

# WOMEN'S ECONOMIC EMPOWERMENT IN INDIA

## Policy Landscape on Social Protection

March 2020

## ABOUT THE DOCUMENT

The document, Policy Landscape on Social Protection is part of a larger study on the landscape of Women's Economic Empowerment (WEE) policies in India. It is published along with a main summary document and six other documents, that together look at domains relevant to WEE - collective action, unpaid work, skill development, quality work, social protection, property and assets, and financial inclusion.

The primary objective of the landscaping study is to map the relevant schemes and policies that are closely aligned with the objective of promoting economic empowerment for women in India. In addition to undertaking a mapping exercise, the authors were tasked with analysing various

central and state government schemes, studying current priorities, international conventions and best practices for promoting women's economic empowerment, and reviewing relevant evaluations to identify implementation and evidence gaps.

The study employs a critical gender lens to identify promising exemplars of transformative policies in terms of design features, implementation efficacy and impact. It also highlights the gaps in the broader policy landscape of India with respect to women as well as in evidence.

Overall, the study aims to inform priorities for addressing critical evidence, data and knowledge gaps to improve the enabling environment for women's economic empowerment, and reduce the barriers for accessing quality work in India.



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## SOCIAL PROTECTION

Systems of social protection can enable societies to advance the well-being and security of their citizens by protecting them from vulnerability and deprivation. They can also help unleash human potential, facilitating structural change, increasing stability, advancing social justice and cohesion, and promoting economic dynamism.<sup>1</sup>

Social protection is perceived very differently by different stakeholders. Some define social protection narrowly to cover only specific categories of vulnerable people suffering from specific conditions. A more transformative view is found in the definition given by international organisations such as ODI, ADB, World Bank, and ILO.<sup>2</sup> ILO defines social protection as ‘the provision of benefits to households and individuals through public or collective arrangements to protect against low or declining living standards’. Within the ILO framework, social protection is divided between protective measures (which have the specific objective of guaranteeing relief from deprivation), preventive measures (which directly seeks to avert deprivation in various ways), and promotional measures (which aims to enhance real incomes and capabilities).<sup>3</sup> The World Bank definition of social protection says that social protection systems help the poor and vulnerable cope with crises and shocks, find jobs, invest in the health and education of their children, and protect the aging population.<sup>4</sup> Overall, it can be said that social protection initiatives offer a buffer against shocks and minimises their adverse impact on the vulnerable.

India, beginning from the 1970s, has launched various social protection schemes such as the Integrated Child Development Scheme (ICDS), Public Distribution System (PDS), and several self-employment and wage employment programs

in an effort to ameliorate deprivation, and to prevent inequality in terms of income, healthcare, nutritional status, educational attainment, and to improve access to economic resources and opportunities. However, as some reports suggest, India’s focus has traditionally been aimed at tackling capability deprivation (inadequate nutrition, lack of employment, low educational attainment), rather than providing safety nets to deal with contingency risks (health shocks, death, disability).<sup>5</sup> Even where safety nets have been put in place, these tend to cover those belonging to the formal or organised sector who comprise a miniscule part of India’s overall workforce.<sup>6</sup> This is apparent by way of many labour laws such as the Minimum Wages Act, 1948, the Industrial Disputes Act, 1947, the Equal Remuneration Act, 1976 etc., applicable to India’s organised sector. While these enhance quality of work conditions and ensure parity and equal participation in work related processes, they also ensure welfare, justice and equity, which are all hallmarks of social protection, thereby earning a mention within this section.

Traditionally, India’s labour market has been characterised by extreme inequalities, with a large section being engaged in agriculture, self-employment, and informal labour.<sup>7</sup> This is especially true for women; a large number of women in India find employment in the unorganised/informal sector, and therefore, tend to fall outside the scope of social protection necessary to empower them. This results in them being subject to high-levels of livelihood insecurity, culminating in poverty and vulnerability.

When it comes to addressing gender inequality and economically empowering women, social protection policies play an important role by giving women access to labour markets, addressing economic risks faced by working families and helping poor households meet their basic needs.<sup>8</sup>

<sup>1</sup> A lifecycle continuum investment for social justice, poverty reduction and sustainable development, A. Bonilla Garcia and J.V. Guat, International Labour Office, 11/ 2003, <https://www.ilo.org/public/english/protection/download/lifecycl/lifecycle.pdf>

<sup>2</sup> Transformative social protection, Stephen Devereux and Rachel Sabates- Wheeler, IDS Working Paper 232, 10/ 2004, [https://www.unicef.org/socialpolicy/files/Transformative\\_Social\\_Protection.pdf](https://www.unicef.org/socialpolicy/files/Transformative_Social_Protection.pdf)

<sup>3</sup> Transformative social protection, Stephen Devereux and Rachel Sabates- Wheeler, IDS Working Paper 232, 10/ 2004, [https://www.unicef.org/socialpolicy/files/Transformative\\_Social\\_Protection.pdf](https://www.unicef.org/socialpolicy/files/Transformative_Social_Protection.pdf)

<sup>4</sup> Understanding Poverty: Social Protection, Website of the World Bank Group, <https://www.worldbank.org/en/topic/socialprotection>

<sup>5</sup> Social Protection in India: The Present and the Future, Amiya Sharma, Blog of socialprotection.org, 18/04/2017, <https://socialprotection.org/discover/blog/social-protection-india-present-and-future-part-1-2>

<sup>6</sup> Note: As per ILO’s India Labour Migration Update 2018, India’s overall proportion of informal workers in total employment (e.g., unorganized sector workers plus informal workers in the organized sector) has remained relatively stable, at around 92%. See more at [https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---sro-new\\_delhi/documents/publication/wcms\\_631532.pdf](https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---sro-new_delhi/documents/publication/wcms_631532.pdf)

<sup>7</sup> A social protection floor for India, Ravi S. Srivastava, International Labour Organisation, 2013, [https://in.one.un.org/wp-content/uploads/2016/09/wcms\\_223773.pdf](https://in.one.un.org/wp-content/uploads/2016/09/wcms_223773.pdf)

<sup>8</sup> Women’s empowerment, Social protection - Human Rights, United Nations, <https://socialprotection-humanrights.org/key-issues/gender/womens-empowerment>



In doing so, they also provide opportunities to address the historical imbalances that have kept women disadvantaged when compared to their male counterparts. Accordingly, this section centres around social protection schemes launched by the Indian government which benefit women and further the cause of their economic empowerment. Other schemes under this section offering benefits that could be construed as social protection include maternity benefits and childcare services for women, which have been analysed in the unpaid work section, and have therefore, been excluded from being repeated in this section. Instead, this section focuses on the analysis of the Mahatma Gandhi National Rural Employment Guarantee Act, 2005, the Pradhan Mantri Jan Aarogya Yojana as well as the National Social Assistance Program. These initiatives target varying groups of beneficiaries and development targets, the details of which can be found below.

## BARRIERS FOR WOMEN IN SOCIAL PROTECTION

India is continuously striving to address and reduce the burden of poverty on disadvantaged groups, especially women. Having said that, there are a number of barriers to the realisation of social protection schemes that have been mentioned below:

## SOCIAL PROTECTION SCHEMES – TRENDS

Social protection schemes are considered a core facilitator to women becoming economically empowered, so it understandably remains a priority both at the state and the central level. Largely, these schemes service sectors such as health (particularly in ensuring maternity and post-pregnancy support to women), as well as in providing financial aid such as pensions, financial support to vulnerable groups, and employment guarantee support. While both centre and state coordinate over certain centrally sponsored or managed schemes, there are a few independently managed states schemes as well. Such schemes however are not confined to a single Ministry, instead, they can be found across a number of Ministries including Rural Development, Finance, Health & Family Welfare etc.

Some of the government's big banner schemes, implemented across the country, such as PMJAY (Pradhan Mantri Jan Arogya Yojana) and Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) fall within this thematic area. Though PMJAY, as a relatively newer entrant to the domain occupies less than 7 percent of the total health budget, it did see a substantial hike of Rs. 4,000 crores in allocations between budgets, indicating the government's strong interest in

Concerns	Barriers
Beneficiary identification	<ul style="list-style-type: none"> <li>Schemes that require beneficiary identification or which don't allow for self-selection by beneficiaries are likely to be onerous for the government and may result in sections of beneficiaries being left out of the programme or unintended groups being included</li> </ul>
Process for claiming benefits	<ul style="list-style-type: none"> <li>Excessive administrative requirements with respect to document submissions, visits to government offices etc. can significantly reduce uptake of social protection schemes</li> </ul>
Social norms	<ul style="list-style-type: none"> <li>Patriarchal social norms that inhibit women's participation pose as barriers. For instance, for availing benefits from the ICDS scheme, women are required to go to anganwadi centres; sometimes households do not permit women to use these services</li> </ul>
Financial inclusion	<ul style="list-style-type: none"> <li>The lack of financial inclusion can act as a significant barrier to social protection schemes that rely on direct bank transfers, and may therefore, inhibit women from enrolling in programmes</li> </ul>
Financial capacity of the state	<ul style="list-style-type: none"> <li>Absence of strong budgetary support and lack of state capacity for disbursements of goods and services can act as a barrier to programmes and schemes</li> </ul>
Incentives and corruption	<ul style="list-style-type: none"> <li>Leakages in finances due to corruption and misalignment of incentives of various stakeholders can cause barriers with respect to disbursement of social protection schemes</li> </ul>
Awareness	<ul style="list-style-type: none"> <li>High levels of illiteracy (34.54 percent) among Indian women as reported in the 2011 Census and lack of awareness can limit their agency and decrease uptake of social protection schemes and programmes</li> </ul>

promoting the scheme.<sup>9</sup> MGNREGA allocations, as always continue to show generous outlays, with the 2019-20 budget allotting it Rs. 60,000 crores, making it one of the government's largest social protection schemes.<sup>10</sup> The other big banner intervention in this domain happens to be the NSAP (National Social Assistance Programme) which has been around a while. With a budget outlay of Rs. 9,200 crores this current year, NSAP continues to offer a buffer to citizens in case of unemployment, old age, sickness and disability.<sup>11</sup> An umbrella scheme subsuming a number of smaller sub-schemes engaged in pension distribution, NSAP has however, had its actual expenditure fall short of budgeted allocations over years.

