of NREGA workers have hailed from marginalised communities especially Scheduled Caste (Dalit) and Scheduled Tribe (Adivasi) households. The state level data also indicate that across all states barring Jharkhand, Tamil Nadu and Uttarakhand, the person-days of employment provided to Dalit

[1] Though NREGA worksite crèches are not always made available, despite the overwhelming need (Bhatty, 2006; Narayanan, 2008).

and Adivasi households is greater than their proportion in the population (Fig. 1). Further the north-eastern states with high tribal populations also have highly inclusive NREGA workforce participation. Pertinently, since the level of landlessness is higher amongst marginalised castes, NREGA offers an alternative, stable, supplementary source of employment. In Punjab, for example, with 32 per cent rural Dalit population, an estimated 87 per cent of whom were landlessness, the NREGA has emerged as a viable source of employment. Further the India Human Development Survey II (IHDS 2) attributes 38 per cent and 28 per cent, respectively, of reduction in poverty in employed Dalit and Adivasi homes to NREGA alone (Desai & Vanneman, 2016). However, the survey also indicates that nearly 70 per cent of poor households, who were keen to work, were unable to receive any NREGA employment between 2004–2005 and 2011–2012, despite the law's explicit design as a demand-based entitlement. Therefore, NREGA has acutely fallen short of its potential as an employer of the last resort.

In addition, in 17 of 21 states, notified NREGA wages are less than minimum wages (Aggarwal & Paikra, 2020). Particularly, for a government-run programme to "cap" wages at a lower threshold than minimum wages is inexcusable. The Supreme Court has upheld that under Article 23 of the Constitution, lower than minimum wages tantamount to "forced labour" (Sivakumar, 2010). Especially in states such as Kerala, Maharashtra, Jharkhand, Rajasthan and Odisha with large differentials between minimum wages for unskilled agricultural work and NREGA wages, which makes it difficult to attract working-age men. Even if an NREGA worker were to receive and complete the full guarantee of 100 days of work in the highest paying state of Kerala, she would still receive only a modest Rs 27,100 (approximately $ 363) in an entire year.

Nevertheless, this safety net by establishing a stable opportunity cost has been effective in bolstering even the bargaining power of non-participants in other occupations and regions. The general-equilibrium effects have ensured that, on an average, NREGA is estimated to have boosted the growth rate of real daily agricultural wages by 4.3 per cent per year (Berg et al., 2018) in the first few years after its introduction, especially for unskilled labourers in the peak agricultural season. Further, labour force participation rates of NREGA job card holders, especially women are also higher than the non-card holders (Chakraborty & Singh, 2018). Thus, the law displays ample pro-poor benefits on and beyond NREGA worksites.

The law also stipulates that wages are to be paid within 15 days. But delays have been chronic and with rationing of work have created a "discouraged worker effect" (Narayanan et al., 2017). In 2017–2018, for example, 57 per cent of wages were not paid within the stipulated time and the computation of delays itself was faulty (Narayanan et al., 2019). Thereafter, while there have been notional improvements, wage arrears have become a recurring feature of each financial cycle. In 2019–2020, for example, Rs 10,000 crore ($ 1.3 billion) were pending as wages, material and administrative costs due to inadequate budgets (Iqbal, 2019). Wage transaction requests from the states to the central government are also often stalled. Further, rejected, diverted and blocked payments have increased substantially, to undermine the programme and reduce worker interest after non-payment for arduous work (Drèze, 2020a). Especially in the midst of the pandemic, villagers who survive hand-to-mouth have struggled with inordinate delays. Unfortunately, legally mandated compensation for delayed payment is also rarely disbursed.

3 Regime Change and NREGA

In theory, as per the law, promulgated in 2005, each household is guaranteed 100 days of work every year. However, on an average, each NREGA household received only 45 days of work in the last decade–less than half the guarantee. Further there seems to be a clear undermining of NREGA since the National Democratic Alliance (NDA) government came to power in 2014. Therefore, this research attempts to map the fluctuating commitments to the implementation of NREGA between the UPA coalition government which enacted the law in 2005 and the NDA coalition government which is currently in power at the centre. At the outset, key comparative statistics indicate roughly similar performance in the six years of the UPA between 2008 and 2014 and an equal duration with the NDA in power at the centre between 2014 and 2019 (Table 2). 2020–2021 is analysed separately as a year of unprecedented demand and expansion due to the pandemic.