Smaller schemes in this bucket, such as the Pradhan Mantri Matru Vandana Yojana (PMMVY), looks at providing quality maternal health services as part of antenatal care, and demonstrate an allocation that falls short of the intended number of beneficiaries on the basis of Government of India's own estimates.<sup>12</sup> Equally interesting to note is the Pradhan Mantri Shram Yogi Maandhan (PMSYM) scheme, meant to

provide pensions for unorganised sector workers – and benefit India's domestic workers (who are largely women), also carries a budget allocation that is too small to be truly impactful.

The overarching trend drawn from the schemes within the social protection bucket is that the government shows demonstrable commitment to larger schemes like MGNREGS and PMJAY, by aligning its budget and fund utilisation. However, with regard to smaller schemes that target a specific women demographic (such as pregnant women), or where women fall part of a larger vulnerable group (aged people, domestic workers), the government has not done much beyond token allocations. Therefore, there is a need to strongly engage with the government and seek support for policies and interventions in this bucket to ensure continued women economic empowerment.

A long list schemes and policies that fall within the social protection bucket – both implemented by the central government, and those run by states - can be found below.



Photos by UN Women/Gaganjit Singh - flickr

<sup>9</sup> Budget 2019: Ayushman Bharat gets less than 7% of the total budget of health ministry, Krishnand Tripathi, Financial Express, 07/09/2019, <https://www.financialexpress.com/budget/budget-2019-ayushman-bharat-gets-less-than-7-of-the-total-budget-of-health-ministry/1638004/>

<sup>10</sup> Demand for Grants 2019-20 Analysis -Rural Development, PRS India <http://www.prsindia.org/parliamenttrack/budgets/demand-grants-analysis-rural-development>

<sup>11</sup> Demand for Grants 2019-20 Analysis -Rural Development, PRS India <http://www.prsindia.org/parliamenttrack/budgets/demand-grants-analysis-rural-development>;

<sup>12</sup> Numbers That Count An Assessment of the Union Budgets of NDA II, CBGA, February 2019, <http://www.cbgaindia.org/wp-content/uploads/2019/02/Numbers-That-Count-An-Assessment-of-the-Union-Budgets-of-NDA-II.pdf>

## SOCIAL PROTECTION SCHEMES – NATIONAL LEVEL

Policy Name	Focus Area	Target Group	Geographical Reach	Implementing Mechanism	Longwe Framework Bucket	Past Evaluations
Pradhan Mantri Surakshit Matritva Abhiyan	Providing quality maternal health services as part of antenatal care	Pregnant women in the 2nd or 3rd trimester of their pregnancy	National	Conditional and non-contributory (health services)	Welfare	Studies & evaluations on the impact or status of the scheme on women not undertaken/not readily available.
Janani Suraksha Yojana (JSY)	Reduction of maternal and infant mortality by promoting institutional delivery	All pregnant women belonging to the Below Poverty Line (BPL) households and ST category	National	Conditional and non-contributory (cash transfers)	Welfare	<p>How Is Janani Suraksha Yojana Performing in Backward Districts of India?, CPR India, 2013<sup>13</sup></p> <ul style="list-style-type: none"> <li>48 percent deliveries took place in government facilities and 9.5 percent in private facilities. Of the 42.5 percent deliveries at home, a skilled person was present in only 69 percent deliveries.</li> <li>94.5 percent women delivering in a government facility received the JSY benefit, of which 95 percent received payment at the institution and 89 percent received it in one instalment.</li> <li>The median days to receive benefits in case of delivery in government facilities are 4 while mean number of days are 10. For home deliveries, payment on average is 23 days after the delivery.</li> <li>With respect to ASHAs — 16 percent women reported transport arrangements being made by ASHAs, only 72 percent women delivering in government facilities reported a health worker staying with them during delivery, and only 28 percent of women delivering at a government facility reported an ASHA visiting them within 7 days.</li> </ul>
Janani Shishu Suraksha Karyakaram (JSSK)	Free and cashless services to pregnant women in rural and urban government health institutions	All pregnant women delivering in public health institutions	National	Conditional and non-contributory (health services)	Welfare	Studies & evaluations on the impact or status of the scheme on women not undertaken/not readily available.

<sup>13</sup> How Is Janani Suraksha Yojana Performing in Backward Districts of India?, Ambrish Dongre and Avani Kapur, Economic and Political Weekly, 19/10/2013, [https://www.cprindia.org/sites/default/files/articles/How\\_Is\\_Janani\\_Suraksha\\_Yojana\\_Performing\\_in\\_Backward\\_Districts\\_of\\_India.pdf](https://www.cprindia.org/sites/default/files/articles/How_Is_Janani_Suraksha_Yojana_Performing_in_Backward_Districts_of_India.pdf)

Policy Name	Focus Area	Target Group	Geographical Reach	Implementing Mechanism	Longwe Framework Bucket	Past Evaluations
Pradhan Mantri Matru Vandana Yojana (PMMVY)	Pradhan Mantri Matru Vandana Yojana (PMMVY)	PW&LM of 19 years of age and above, for first live child in family, who are not employed by the government or availing similar services under other schemes	National	Conditional and non-contributory (cash transfers)	Welfare	<p>Progress Report, Ministry of Women and Child Development, 2018<sup>14</sup></p> <ul style="list-style-type: none"> <li>Uttar Pradesh processed and paid the maximum number of applications within 10 days and Andhra Pradesh processed and paid the maximum number of applications within 11-30 days.</li> <li>Mizoram disbursed about 70 percent of the payments within 10 days.</li> <li>Bihar had the maximum percentage of ineligible first claims.</li> <li>Most applications are re-submitted due to Aadhaar authentication failure or bank account validation failure.</li> </ul>
Indira Gandhi Matritva Sahyog Yojana	Conditional maternity benefit to promote better healthcare for PW&LM	PW & LM of 19 years of age and above for first 2 live births	National	Conditional and non-contributory (cash transfers)	Welfare	<p>Quick Evaluation Study on Indira Gandhi Matritva Sahyog Yojana, NITI Aayog<sup>15</sup></p> <ul style="list-style-type: none"> <li>93 percent of the beneficiaries were aware of the benefits under IGMSY; 99 percent beneficiaries had received their MCP cards.</li> <li>Most beneficiaries had obeyed the conditions under the programme.</li> <li>83 percent beneficiaries reported that Rs. 6,000 was not enough to meet pregnancy related expenses.</li> <li>The implementation of the scheme in some states, however, was not satisfactory.</li> </ul>

<sup>14</sup> Year End Review 2018, Ministry of Women and Child Development, 17/01/2019, <https://www.edristi.in/ministry-of-women-child-development-year-end-review-2018/>

<sup>15</sup> Quick evaluation study on Indira Gandhi Matritva Sahyog Yojana (IGMSY), NITI Aayog, 04/ 2017, <https://ideas.repec.org/p/ess/wpaper/id11750.html>



Policy Name	Focus Area	Target Group	Geographical Reach	Implementing Mechanism	Longwe Framework Bucket	Past Evaluations
Ayushman Bharat	Reduction of out of pocket medical and hospitalisation expenses by providing health insurance cover	Rural, deprived households and identified occupations in urban areas	National	Conditional and non-contributory (health services)	Welfare	Studies & evaluations on the impact or status of the scheme on women not undertaken/not readily available.
Atal Pension Yojana	Pension for unorganised workers	Unorganised sector workers	National	Conditional and contributory (social insurance)	Welfare	<p>Atal Pension Yojana: A Critical Appraisal by Sant Lal Arora and Amitabh Kundu (2018)<sup>16</sup></p> <ul style="list-style-type: none"> <li>• The assured rate of interest is very low, and is a disincentive for people to invest in the scheme</li> <li>• Persons over 40 yrs of age are not allowed to invest in the scheme, leaving out 30 percent of working population.</li> <li>• Important to bring BPL people within the ambit of the scheme; contributions may come from other government schemes.</li> </ul>

<sup>16</sup> Atal Pension Yojana: A critical appraisal, Sant Lal Arora and Amitabh Kundu, Economic and Political Weekly, 12/05/2018, <https://www.epw.in/journal/2018/19/notes/atal-pension-yojana.html>



Policy Name	Focus Area	Target Group	Geographical Reach	Implementing Mechanism	Longwe Framework Bucket	Past Evaluations
Pradhan Mantri Shram-Yogi Maandhan Yojana	Pension for unorganised workers	Unorganised workers whose monthly income is less than Rs. 15,000 and belonging to the age group of 18-40 years and who are not covered under New Pension Scheme (NPS), Employees' State Insurance Corporation (ESIC) scheme or Employees' Provident Fund Organisation (EPFO), and nor are they an income tax payer	National	Conditional and contributory (social insurance)	Welfare	Studies & evaluations on the impact or status of the scheme on women not undertaken/not readily available.
Indira Gandhi National Widow Pension Scheme	Pension for widows	Widows in the age group 40-79 years belonging to BPL families	National	Conditional and non-contributory (social insurance)	Welfare	Studies & evaluations on the impact or status of the scheme on women not undertaken/not readily available.

Policy Name	Focus Area	Target Group	Geographical Reach	Implementing Mechanism	Longwe Framework Bucket	Past Evaluations
Pradhan Mantri Vaya Vandana Yojana	Pension for senior citizens	Senior citizens (who have completed 60 years of age)	National	Conditional and contributory (social insurance)	Welfare	Studies & evaluations on the impact or status of the scheme on women not undertaken/not readily available.
Varishtha Pension Bima Yojana	Pension for senior citizens	Senior citizens (who have completed 60 years of age)	National	Conditional and contributory (social insurance)	Welfare	Studies & evaluations on the impact or status of the scheme on women not undertaken/not readily available.
Indira Gandhi National Old Age Pension Scheme	Pension for senior citizens	Persons above 60 years of age for BPL families	National	Conditional and non-contributory (social insurance)	Welfare	Studies & evaluations on the impact or status of the scheme on women not undertaken/not readily available.

Policy Name	Focus Area	Target Group	Geographical Reach	Implementing Mechanism	Longwe Framework Bucket	Past Evaluations
National Food Security Act	Food Security	Households under AAY and remaining households as priority households	National	Conditional and non-contributory (in-kind transfer)	Welfare (with associated impact on Access)	<p>Preparedness for Implementation of the National Food Security Act, CAG, 2015<sup>17</sup></p> <ul style="list-style-type: none"> <li>18 states had implemented NFSA and only 51 percent of the eligible beneficiaries in the country had been identified; many states did not carry out a fresh identification process but re-stamped old ration cards as being NFSA compliant.</li> <li>Doorstep delivery of foodgrains was only happening in Bihar and Delhi.</li> <li>Only six of the nine selected states/had grievance redress systems and in most cases they were not fully functional.</li> </ul> <p>Process Monitoring of Direct Benefit Transfer in PDS, JPAL, 2016<sup>18</sup></p> <ul style="list-style-type: none"> <li>Approximately half of the respondents did not receive cash regularly and 67 percent preferred in-kind transfers over DBT.</li> <li>34 percent respondents reported receiving no or less than full payment; on average, beneficiaries spent 74 minutes and Rs. 84 more under DBT than TPDS.</li> </ul>
Antoydaya Anna Yojana	Food security	Poorest BPL families	National	Conditional and non-contributory (in-kind transfer)	Welfare	Studies & evaluations on the impact or status of the scheme on women not undertaken/not readily available.
Annapurna Yojana	Food security	Persons above 65 years of age who do not receive any pension	National	Conditional and non-contributory (in-kind transfer)	Welfare	Studies & evaluations on the impact or status of the scheme on women not undertaken/not readily available.

<sup>17</sup> Report No. 54 of 2015: Audit on the Preparedness for Implementation of National Food Security Act, 2013, for the year ended March, 2015, Ministry of Consumer Affairs, Food and Public Distribution, Government of India, [https://cag.gov.in/sites/default/files/audit\\_report\\_files/Union\\_Civil\\_National\\_Food\\_Security\\_Report\\_54\\_of\\_2015.pdf](https://cag.gov.in/sites/default/files/audit_report_files/Union_Civil_National_Food_Security_Report_54_of_2015.pdf)

<sup>18</sup> India's National Food Security Act (NFSA): Early Experiences, Raghav Puri, LANSa Working Paper Series, 06/ 2017, <https://assets.publishing.service.gov.uk/media/5964831e40f0b60a44000154/NFSA-LWP.pdf>



Policy Name	Focus Area	Target Group	Geographical Reach	Implementing Mechanism	Longwe Framework Bucket	Past Evaluations
Sukanya Samriddhi Yojana	Financial stability and security for the girl child	Parents of girl child	National	Conditional and contributory (social insurance)	Welfare with (as-sociated impact on Access and Heightened Consciousness)	<p>Perception Towards Sukanya Samriddhi Account Yozana - A Comparative Study on Rural And Urban Areas, by Angamuthu (2016)<sup>19</sup></p> <ul style="list-style-type: none"> <li>• A little over 50 percent people were aware of the scheme, in both rural and urban areas.</li> <li>• Relationship between socio-economic factors and awareness of the scheme was stronger in urban than rural areas.</li> </ul> <p>What Constrains Financial Inclusion for Women? Evidence from Indian Micro data, Saibal Ghosh, D. Vinod (2017)<sup>20</sup></p> <p>The study concluded the following about female-headed households:</p> <ul style="list-style-type: none"> <li>• They are more likely than male-headed households to access informal sources of finance, than formal sources.</li> <li>• They are 20 percent less reliant on cash loans.</li> <li>• Education and wages are relevant factors in determining access to finance.</li> <li>• Political and social factors are relevant in determining the use of finance.</li> </ul>

<sup>19</sup> Perception Towards Sukanya Samriddhi Account Yozana - A Comparative Study on Rural And Urban Areas, Angamuthu, B. Sankalpa, Journal of Management & Research, 07/2016, <https://search.proquest.com/openview/e15db73c047c813dbe407d1728c31d68/1?pq-origsite=gscholar&cbl=2043257>

<sup>20</sup> What Constrains Financial Inclusion for Women? Evidence from Indian Micro data, Saibal Ghosh and D.Vinod, World Development, Page 60, 04/ 2017, <https://www.sciencedirect.com/science/article/abs/pii/S0305750X1630540X>;

Policy Name	Focus Area	Target Group	Geographical Reach	Implementing Mechanism	Longwe Framework Bucket	Past Evaluations
Mahatma Gandhi National Rural Employment Guarantee Act	Employment guarantee to people in rural areas	Adult members of rural households (both men and women)	National	Unconditional and non-contributory (public works)	Access (with associated impact on all indicators except Control)	<p><b>MGNREGA Implementation: A Cross-State Comparison, Princeton University, 2012<sup>21</sup></b></p> <ul style="list-style-type: none"> <li>• There is a strong positive correlation between literacy rates and the level of success in implementation of MGNREGA.</li> <li>• There is also a strong relationship between percent of worksites at which muster rolls are verified and scheme success.</li> <li>• Women participation ranges from 82 percent in Tamil Nadu to 15 percent in Uttar Pradesh.</li> </ul> <p><b>Performance Audit, CAG, 2013<sup>22</sup></b></p> <ul style="list-style-type: none"> <li>• Only 39 percent of the beneficiaries were aware about the key features of MGNREGA.</li> <li>• More than 50 percent job cards issued under the scheme either did not have photographs/signature/thumb impression, or employment and payment details were not updated.</li> <li>• Less than 25 percent of the survey participants reported social audits being conducted in their village.</li> <li>• Although Bihar, Maharashtra and Uttar Pradesh collectively accounted for 46 percent of the total rural population of the country, only 20 percent of the total funds were released to them.</li> <li>• 63 percent of the beneficiaries acknowledged that the scheme helped them avoid migration for work.</li> </ul> <p><b>National Institute of Rural Development, 2013<sup>23</sup></b></p> <ul style="list-style-type: none"> <li>• Both awareness and participation rates were higher for members of Self Help Groups (SHG), but on average, the level of awareness was low.</li> <li>• Participation in the scheme had a positive impact on the quality of life for a majority of the respondents.</li> </ul> <p><b>MGNREGA, paid work and women's empowerment, ILO, 2017<sup>24</sup></b></p> <ul style="list-style-type: none"> <li>• Average annual household income where men worked in MGNREGA was INR 65,901 annually and where women worked was INR 76,734; Women who worked in MGNREGA were more likely to have control over household decisions than other women.</li> <li>• Households with women workers have a higher likelihood of the oldest girl spending more hours in school.</li> </ul>

Policy Name	Focus Area	Target Group	Geographical Reach	Implementing Mechanism	Longwe Framework Bucket	Past Evaluations
Shelter for Urban Homeless	Providing the urban homeless population with access to permanent shelters and basic infrastructure facilities	Urban homeless population	National	Conditional and contributory (public works)	Welfare	<p>Homeless Shelters in Delhi, Indo-Global Social Service Society, 2018<sup>25</sup></p> <ul style="list-style-type: none"> <li>• 40 percent of the surveyed shelters were non-permanent porta cabins; 74 percent shelters were built only for males.</li> <li>• Almost all shelters were operational 24*7 and had toilets and lockers, but only 61 percent had bathrooms, only 46 percent had RO drinking water and only 38 percent had hot water.</li> <li>• Only 17 percent shelters were disabled-friendly.</li> <li>• In 73 percent of the shelters, no training and capacity building of the staff was carried out in the last year.</li> </ul>