While the expenditure in the NDA tenure is seemingly greater, the commitment is less in terms of proportion of GDP. Similarly, person-days of employment generated, number of households receiving the full guarantee of 100 days and average person-days of employment per NREGA household are slightly better in the UPA regime. The average number of households obtaining work also is nearly identical in both regimes. However, while more women are likely to be employed as a proportion of NREGA workers in the NDA regime, scheduled caste and scheduled tribe workers as a proportion of total beneficiaries were greater in the UPA regime.

Therefore, a more insightful consolidated measure to present a clearer yardstick which also factors in the projected population growth is the number of person-days of employment provided to each rural household. The law was expanded to all districts in the country on 1 April 2008 and guarantees 100 days of work each financial year to every rural household. However, in the six UPA years from 2008 to 2014, on an average 30 per cent of rural households were provided employment compared to an average of only 26 per cent in the NDA-years from 2014 to 2020. This decline is also reflected in the measure of the overall person-days of employment provided to each rural household which declined from 14 person-days per rural household in the UPA regime to 12.5 person-days in the NDA period. The highest employment provided was in 2009–2010 when 30 per cent of rural households received NREGA work; each received an average of 17 days of employment. However, this simple analysis also indicates the vast untapped potential and acute underutilisation of NREGA by both elected regimes.

Further across states, too, distinct trends are visible. While the depth of electoral competition within each state would play an important role in determining the provision of public goods (Banerjee & Hankla, 2020), states ruled by NDA governments invariably tend to provide lesser NREGA employment that those ruled by opposition parties or even NDA coalition governments. For the latest available year 2019–2020

Table 2 Key Comparative Statistics of NREGA, 2006–2020

	United Progressive Alliance (UPA)									National Democratic Alliance (NDA)							
	2006–2007	2007–2008	2008–2009	2009–2010	2010–2011	2011–2012	2012–2013	2013–2014	2014–2015	2015–2016	2016–2017	2017–2018	2018–2019	2019–2020	UPA (Average 2008–2013)	NDA (Average 2014–2020)	Pandemic (2020–2021)
Number of districts	200	200	All*	All*	All*	All*	All*	All*	All*	All*	All*	All*	All*	All*	All*	All*	All*
Total expenditure in rupees (millions)	88,234	158,661	272,507	379,098	393,773	376,377	394,425	422,727	396,555	439,043	580,880	640,245	696,242	678,760	373,151	571,954	1,101,099
Total expenditure in USD (millions)	1948	3943	5935	7995	8640	7854	7412	6987	6486	6706	8661	9933	9957	9707	7470	8575	15,533
Expenditure as a proportion of India's GDP	0.21	0.32	0.49	0.60	0.52	0.43	0.40	0.38	0.32	0.32	0.38	0.37	0.37	0.33	0.47	0.35	0.82
Person-days of employment (millions)	905	1438	2163	2836	2572	2117	2304	2204	1656	2350	2353	2337	2680	2654	2366	2338	3893

Table 2 (continued)

	United Progressive Alliance (UPA)								National Democratic Alliance (NDA)							
	2006–2007	2007–2008	2008–2009	2009–2010	2010–2011	2011–2012	2012–2013	2013–2014	2014–2015	2015–2016	2016–2017	2017–2018	2018–2019	2019–2020	UPA (Average 2008–2013)	NDA (Average 2014–2020)	Pandemic (2020–2021)
Number of households in NREGA work (millions)	21	34	45	53	55	50	50	48	41	48	51	51	53	55	50	50	76
Households completing 100 days (%)	10	11	14	13	10	8	10	10	6	10	8	6	10	7	11	8	10
Average person-days per NREGS household	43	42	48	54	47	42	46	46	40	49	46	46	51	48	47	47	52
Women (% of total workers)	40	42	48	48	48	48	51	53	55	55	56	54	55	55	49	55	53

Table 2 (continued)