<sup>21</sup> MGNREGA Implementation: A Cross-State Comparison, Kim Bonner, Jennifer Daum, Ellen Dinsmore, Kari Fuglesten, Leslie Lai, Julian Lee, Katherine Manchester, Feker Tadesse, Robert Quinn, Princeton University, 01/ 2012, <http://www.indiaenvironmentportal.org.in/files/file/MGNREGA%20Implementation%20A%20Cross-State%20Comparison.pdf>

<sup>22</sup> Report No. 6 of 2013: Performance Audit of Mahatma Gandhi National Rural Employment Guarantee Scheme, Comptroller and Auditor General of India, 2013, [https://cag.gov.in/sites/default/files/audit\\_report\\_files/Union\\_Performance\\_Civil\\_Ministry\\_Rural\\_Development\\_6\\_2013.pdf](https://cag.gov.in/sites/default/files/audit_report_files/Union_Performance_Civil_Ministry_Rural_Development_6_2013.pdf)

<sup>23</sup> Research Study on Factors facilitating participation of women in Mahatma Gandhi NREGS, C. Dheerja, N.V. Madhuri and Antaripa Daimari, National Institute of Rural Development, 04/2013, [http://nirdpr.org.in/nird\\_docs/rss/RS\\_98.pdf](http://nirdpr.org.in/nird_docs/rss/RS_98.pdf)

<sup>24</sup> MGNREGA, paid work and women's empowerment, International Labour Office, 2017, [https://www.ilo.org/wcmsp5/groups/public/---ed\\_emp/documents/publication/wcms\\_613735.pdf](https://www.ilo.org/wcmsp5/groups/public/---ed_emp/documents/publication/wcms_613735.pdf)

<sup>25</sup> Homeless shelters in Delhi, Social Audit report on Problems, Status and Challenges, Indo-Global Social Service Society, 13/02/2019, <https://igsss.org/researchpublication/homeless-shelters-in-delhi>



## SOCIAL PROTECTION SCHEMES – STATE LEVEL

Apart from the above, some state level schemes are summarised below.

Policy Name	Focus Area	Target Group	Geographical Reach	Implementing Mechanism	Longwe Framework Bucket	Past Evaluations
Amma Unavagam Canteen	Food security	People below the poverty line, economically weaker and low income groups	Tamil Nadu	Unconditional and contributory (in-kind transfer)	Welfare	Studies & evaluations on the impact or status of the scheme on women not undertaken/not readily available.
Ayushmati Yojana	Financial assistance for medication	Women from rural and landless families (namely, BPL and all SC/ST families)	Chattisgarh	Conditional (cash transfers)	Welfare	Studies & evaluations on the impact or status of the scheme on women not undertaken/not readily available.
Maher Ghar Scheme	Reducing maternal and neonatal mortality	Pregnant women, mainly in tribal and inaccessible areas	Maharashtra	Conditional and non-contributory (health services)	Welfare	Studies & evaluations on the impact or status of the scheme on women not undertaken/not readily available.
Laxmi Bai Social Security Pension	Pension for widows	All widows above 18 years whose annual family income is less than Rs. 60,000	Bihar	Conditional and non-contributory (social insurance)	Welfare	Studies & evaluations on the impact or status of the scheme on women not undertaken/not readily available.
Samajwadi Pension Yojana (Effective till 2017)	Pension for all eligible citizens	Families living below the poverty line	Uttar Pradesh	Conditional and non-contributory (social insurance)	Welfare	Studies & evaluations on the impact or status of the scheme on women not undertaken/not readily available.
Women State Homes	Safe environment with basic facilities provided to residing women	Destitute women, teenage mothers, women who are victims of atrocities in the age group of 16-60 years	Maharashtra	Conditional and non-contributory (social insurance)	Welfare	Studies & evaluations on the impact or status of the scheme on women not undertaken/not readily available.

## ANALYSIS

As seen from the tables above, there are several government interventions aimed at providing social security to vulnerable populations, mainly below poverty households. The two primary interventions of the central government – MNREGA and PMJAY – are implemented jointly by the central and state government, with implementation falling in the latter's domain. These schemes are gender neutral, although MNREGA has a provision ensuring that one-third of all jobs are reserved for women. Many similar interventions, in the areas of employment guarantee and affordable healthcare, are also in existence in states across the country. Apart from these, social assistance for the elderly, widows and the poor is also a focus area for the government.

In this section, we present a brief analysis of two schemes in social protection – PMJAY and MNREGA. These schemes have been selected basis four factors – targeting, size, differences in design and evaluations undertaken. We also provide a short analysis of some of the pension initiatives run by the government.

**PMJAY:** PMJAY was launched in 2018 to provide access to poor and vulnerable households to affordable healthcare. It is a successor scheme of the Rashtriya Swasthya Bima Yojana (RSBY) and has increased health coverage to five lakh rupees per household. The scheme is targeted at about 50 crore people based on the Socio-Economic Caste Census (SECC) data and other occupational categories in urban areas. It enables access to treatment for identified medical conditions at empanelled hospitals.

Based on the analysis of scheme documents, it appears that the most noticeable change from RSBY to PMJAY is elimination of the enrolment process which was one of the criticisms of RSBY. However, the scheme is implementation heavy and requires strong administrative control and monitoring. States have been given the flexibility to implement the scheme, either via trusts set up by the government, or through insurance companies, or via a model

using a mixed approach. While the trust model may facilitate higher claims disbursement, it is likely to test the state's capacity to check cost escalation by hospitals, and carries the potential for excessive settlement payments which shall be payable from government coffers. Some states have chosen to back out of the scheme's implementation or focus on implementing replacement state schemes instead. Additionally, states that are performing well on health indicators (such as Kerala and Tamil Nadu), and those with under-developed health systems (like Jharkhand), are also feeling disincentivised when it comes to implementing the scheme.

Another potential issue is the question of financial viability; though no evaluations have been published on PMJAY till date, most likely due to the recent launch of the scheme. However, an independent study undertaken by a group of economists in 2018, estimated the premium cost to be over Rs 2,400 per family, which was more than double the centre's estimation of Rs. 1,000. Also, the scheme largely covers tertiary and secondary care, without covering primary healthcare. This may be problematic as women beneficiaries are more likely to visit primary health facilities like mohalla clinics, PHCs, etc. largely due to cultural and social barriers, and these remain outside the ambit of the scheme.

**MNREGA:** MGNREGA was conceived with the idea of creating a rights-based framework guaranteeing work/livelihood, social security and economic upliftment, particularly in the rural areas of the country through creation of 100 days of guaranteed unskilled employment per year. In the last 14 odd years since its inception, it has achieved a lot, beginning with how, on an average, 5 crore families find employment under the Act every year, and how, a bulk of those employed involve women, SC/STs and others vulnerable members of society. On the whole the programme has consistently seen higher participation of women, more than the 33 percent quota originally mandated.

The major benefit of the programme is the way it is structured, which allows for self-identification of beneficiaries, thereby reducing administrative

### NATIONAL SOCIAL ASSISTANCE PROGRAMME

The National Social Assistance Programme (NSAP) was launched by the Indian Government in 1995. It was an umbrella programme that carried five sub-schemes, including pensions for the old and disabled, and for widowed women. The other components included basic food provision and cash transfers in the event of death of the primary breadwinner of a BPL family. Though a well-meant scheme, a Task Force (TF) set up by the administering Ministry of Rural Development in 2012, identified several shortcomings in implementation, especially leakages and payment delays, and recommended reforms in the scheme. As a result, the metrics of beneficiary identification were revised and payments tightened. A vetting process using local government institutions such as Gram Sabhas were introduced and stricter timelines, electronic transfers and increased monitoring was recommended for payments. This is understood to have significantly improved the programme. In terms of the scheme's impact on women, there is lack of data on impact. This is compounded by the fact that the scheme, apart from the widow pension aspect, largely remains gender-neutral.

burden on the state, to a great extent. Coupled with mechanisms such as social audits, and sharpened by Aadhaar seeding and Direct Benefit Transfers, MGNREGA has gone a long way towards tightening leakages in its implementation.

While it has been criticised for poor asset creation, labour scarcity and wage inflation, the scheme has many perks as well, particularly in relation to job creation for disadvantaged/vulnerable communities like women, nearer to their place of residence. The Act and the programme under it has positively impacted women beneficiaries, with studies reporting their increased involvement and improved bargaining power at homes in terms of consumption choices, in the upbringing of their children (particularly the girl child), as well as in their political engagement. It has also indirectly helped enforce the minimum wage law by creating viable paying alternatives for all workers in rural areas, thereby even benefitting labourers who do not participate. This was found most helpful when it came to women workers found in exploitative sectors like farm labour and domestic work. Scheme convergence under MGNREGA is also beginning to address issues relating to the creation of durable assets. Thus, while implementation heavy, it has been one of the better functioning social protection schemes, especially for vulnerable communities like women.<sup>26</sup>

That said, the Act has seen variations in its implementation across the states, basis the political structure, level of collective mobilisation and socio-cultural barriers. Issues that stand out glaringly remain the caste and political biases that tend to influence the programme's functioning. These considerations are largely felt when it comes to rationing of work, shelving of projects, and while conducting social audits. MGNREGS was also seen to suffer overall from some administrative lapses such as delay in payment of wages and non-submission of monitoring reports due to capacity issues. Though these lapses have been found across states, the states where women are afforded more mobility, where collective action such as through SHGs is greater, and where the state machinery, particularly the lower levels are more responsive, are seen to perform better.