	United Progressive Alliance (UPA)									National Democratic Alliance (NDA)							
	2006–2007	2007–2008	2008–2009	2009–2010	2010–2011	2011–2012	2012–2013	2013–2014	2014–2015	2015–2016	2016–2017	2017–2018	2018–2019	2019–2020	UPA (Average 2008–2013)	NDA (Average 2014–2020)	Pandemic (2020–2021)
Scheduled Caste and Scheduled Tribes (% of total workers)	62	57	55	51	51	40	39	40	40	40	39	38	38	37	46	39	36

Source: www.nrega.nic.in, GDP is based on (NSO, 2020)

USD conversion is based on annual average conversion rate Table 140: Handbook of Statistics on Indian Economy. Reserve Bank of India 2013, 2019 and 2020, Handbook of Statistics on Indian Economy. Table 147: Exchange Rate of the Indian Rupee, Government of India

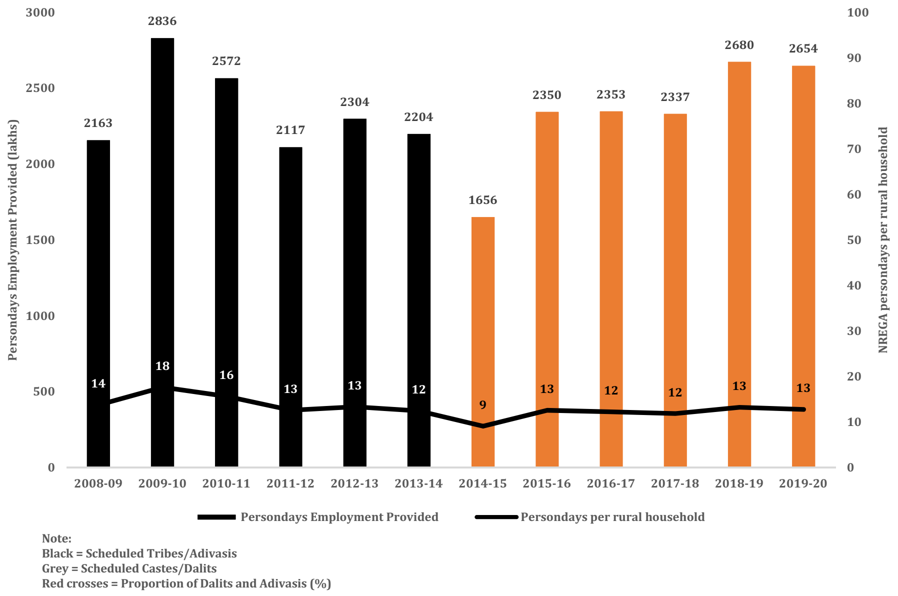

Fig. 2 NREGA person-days employment provided (lakhs) and person-days per rural household, 2008–2020. Note: Orange = NDA central government, Black = UPA central government. Source: www.nrega.nic.in, MIS Reports, Table R5.1.1 Employment Generated

before the pandemic lockdown, the average days of NREGA employment provided to participating households was the highest in Congress-ruled Rajasthan at 59 days, followed by the communist-led coalition in Kerala at 56 days (Fig. 2). All the other high performing states, such as Chhattisgarh, Madhya Pradesh, West Bengal and Andhra Pradesh, have offered greater NREGA employment when they were ruled by UPA coalition governments.

This has been a consistent trend evident throughout the 15 years of the implementation of the NREGA. In the federal polity, the cost of the implementation of NREGA is shared between the central government and the states in the ratio of 90:10, with the centre bearing the entire cost of unskilled wages and 75 per cent of the cost of materials. On the other hand, the states contribute to a quarter of the cost of materials and wages for skilled workers. That apart, state governments despite their limited revenue-raising capacity can also allocate additional funds to expand the person-days of NREGA work provided.