*(A detailed analysis of the above schemes can be found in the Annexure)*

## INTERNATIONAL BEST PRACTICES

### Affordable healthcare

**1. Vietnam:** Vietnam has gained increasing attention for its public health coverage and the government's efforts to include all its citizens in the health system. The Vietnam Social Security (VSS) reported that the number of participants in its health insurance has increased to 83.6 million, or 87.7 percent of the population in 2019.<sup>27</sup> This has been done by adopting a bottom-up approach to providing healthcare; instead of focusing on major hospitals and urban health centres, the government focused on local health centres in both rural and urban areas and offered insurance.<sup>28</sup> In addition to this, the Vietnamese government also entered into strategic public private partnerships and created a new Working Group for Primary Healthcare Transformation led by the Vietnamese Ministry of Health that included various actors from the public, non-profit, and private sectors. The group's founding partners are the World Economic Forum, Harvard Medical School, and Novartis.<sup>29</sup> This helped invest in the required capabilities, resources and knowledge sources, and contributed to expanding health services to common medical issues like diabetes, hypertension, and respiratory conditions, and improved patient health education and continuing medical education for health professionals.

### Employment guarantee

**1. Argentina:** Argentina's Jefes programme<sup>30</sup> provided a cash transfer to heads of unemployed households with dependents. In order to limit the people availing benefits under the programme to those in greatest need, the participants were required to undertake 20 hours of community work, training activities, or employment in a private company with a wage subsidy or attend school for six months. While the programme did not alter the overall poverty rate, it had a significant impact on the incidence of extreme poverty.

<sup>26</sup> Note: The women participation rate in Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) has been 55% in FY 2015-16, 56% in FY 2016-17, 53% in FY 2017-18 and 53% in 2018-19 (as on 07.12.2018) which has been above the statutory requirement of 1/3rd women participation under MGNREGS, as per the Mahatma Gandhi National Rural Employment Guarantee Act, 2005. As taken from <https://rural.nic.in/pressrelease/women-participation-under-mgnregs>

<sup>27</sup> Health insurance coverage expanded to 87.7 percent of VN population, Vietnam.net, 14/03/2019, <https://english.vietnamnet.vn/fms/society/219843/health-insurance-coverage-expanded-to-87-7-percent-of-vn-population.html>

<sup>28</sup> How developing countries can achieve universal health coverage, Jorg Reinhardt, Project Syndicate, 24/06/2019, <https://www.project-syndicate.org/commentary/vietnam-universal-health-care-public-private-partnerships-by-jorg-reinhardt-2019-06?fbclid=IwAR3oYzvDheEBCaoyBOXI9OzWsVgNF-XXsaPwhlv9TwFS9BzILHO4Uxdjyhs>

<sup>29</sup> How developing countries can achieve universal health coverage, Jorg Reinhardt, Project Syndicate, 24/06/2019, <https://www.project-syndicate.org/commentary/vietnam-universal-health-care-public-private-partnerships-by-jorg-reinhardt-2019-06?fbclid=IwAR3oYzvDheEBCaoyBOXI9OzWsVgNF-XXsaPwhlv9TwFS9BzILHO4Uxdjyhs>

<sup>30</sup> Social Protection in a Crisis: Argentina's Plan Jefes y Jefas, Emanuela Galasso and Martin Ravallion, Development Research Group, World Bank, 11/2003, <http://documents.worldbank.org/curated/en/293801468769297568/pdf/wps3165.pdf>



**2. South Africa:** The Expanded Public Works Programme (EPWP)<sup>31</sup> aims at providing employment to individuals from vulnerable sections of the society through asset creation, with a particular focus on imparting on-the-job skill training. The EPWP cuts across different ministries and gives each ministry the responsibility of a project that lies within its technical expertise, to avoid all projects being treated in the same manner. At the same time, to ensure integration amongst the various projects, the overall implementation of the programme is handed to the Department of Public Works (DPW). However, this scheme is currently operating at a small scale, reaching less than 3 percent of the unemployed population. The scheme additionally focuses on providing training, to ensure that the benefits received under the scheme are not short term, but instead facilitate sustainable poverty reduction through skill development.<sup>32</sup>

## GAPS AND RECOMMENDATIONS

Based on the above analysis, the report makes the following key recommendations for the social protection section:

**1. Across social protection schemes: Improving implementation efficiency and strengthening focus on women.** Administrative issues such as leakages to ineligible beneficiaries, delays in payments, cumbersome procedures and lack of effective grievance redressal systems cut across social protection schemes.

To improve beneficiary identification, each scheme could prescribe clear guidelines on identification and frequency of updation of lists, as well as correlate lists with datasets under other schemes to reduce errors. Beneficiary lists could also be vetted using local government institutions such as Gram Sabhas, as is done in other schemes such as PMAY(G) and NRLM. The government could also attempt to simplify processes, use direct bank transfers wherever possible and publish citizen's charters with clear procedures and timelines for servicing complaints. Increased focus

may also be put on streamlining service delivery through coordination among implementing ministries to converge resources.

Finally, monitoring and evaluation systems using gender-disaggregated information could be strengthened to evaluate and suitably modify programmes and schemes. The number of women in the implementation structure for existing interventions could also be increased, especially in those interventions that target women. This will help uptake and improve outcomes for women.

### 2. PMJAY: Improving access to affordable healthcare for women

Given concerns about the scheme's design, it could help to conduct an impact assessment of the different models being adopted by states to understand which is likely to work better in the Indian context. In theory, a hybrid model might be better suited to balance the interests of welfare provision while leveraging the incentives of insurance companies to control cost escalation. Establishing an ombudsman to resolve grievances could also help strengthen delivery.

Specifically, with respect to women, it'll be important to increase focus on primary and secondary healthcare that is likely to be more frequently accessed by women. Focusing on preventive care and converging different health services under a single mission might also help with improving the delivery of affordable healthcare.

### 3. MGNREGA: Leveraging social audits by SHGs

Reports indicate that in many places social audits are either not conducted, and if they are conducted, are poorly done. This affects the scheme's effectiveness severely. It has also been observed that social audits conducted by SHGs are often more thorough than when conducted by members selected otherwise, however well intentioned. Therefore, it might be useful to leverage SHGs for this purpose. Not only will this improve accountability of the administration, it will also increase the power of women collectives in their communities.

<sup>31</sup> Employment creation programmes: The international experience, Stephen Devereux and Colette Solomon, International Labour Office, 08/2006, <https://www.ids.ac.uk/files/disc24.pdf>

<sup>32</sup> Employment creation programmes: The international experience, Stephen Devereux and Colette Solomon, International Labour Office, 08/2006, <https://www.ids.ac.uk/files/disc24.pdf>

# **SOCIAL PROTECTION ANNEXURE**

**Detailed Scheme Analysis**

## Pradhan Mantri Jan Arogya Yojana (PMJAY)

Name	Pradhan Mantri Jan Arogya Yojana (PMJAY)
Type	Centrally Sponsored Scheme
Focus area	Reduction of out of pocket medical and hospitalisation expenses by providing health insurance cover
Target group	Rural, deprived households and identified occupational categories of urban workers' families
Geographical reach	National
Scheme size	Union Budget 2019-20: Rs. 6,400 crores
Past evaluations	None

## BACKGROUND AND OBJECTIVE

Ayushman Bharat, also known as the National Health Protection Scheme, was launched in 2018 as a programme aimed at providing a comprehensive need-based healthcare service, geared towards the achievement of Universal Health Coverage (UHC) in the country.

Ayushman Bharat has two components — (1) Health and Wellness Centres which provide comprehensive primary health care, including maternal and child care, communicable diseases, and drugs and diagnostic services; and (2) Pradhan Mantri Jan Arogya Yojana (PMJAY) which provides a health insurance cover to beneficiaries for listed services covering pre and post hospitalisation, diagnostics and medicines.<sup>33</sup> PMJAY aims to reduce the financial burden on poor and vulnerable households arising out of sudden health emergencies which results in high out of pocket expenses.

In this analysis, we focus on PMJAY.