When the UPA coalition was in power in the centre and especially in the early days of NREGA implementation, states governed by non-NDA governments especially Rajasthan and Uttar Pradesh at that time provided more than 50 person-days of work annually (Fig. 3). Thereafter since the NDA coalition government assumed power at the centre in mid-2014, there has been an overall stagnation in NREGA employment provided especially in states which have been simultaneously ruled by the NDA such as Uttar Pradesh, Madhya Pradesh, Jharkhand, Chhattisgarh, Gujarat and Haryana, most of which also experience high levels of poverty. On the other hand, state government such as West Bengal and Kerala which have consistently

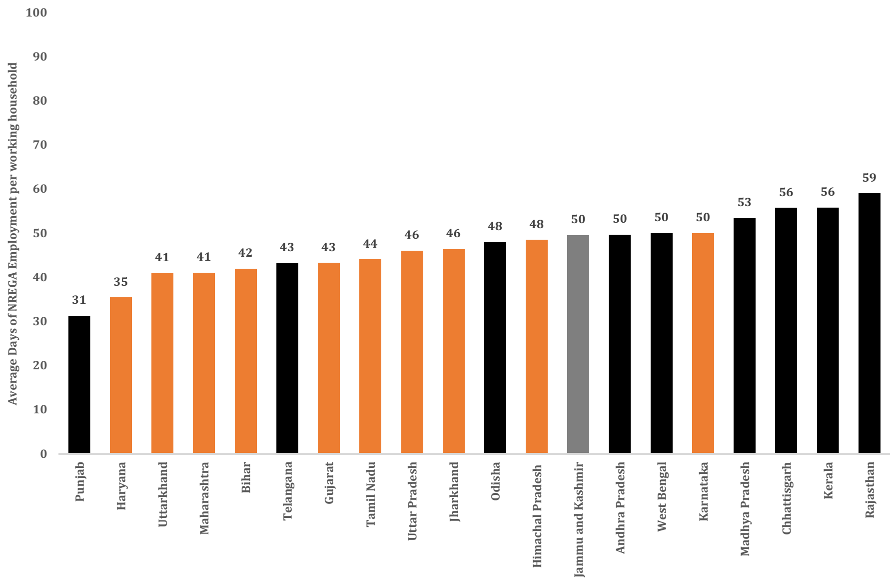

Fig. 3 Average days of Annual NREGA Employment in large states, 2019–2020. Note: In 2019–20, Orange = NDA coalition-ruled states, Black = non-NDA coalition-ruled states. In states in which there was a change in government in the period April 2019 to March 2020, the colour indicates the government in power for the longer duration. Source: www.nrega.nic.in, MIS Reports, Table R5.1.1 Employment Generated

elected non-NDA governments have witnessed a surge even in the post-2014 period with more than 50 days of employment provided to each worker perhaps through additional financial allocations from their own exchequers. Recently, the Odisha government has even increased the maximum NREGA work available to each family to 300 days in 4 districts prone to distress migration (Fig. 4).

That apart, there are also clear regional trends. The southern and eastern states, with the exception of Adivasi-dominated Jharkhand, Chhattisgarh and more recently Karnataka, have never been governed by NDA governments at the state level. On the other hand, NDA governments have been elected more often in the western and northern states, all of which provide less than half the guarantee of NREGA work annually to participating households. Even the north-eastern states, which have consistently had high commitment to NREGA, have all displayed a sharp decline (and then a modest resurgence) in the provision of employment since 2014 when the NDA coalition governments have ascended to power at the centre and within these states.

4 International Experiences

Since the turn of the millennium, apart from India, three countries have implemented 'employer of the last resort' programmes extensively to address their high unemployment rates. The *Jefes* programme in Argentina and the Expanded Public

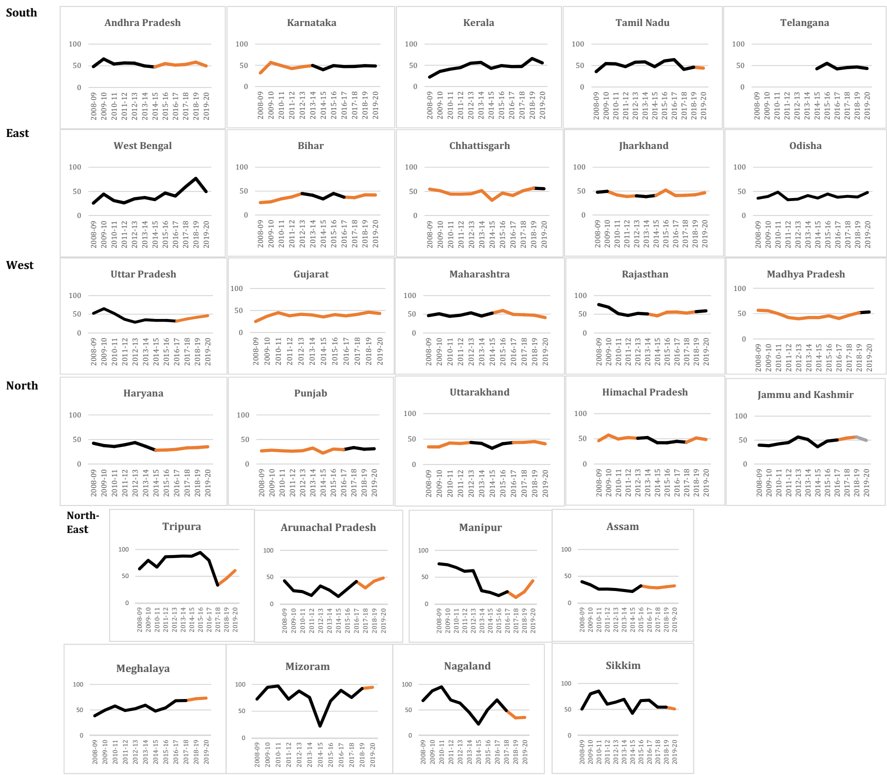

Fig. 4 Average annual days of employment received by participating NREGA households in large states, 2008–2020. Note: Orange = NDA coalition-ruled states, Black = non-NDA coalition-ruled states, Grey = Governor's Rule. Source: www.nrega.nic.in, MIS Reports, Table R5.1.1 Employment Generation

Works Programme (EPWP) in South Africa, predate the NREGA in India while Ethiopia's Productive Safety Nets Programme (PSNP) was implemented almost simultaneously. That apart, smaller initiatives also include the Rwandan Vision 2020 Umurenge Programme, Bangladesh's 100-day Employment Generation Programme and Nepal's Food for Work programme in the impoverished Karnali zone. However, all these schemes provide important lessons.

4.1 Argentina

After Argentina's 2001 financial collapse, unemployment increased to 21.5 per cent (Tcherneva, 2013). This resulted in a series of nationwide civil society 'cacerolazo' protests coordinated by the coalition Frente Nacional Contra la Pobreza (FRENAPO, i.e. the National Front Against Poverty) which toppled the government and demanded the implementation of a jobs programme. Thereafter, the interim president enacted into law by an emergency order the 2002 *Plan Jefes y Jefas de Hogares* (Plan Jefes in short) programme for unemployed heads of households. However, only families with either children under age 18 or persons with disabilities or a pregnant woman were eligible to apply. The programme offered work to eligible households in a community project, which included day-care centres, homeless shelters, soup kitchens, urban farming, recycling, repairing of water supply, sewer and pluvial networks, maintenance of tourist areas and other initiatives including those organised by the poor and unemployed themselves.

Intrahousehold self-selection decisions ensured that by 2005, nearly three of every four *Jefes* workers were women, with the majority from the bottom income quintile. The government therefore modified the name to add "*y Jefas de Hogar*" (and female heads of household). At its peak, the programme employed 2 million Argentinians, i.e. 5 per cent of the population and 13 per cent of the labour force. The *Jefes* plan was centrally funded but locally administered in a federal administration. *Plan Jefes* provided a modest wage of 150 pesos per month (which itself was below the poverty line) for a minimum of four hours of daily work. Though the programme was able to reduce indigency by 25 per cent, due to the low wage it was not necessarily able to lift families out of poverty.

The programme expenditure peaked at 1 per cent of GDP. However, the Argentinean Ministry of Labour estimated that Plan Jefes generated a multiplier augmentation of 2.2–2.5 per cent of GDP (Tcherneva, 2013).

In 2003 when Argentina's Jefes' was launched, it offered a competitive wage of 150 pesos when the minimum wage was 230 pesos. But by 2010, the treshold had jumped to 980 pesos while the Jefes subsidy remained unchanged. As the scheme become unviable to protect even the indigent population from impoverishment, it shrunk into oblivion and after 4.5 years the government closed the programme. This is an important lesson, even for India, to ensure that wages are indexed to inflation.