## EVOLUTION OF PMJAY

The Unorganised Workers Social Security Act, enacted in 2008, stated that the government will implement social security schemes to shield unorganised workers from risks arising due to

disability, health shocks and old age.<sup>34</sup> In light of this, the Government of India rolled out the Rashtriya Swasthya Bima Yojana (RSBY) in 2008, as a national health insurance scheme, which provided an insurance cover of Rs. 30,000 per family per annum to Below Poverty Line (BPL) households to provide protection against hospitalisation expenses.<sup>35</sup> RSBY was initially overseen by the Ministry of Labour and Employment as the scheme was designed for the welfare of unorganised sector workers. In order to integrate RSBY into a comprehensive health care system, it was subsequently transferred to the Ministry of Health and Family Welfare (MoHFW) in 2015.<sup>36</sup>

In 2017, MoHFW sought to provide senior citizens from BPL families above the age of 60 years, a cover of Rs. 30,000 per annum as treatment packages for senior citizens, over and above their RSBY entitlement, under the Senior Citizen Health Insurance Scheme (SCHIS).<sup>37</sup>

Subsequently, the government recognised the need to converge the various health protection schemes implemented by the central and state governments, and to fulfil the vision of Universal Health Coverage as envisaged by the National Health Policy 2017.<sup>38</sup> Thus, in order to increase the efficiency and coverage of health insurance, the government announced the Ayushman Bharat programme during the 2018-2019 budget speech, which is to be implemented by MoHFW and subsumes both RSBY as well as SCHIS.<sup>39</sup>

<sup>33</sup> Ayushman Bharat for a new India 2022, announced, Ministry of Women and Child Development, Government of India, 01/02/2018, <http://pib.nic.in/newsite/PrintRelease.aspx?relid=176049>

<sup>34</sup> Section 3, Unorganised Workers' Social Security Act, 2008.

<sup>35</sup> Operational Manual of Rashtriya Swasthya Bima Yojana, Ministry of Labour & Employment, Government of India, [http://rsby.gov.in/Docs/Revamp%20of%20RSBY%20Phase%20I%20-%20Operational%20Manual\(Released%20on%2011th%20June%202014\).pdf](http://rsby.gov.in/Docs/Revamp%20of%20RSBY%20Phase%20I%20-%20Operational%20Manual(Released%20on%2011th%20June%202014).pdf)

<sup>36</sup> Health and Family Welfare Ministry to Implement RSBY Scheme from Tomorrow, Ministry of Labour & Employment, Government of India, 31/03/2015, <http://pib.nic.in/newsite/PrintRelease.aspx?relid=117875>

<sup>37</sup> Health Insurance for Elderly, Ministry of Health and Family Welfare, Government of India, 31/03/2017, <http://pib.nic.in/newsite/PrintRelease.aspx?relid=160322>

<sup>38</sup> National Health Policy 2017, Ministry of Health and Family Welfare, Government of India, <https://mohfw.gov.in/sites/default/files/9147562941489753121.pdf>

<sup>39</sup> Cabinet approves Ayushman Bharat – National Health Protection Mission Benefit cover of Rs. 5 lakh per family per year, Ministry of Health and Family Welfare, Government of India, 21/03/2018, [https://www.business-standard.com/article/news-cm/cabinet-approves-ayushman-bharat-national-health-protection-mission-118032200267\\_1.html](https://www.business-standard.com/article/news-cm/cabinet-approves-ayushman-bharat-national-health-protection-mission-118032200267_1.html)



## POLICY DESIGN

PMJAY is intended to cover 10.74 crore poor, deprived rural families and identified occupational category of urban workers' families as per the latest Socio-Economic Caste Census (SECC) data, both rural and urban, along with all families that were enrolled under the RSBY but are not identified by the SECC.<sup>40</sup> The beneficiaries under the scheme are entitled to a cover of Rs. 5 lakhs per family per annum, with no restrictions on the age and number of family members.

The scheme is based on entitlement, which means that there is no need for formal enrolment. While the targeted beneficiaries can also avail an e-card issued by the State Health Agency (SHA), treatment cannot be denied for non-presentation of this card.<sup>41</sup> Beneficiaries are entitled to free treatment at all empanelled public and private hospitals (known as Empanelled Health Care Providers - EHCPs), including secondary and tertiary care hospitalisation, upon presentation of identity proof, and hospitals are not to charge any additional money from beneficiaries for the treatment.

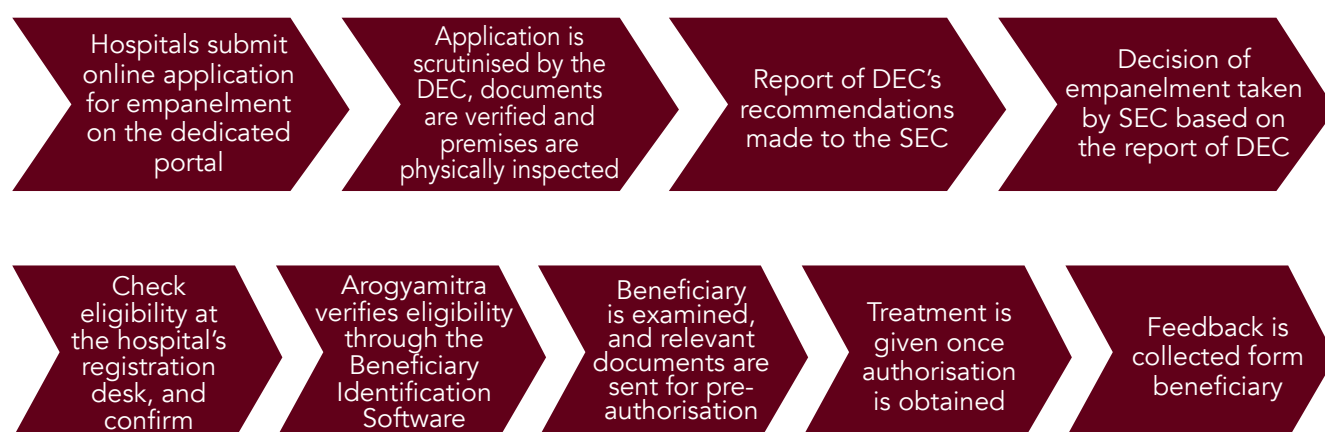
The National Health Authority (previously the National Health Agency) is an office under the MoHFW with full functional autonomy, tasked with the design and implementation of PMJAY along with state governments. Similarly, state governments are required to set up State Health Agencies (SHAs), which are tasked with ensuring effective implementation of the scheme. The SHAs are also responsible for carrying out awareness programmes amongst the targeted families to ensure that they

are informed of their entitlement, benefit cover, empanelled hospitals and the process to avail the services under PMJAY.<sup>42</sup>

The process of beneficiary identification and issuance of e-cards is the combined responsibility of the MoHFW, the state governments and the SHAs.<sup>43</sup> The MoHFW must ensure that the list of targeted beneficiaries is prepared and the state government must put up the requisite infrastructure at resident contact points to perform beneficiary identification and to issue e-cards. The SHA must set up teams to carry out the process of issuance of e-cards based on documentation provided by the beneficiaries, and upon verification of the documents with the PMJAY database, the e-card is to be issued to the beneficiary. The beneficiaries can check their eligibility under the scheme at empanelled hospitals, resident contact points, or online.

The SHAs are responsible for conducting the empanelment procedure for hospitals, through a State Empanelment Committee (SEC) and District Empanelment Committees (DEC).<sup>44</sup> Further, all public hospitals (CHCs and above) which are providing services under Ayushman Bharat are deemed as empanelled hospitals for PMJAY. The hospitals are required to renew their empanelment every 3 years or when their accreditation by the National Accreditation Board for Hospitals (NABH) expires. The process of empanelment is laid out below.

Hospital empanelment is the prerequisite for any beneficiary claiming treatment under the scheme. Once this is done, the process of availing benefits on visiting an empanelled facility is laid out below.<sup>45</sup>



<sup>40</sup> Beneficiary Identification Guidelines, Ayushman Bharat - Pradhan Mantri Jan Arogya Yojana, National Health Authority, [https://www.pmjay.gov.in/sites/default/files/2018-07/GuidelinesonProcessofBeneficiaryIdentification\\_0.pdf](https://www.pmjay.gov.in/sites/default/files/2018-07/GuidelinesonProcessofBeneficiaryIdentification_0.pdf)

<sup>41</sup> Beneficiary Identification Guidelines, Ayushman Bharat - Pradhan Mantri Jan Arogya Yojana, National Health Authority, [https://www.pmjay.gov.in/sites/default/files/2018-07/GuidelinesonProcessofBeneficiaryIdentification\\_0.pdf](https://www.pmjay.gov.in/sites/default/files/2018-07/GuidelinesonProcessofBeneficiaryIdentification_0.pdf)

<sup>42</sup> Beneficiary Identification Guidelines, Ayushman Bharat - Pradhan Mantri Jan Arogya Yojana, National Health Authority, [https://www.pmjay.gov.in/sites/default/files/2018-07/GuidelinesonProcessofBeneficiaryIdentification\\_0.pdf](https://www.pmjay.gov.in/sites/default/files/2018-07/GuidelinesonProcessofBeneficiaryIdentification_0.pdf)

<sup>43</sup> Beneficiary Identification Guidelines, Ayushman Bharat - Pradhan Mantri Jan Arogya Yojana, National Health Authority, [https://www.pmjay.gov.in/sites/default/files/2018-07/GuidelinesonProcessofBeneficiaryIdentification\\_0.pdf](https://www.pmjay.gov.in/sites/default/files/2018-07/GuidelinesonProcessofBeneficiaryIdentification_0.pdf)

<sup>44</sup> Guidelines on Process of Empanelment for Hospital, Ayushman Bharat - Pradhan Mantri Jan Arogya Yojana, National Health Authority, <https://www.pmjay.gov.in/policy-and-guidelines>

<sup>45</sup> PM-JAY Process flow at Empanelled Hospitals, National Health Agency, <https://www.pmjay.gov.in/sites/default/files/2018-09/PM-JAY%20Process%20Flow%20at%20Empanelled%20Hospitals.pdf>

The scheme gives states the flexibility to implement the scheme either through an insurance company or directly through a trust/society/Implementation Support Agency (ISA) or a mixed approach. The insurance model involves government paying premiums to insurance companies who then settle claims through a third party agency service provider. The trust/society model involves the government transferring lump sums from the annual budget to the trust fund which then settles claims by working with a dedicated team as in the case of insurance companies.

Lastly, the NHA has established a Central Grievance Redressal Management System (CGRMS) for resolution of complaints of any beneficiaries, healthcare providers, insurers or its employees, or

the SHA or its employees. Complaints range from issues such as denial of treatment, money sought for treatment, rejection of insurance claim, delay in receipt of premium, amongst others, and must be dealt with as per the Grievance Redressal Matrix.<sup>46</sup> The matrix lays down the turnaround time for the grievances registered to be resolved, varying from 48 hrs to 30 days from the date of receipt.

## POLICY ANALYSIS

Below, PMJAY is mapped to an analysis structure that combines the Longwe Gender Analysis Framework and supplements it with the two lenses on policy design discussed previously - Alignment of Incentives and Implementation Intensity.

Levels of Recognition/ Levels of Equality	Negative	Neutral	Positive	State Capability/ Implementation Intensity	Alignment of Incentives
Control				Low	Misaligned
Participation					
Heightened Consciousness					
Access					
Welfare					

### Welfare

By providing basic welfare services such as healthcare, PMJAY assures social protection to those who can't afford such services. However, since the services are provided equally to men and women, it is marked 'Neutral' on Welfare.

### Access

PMJAY has no component directly addressing the issue of Access.

### Heightened Consciousness

PMJAY has no component directly addressing the issue of Heightened Consciousness.

### Participation

PMJAY has no component directly addressing the issue of Participation.

### Control

PMJAY has no component directly addressing the issue of Control.

### State Capability/ Implementation Intensity

As a scheme, PMJAY is implementation intensive and requires strong state capability to implement, mainly on account of the following reasons:

- **Beneficiary identification:** The PMJAY relies on SECC data to identify beneficiaries. Along with defined groups from the SECC, the scheme also covers people employed in specific occupations as well as anyone covered under the erstwhile RSBY.<sup>47</sup> Further, according to the scheme guidelines, the states must create beneficiary identification contact points at various locations where people can verify their eligibility and obtain an e-card to avail health services under the scheme. There are further guidelines on addition of family members, verification by the insurance provider or trust (as applicable) and collecting relevant data. Many of these activities are transaction intensive and give power to local functionaries, which may lead to inclusion and exclusion errors. All of this for the estimated 50 crore beneficiaries requires high state capacity in order to implement effectively.

<sup>46</sup> Grievance Redressal Guidelines, Ayushman Bharat - Pradhan Mantri Jan Arogya Yojana, National Health Authority, 01/2019, [https://ayushmanbharatharyana.in/assets/pdfs/2-7-2019/GuidelineforGrievanceRedressal\\_0.pdf](https://ayushmanbharatharyana.in/assets/pdfs/2-7-2019/GuidelineforGrievanceRedressal_0.pdf)

<sup>47</sup> Ayushman Bharat- Pradhan Mantri Jan Arogya Yojana, Beneficiary Identification Guidelines, National Health Authority, [https://www.pmjay.gov.in/sites/default/files/2018-07/GuidelinesonProcessofBeneficiaryIdentification\\_0.pdf](https://www.pmjay.gov.in/sites/default/files/2018-07/GuidelinesonProcessofBeneficiaryIdentification_0.pdf)

- **Monitoring:** Given the number of beneficiaries, healthcare providers and the multiple medical conditions covered under the scheme, the scheme requires rigorous monitoring on a real time basis to ensure that beneficiaries receive what they are entitled to. While a large part of the scheme is technology-enabled, which means that data-driven monitoring can be done remotely, finer implementation aspects such as beneficiary awareness, delivery of e-cards and grievance redressal place significant administrative load on the system.

## Alignment of Incentives

Incentive alignment must be evaluated for each stakeholder involved in the process. These are the beneficiaries, hospitals/healthcare providers, arogyamitras and the insurance companies/ trusts. These are evaluated in details below.

### 1. Beneficiaries

- a. Since the scheme does not require formal enrolment of the beneficiaries for issuing e-cards, they do not lose time in enrolment (as was the case previously, under RSBY). Therefore, the beneficiaries do not lose wages for the time required to enrol which eliminates the disincentive that existed under RSBY.
- b. The scheme puts a lot of pressure on secondary and tertiary healthcare, but not enough on primary health care (and attendant services), which is often the first point of contact for most beneficiaries. While PHCs and other smaller health services are likely to be found in geographically far-flung areas, the same cannot always be said of secondary and tertiary services. This could disincentivise beneficiaries, particularly women from availing the service.

### 2. Hospitals and healthcare providers

- a. The scheme incentivises private players to setup speciality hospitals in remote and non-urban areas, as it provides them a guaranteed source of income through the treatment of beneficiaries. This is especially true for those medical specialities for which patients travel to the nearest city, or in some cases to the capital city of the state, to avail of treatment.
- b. The scheme also incentivises hospitals to improve their quality and services and reach a certain

standard which is shown through their NABH accreditation. Accredited hospitals are provided further incentives in the form of package rates for treatment as opposed to those who are not accredited.<sup>48</sup>

- c. However, given that hospital bills will now be paid by either the insurance companies or the trusts set up by the government instead of the beneficiaries directly, hospitals will have an incentive to prescribe additional procedures and/or nudge patients to undertake unnecessary treatment.
- d. In case of large super-speciality hospitals which the government aims to empanel under the scheme, the treatment package rates are often a disincentive since they are lower than the market value, which results in lower revenues for such hospitals. Therefore, it is important for the government to ensure that the package rates are set in consultation with such hospitals to ensure that beneficiaries do not lose out quality treatment.

### 3. Arogyamitras

- a. Arogyamitras are the first point of contact for beneficiaries availing treatment under the scheme. However, the guidelines leave it to states to decide how their payments are to be made, including any incentives.<sup>49</sup> Considering the vital role played by Arogyamitras in supporting the beneficiaries to avail the scheme benefits, it is important that they are properly incentivised.

### 4. Insurance Companies/ Trusts<sup>50</sup>

- a. At scale, insurance companies will be able to spread their risks better. However, participation by insurance companies will depend on the premium rates prescribed under the scheme.
- b. Insurance companies will also have an incentive to check misbehaviour by hospitals in cost escalation. This will aid in the implementation of the scheme. However, insurance companies will also have the incentive to deny claims; therefore, a stringent monitoring mechanism will be required.
- c. Unlike the insurance model, the government-run trust model may not have the capacity (or the incentives) required to monitor hospital behaviour; this may lead to leakages and dent the effectiveness of the scheme. However, the trust model may be quicker with respect to disbursement of claims.

<sup>48</sup> Can PMJAY fix India's healthcare system? Crossing five hurdles on the path to universal health coverage, Gautam Chikermane, Oommen C. Kurian, ORF Occasional Paper, 10/2018, <https://www.orfonline.org/research/can-pmjay-fix-india-healthcare-system-crossing-five-hurdles-path-universal-health-coverage-44940/>

<sup>49</sup> Guidelines for Pradhan Mantri Arogya Mitra (PMAM), National Health Authority, [https://www.pmjay.gov.in/sites/default/files/2019-03/Guidelines\\_for\\_PMAM\\_0.pdf](https://www.pmjay.gov.in/sites/default/files/2019-03/Guidelines_for_PMAM_0.pdf)

<sup>50</sup> Can PMJAY fix India's healthcare system? Crossing five hurdles on the path to universal health coverage, Gautam Chikermane, Oommen C. Kurian, ORF Occasional Paper, 10/ 2018, <https://www.orfonline.org/research/can-pmjay-fix-india-healthcare-system-crossing-five-hurdles-path-universal-health-coverage-44940/>

## PROGRESS IN IMPLEMENTATION

The PMJAY scheme was announced in the 2018 Budget speech and has only been in implementation for a year.

The 2018-19 RE made a provision of Rs. 2,400 crores for PMJAY, which was revised upwards to Rs. 6,400

crores in the 2019-20 budget. The steep increase in allocated funds can be explained by the scaling of the scheme in its second year, as well as the covering of more beneficiaries. Also to be kept in mind is that the previous allocation of Rs. 2,400 crore was for the last five months of FY 2018-19 whereas the 2019-20 budget is for the entire year.