Nevertheless, *Plan Jefes* helped to establish a wage floor even for workers in other sectors and helped formalise the informal sector as beneficiaries were issued social security cards and their progress tracked after transition. However, several evaluations indicate that women were disappointed when the programme was phased out and continued to work on projects even when they were exempt, as "without exception (they) wanted to work rather than receive a welfare check of equal amount" due to the indignity associated with handouts (Tcherneva 2013: 93). The work also contributed to their self-worth, empowerment, solidarity and pride. They considered their transformative contribution to be a form of "social motherhood" (Altman, 2003).

4.2 South Africa

The Expanded Public Works Programme (EPWP) launched in 2003 was an amorphous initiative with employment and training strategies embedded within government and state-owned enterprises. Since inception, it has provided 8 million employment opportunities to unskilled, unemployed, poor, vulnerable and differently-abled persons. In 2017, 32 per cent of work opportunities created were to build physical infrastructure which included construction of schools, roads and clinics. 20 per cent of works were in environment, culture, social and community work sectors which includes a wide range from maintenance of parks, wetlands, libraries, water supply, waste management and promotion of tourism, arts and crafts to early childhood development, community care and community safety. Finally, 8 per cent of works were to support non-state activities to deliver services which included non-profits and community organisations.

The minimum wages provided are adjusted annually and in 2017 were approximately ZAR 50 (≈ $6.5) per day. The Community Works Programme (CWP) is one of its most successful components where beneficiaries, largely from urban shantytowns or squatters, are extensively trained to self-select and manage work. Each participant receives work for approximately 2 days a week or 100 days a year (Marais & Mlilo, 2018). In 2015–2016, beneficiaries were provided with approximately 88 days of work on an average and the total programme cost was approximately 1 per cent of GDP. Simultaneously, women's participation had grown to 69 per cent and youth 46 per cent. In the 15 years of its implementation, the programme has created 8 million work opportunities.

However, the persistence of unemployment in South Africa indicates that the programme, unless expanded, would not be able to fulfil its potential. In 2015, the South African official unemployment rate was 26 per cent, of whom, even in post-apartheid South Africa 80 per cent were Black Africans, half were women and 42 per cent young people. In 2015, for example, there were only 1.1 million beneficiaries of EPWP who received short-term (four to six months) employment, compared to the 7.4 million who were unemployed. The essential flaw is that EPWP has become a supply rather than demand-driven programme and therefore is unable to support all unemployed who need work. Studies have therefore suggested expansion of work opportunities in early childhood development and home- and community-based care. Modelled estimate also suggests that the implied multiplier effect of the EPWP programme in terms of pro-poor annual GDP growth is greater than its cost of implementation (Kim & Antonopoulos, 2008).

4.3 Ethiopia

Ethiopia's Productive Safety Nets Programme (PSNP), on the other hand, is designed as a more enduring large-scale initiative. It commenced in 2005 in collaboration with several donors and now provides 7.8 million citizens with approximately 20 days of employment each month for 6 months of the year. The payment is in cash (8 birr ≈ 0.5 USD per day in 2009) or food (3 kg of grain) or a combination of the two. This flexible dual payment mode has enabled PSNP to improve household food security, even during the unprecedented food price inflation of 2008 which acutely eroded household purchasing power. In 2008, many PSNP workers preferred to switch to food transfers and those opting for cash fell from 74 per cent in 2005 to 48 per cent in 2008. Cash transfers were in fact phased out in many places, as the PSNP cash wages had only risen by 33 per cent since inception, as compared to a 350 per cent rise in food prices over the same period.

The flexible dual payment method of food and cash offered in Ethiopia also presents an alternative for India which has unprecedented foodgrain stocks in government granaries and with NREGA plagued by payment delays. This provision is also embedded in the NREGA law which permits 75 per cent of wages to be paid as food. However, the country should have the administrative wherewithal to execute beneficiary choices effectively and be willing to forgo the higher multiplier of cash. The existence of India's public distribution system offers ample possibilities for this flexibility, especially for families who may be deprived of ration cards.

5 Discussion: Scope for Expansion

After the pandemic, there has been a surge in demand for NREGA employment. However, the increase has been insufficient and there is an urgent need to expand the guarantee. Therefore, five facets of expansion have been recommended. First, the doubling of the annual guarantee from 100 to 200 days. However, this will at best be a notional exercise as only 7 per cent of employed households completed 100 days in 2019–2020 Even at its peak in 2008–2009, only 14 per cent of households benefitted. Nevertheless, this remains an important demand in light of the mass destitution experienced due to the pandemic.

More importantly, there is a need to increase the total nationwide person-days of employment generated which almost halved in 2014–2015 (1.65 billion), compared to its peak in 2008–2009 (2.84 billion). Even a decade later in 2019–2020 (2.65 billion), NREGA employment has still not surpassed this peak.

Third, most urgently, there is a need to increase wages to at least the minimum wages and prevent delays in payment at a time of acute economic distress. However despite the post-pandemic additional expansion of the NREGA budget to ₹1 lakh crore, almost half the allocated funds had already been exhausted in the first quarter of the financial year.

The fourth dimension for expansion is the support for migrants. The government in June 2020 launched a new Pradhan Mantri Garib Kalyan Rojgar Abhiyan, with striking similarity to the NREGA. Despite its sizeable budget (which merely front-loaded 25 existing schemes), the coverage was restricted to only a handful of northern districts, and a third of temporary jobs were created only by the Indian Railways. However, 56 per cent of funds remained unused a month before the closure of the scheme, which had generated merely 10 per cent of the annual person-days of NREGA, despite widespread return of migrants to cities in desperate search of jobs.

Fifth, after the pandemic, there is increased demand for the replication of NREGA in urban cities and towns. Thus far, only few states such as Tripura and Kerala have experience with an urban employment scheme. Jharkhand has also recently announced an urban employment plan. In this context, economist Jean Drèze's recent proposal for Decentralised Urban Employment and Training (DUET) has been the most debated (Drèze, 2020b). The plan proposes that central or state governments issue 'job stamps' which signify one person-day of work and distribute them to approved institutions to arrange work and employ workers. On completion, the government pays the statutory minimum wages directly into the worker's account on presentation of job stamps with a duly filled work certificate from the employer. Several economist have supported this proposal with suggestions for decentralised pilots (Sukhtankar, 2020) especially in urban local bodies (Mookherjee, 2020) and small towns (Bardhan, 2020) with flexible implementation (Aiyar, 2020), without labour contractors (Afridi, 2020; Kotwal, 2020; Kulkarni, 2020) with a focus on industrial policy (Dhingra, 2020) and expansion to include informal workers (Basole & Swamy, 2020) and gradually move towards a universal justiciable right (Ray, 2020) based on experiences of other countries (Ravallion, 1999).

6 Conclusion

NREGA is a pioneering law designed with the larger vision to not only provide employment, but also activate low tiers of elected governance, empower women and marginalised communities, build productive assets and transform the rural landscape. The entitlement has served as a lifeline for millions of families especially in the aftermath of the pandemic. However, its implementation in the last 15 years has been far short of its potential as an employer of the last resort. At its highest peak during the pandemic, it was able to support 75 million families, or more than a third of rural households. But the demand for the programme has consistently outstripped supply, and untimely payment of wages have contributed to a “discouraged worker effect.”

Further, as this research indicates, successive NDA governments at the centre and the states have undermined the employment provision of this demand-based legal entitlement. Therefore, in the post-pandemic situation, there is an urgent need for the Indian government’s minimalist allocation to be increased to revive this employment guarantee. In almost all the countries which have implemented similar public works schemes, be they middle-income countries like Argentina or South Africa or low-income countries like Ethiopia, the cost has rarely exceeded more than 1 per cent of GDP. Argentina was able to allocate resources for this fiscal stimulus even in the midst of a financial crisis.

Therefore, five facets of expansion of NREGA are recommended especially in the context of the pandemic due to acute levels of inflation, unemployment, livelihood barriers and impoverishment—to double the guaranteed days of employment, increase the person-days of employment provided to each rural household, increase inflation-indexed wages to at least be on par with the minimum wages in all states, extend support for migrants and create an urban employment guarantee. With the multiplier effect, the ability of public employment programmes to regenerate GDP ensures their long-term viability as a means to protect the universal right to work. The more understated role of employment programmes to protect households from hunger is incalculable.

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