As on	Beneficiaries Admitted in Hospital	Number of Claims Submitted	Claim Amount Submitted (Rs.)
16 December 2018	5,52,649	4,21,474	548.1 crore
8 February 2019	10,34,943	7,91,457	1,020.2 crore

Source: Lok Sabha Questions<sup>51</sup>

Further, as on 8 February 2019, 13,779 hospitals were empanelled into the scheme,<sup>52</sup> and over 1.2 crore beneficiaries were issued e-cards.<sup>53</sup>

## EVALUATIONS UNDERTAKEN

While there are many studies and evaluations on RSBY, no evaluations have been published on PMJAY till date, most likely due to the recent launch of the scheme. That said, an independent study undertaken by a group of economists in 2018, basis directions by the Finance Commission to assess future costs of the programme found the premium cost to be over Rs 2,400 per family, which was more than double the centre's estimation (which was Rs. 1,000)<sup>54</sup>, putting a question mark over the scheme's sustainability. As a result of this, yet another concern raised in the study was the probability of PMJAY alone taking up 75 percent to over 100 percent of the centre's annual health budget, creating a fund crisis for other major health initiatives.<sup>55</sup>

## CONCLUDING NOTE

Based on the analysis of scheme documents, it appears that the most noticeable change from RSBY to PMJAY is elimination of the enrolment process which was one of the criticisms of RSBY.

Further, PMJAY also appears to make a concerted effort to ensure that the potential beneficiaries are aware of their entitlements. However, there remain a few issues within PMJAY, beginning with the potential for excessive cost in premium payments which are payable from government coffers, as discussed above. This has led to multiple states backing out of its implementation or choosing to focus on implementing replacement state schemes instead.<sup>56</sup> Additionally, states performing well on health indicators (such as Kerala and Tamil Nadu), and those with under-developed health systems (like Jharkhand), are also likely to feel disincentivised when it comes to implementing it.

This may put a question mark on the very viability of the scheme. Also, the scheme largely covers tertiary and secondary care, without covering primary healthcare.<sup>57</sup> This may be problematic as women beneficiaries are more likely to visit primary health facilities like mohalla clinics, PHCs, etc. largely due to cultural and social barriers, and these remain outside the ambit of the scheme. Therefore, it would be equally important to spend money on, and put thrust on primary health care facilities. However, this is not to downplay the need to strengthen tertiary and secondary healthcare services, given that both go hand-in. It is equally important to incentivise the private sector to make these services accessible and affordable to the poorer population.<sup>58</sup>

<sup>51</sup> Starred Question 94, Ministry of Health and Family Welfare, Lok Sabha, 8/12/2019, <http://164.100.24.220/loksabhaquestions/annex/17/AS94.pdf>; Starred Question 172, Ministry of Health and Family Welfare, Lok Sabha, 21/12/2019, <http://164.100.24.220/loksabhaquestions/annex/16/AS172.pdf>

<sup>52</sup> Starred Question 94, Ministry of Health and Family Welfare, Lok Sabha, 8/12/2019, <http://164.100.24.220/loksabhaquestions/annex/17/AS94.pdf>

<sup>53</sup> Unstarred Question 1095, Ministry of Health and Family Welfare, Lok Sabha, 8/12/2019, <http://164.100.24.220/loksabhaquestions/annex/17/AU1095.pdf>

<sup>54</sup> Independent study on PMJAY scheme costs upsets government, 18/02/2019, <http://www.newindianexpress.com/nation/2019/feb/18/independent-study-on-pmjay-scheme-cost-upsets-government-1940159.html>

<sup>55</sup> Independent study on PMJAY scheme costs upsets government, 18/02/2019, <http://www.newindianexpress.com/nation/2019/feb/18/independent-study-on-pmjay-scheme-cost-upsets-government-1940159.html>

<sup>56</sup> Ayushman Bharat: Policy, perception and the yet unknown reality, Vasundhara Singh, 29/06/2019, <https://www.orfonline.org/expert-speak/ayushman-bharat-policy-perception-and-the-yet-unknown-reality-52562/>

<sup>57</sup> Ayushman Bharat: Policy, perception and the yet unknown reality, Vasundhara Singh, 29/06/2019, <https://www.orfonline.org/expert-speak/ayushman-bharat-policy-perception-and-the-yet-unknown-reality-52562/>

<sup>58</sup> In Ayushman Bharat, primary and secondary healthcare complement each other, 21/03/2019, <https://indianexpress.com/article/opinion/columns/ayushman-bharat-scheme-amartya-sen-healthcare-sector-5636552/>

# Mahatma Gandhi National Rural Employment Guarantee Act

Name	Mahatma Gandhi National Rural Employment Guarantee Act, 2005
Type	Centrally Sponsored Scheme
Focus area	To enhance livelihood security by guaranteeing minimum days of wage employment
Target group	Adult members of rural households who are willing to do unskilled manual work
Geographical reach	National, except 100 percent urban districts
Scheme size	<ul style="list-style-type: none"> <li>Budget 2019-20: 60,000 crore</li> <li>Revised Budget 2018-19: 61,084.09 crore</li> </ul>
Past evaluations	<ul style="list-style-type: none"> <li>MGNREGA Implementation: A Cross-State Comparison, by Princeton University, 2012 [LINK]</li> <li>Performance Audit, by CAG, 2013 [LINK]</li> <li>Research on Factors Facilitating Participation Of Women in MGNREGS, National Institute of Rural Development, 2013 [LINK]</li> <li>MGNREGA, paid work and women's empowerment, ILO, 2017 [LINK]</li> </ul>

To sum up, PMJAY is a very well-intentioned, though gender neutral, scheme. On paper, PMJAY appears to have resolved some of the issues identified in RSBY's design and implementation, but only time and evaluations will address the question on whether or not the scheme is working effectively, particularly with respect to Indian women.

## BACKGROUND AND OBJECTIVE

The Mahatma Gandhi National Rural Employment Guarantee Act, 2005 (MGNREGA or 'the Act') was enacted with the primary objective of enhancing the livelihood security of rural households by guaranteeing a minimum of 100 days of unskilled manual work.<sup>59</sup> Through this activity, the Act also sought to achieve the creation of durable community assets, empowerment of rural women and reduction in urban migration.<sup>60</sup> The implementation of the Act is overseen by the Ministry of Rural Development (MoRD).

## EVOLUTION OF MGNREGA

The government has been implementing several schemes since the 1960s, aimed at enhancing the employment and food security of rural households. Formed by merging the National Rural Employment Programme (NREP) and the Rural Landless Employment Guarantee Programme (RLEGP) in 1989,

the Jawahar Rozgar Yojana (JRY) was implemented to provide additional employment for the unemployed and under-employed persons in rural areas, to create strong assets and to create sustained employment by way of the newly created infrastructure.<sup>61</sup> The JRY was restructured in 1999 into the Jawahar Gram Samridhi Yojana (JGSY), with the objective of shifting from wage employment to creation of durable village infrastructure.

A few years earlier, in 1993, the Employment Assurance Scheme (EAS) was launched to provide additional employment during non-agricultural season, when there is a shortage of wage employment. With the intention of bringing all employment generation programmes into one scheme, the EAS and JGSY were finally integrated in 2001 to form the Sampoorna Grameen Rozgar Yojana (SGRY).<sup>62</sup>

The SGRY was the predecessor of the National Rural Employment Guarantee Act, 2005 (NREGA), implemented with the dual objective of providing employment to rural households as well as creating durable community assets.<sup>63</sup> However, the reach of SGRY was deemed inadequate, as it was an allocation-based programme, which meant that there was no guarantee of employment to the rural households.<sup>64</sup> Recognising this need to ensure certain minimum days of employment, to be available on-demand, the government enacted the National Rural Employment Guarantee Act in 2005, which subsumed the SGRY.

<sup>59</sup> Mahatma Gandhi National Rural Employment Guarantee Act, 2005.

<sup>60</sup> Operational Guidelines, National Rural Employment Guarantee Act, 2005, Ministry of Rural Development, Government of India, [https://nrega.nic.in/Nrega\\_guidelines.pdf](https://nrega.nic.in/Nrega_guidelines.pdf)

<sup>61</sup> Poverty Alleviation in Rural India: Program and Strategy, 9th Five-Year Plan, Vol. 2, Planning Commission of India, <https://niti.gov.in/planningcommission.gov.in/docs/plans/planrel/fiveyr/welcome.html>

<sup>62</sup> Guidelines, Sampoorna Grameen Rozgar Yojana, Ministry of Rural Development, Government of India, <http://megcnrd.gov.in/forms/SGRY.pdf>

<sup>63</sup> Guidelines, Sampoorna Grameen Rozgar Yojana, Ministry of Rural Development, Government of India, <http://megcnrd.gov.in/forms/SGRY.pdf>

<sup>64</sup> Statement of Objects and Reasons, Mahatma Gandhi National Rural Employment Guarantee Act, 2005, [https://nrega.nic.in/amendments\\_2005\\_2018.pdf](https://nrega.nic.in/amendments_2005_2018.pdf)



NREGA was amended in 2009 to add the words Mahatma Gandhi as a prefix.

## POLICY DESIGN

The Act entitles each rural household to 100 days of unskilled manual work and lays down the broad framework for implementation. Since implementation has to be undertaken by states, every state government is required to formulate a Rural Employment Guarantee Scheme (REGS) to give effect to the provisions of the Act.<sup>65</sup> In order to ensure effective and uniform implementation, the Act prescribes the minimum features of an REGS,<sup>66</sup> the conditions of employment as well as the minimum entitlements of labourers.<sup>67</sup>

MGNREGA entitles each rural household to a Job Card, which is a document containing the names of all adult members of the household and the details of their entitlements to work and wages under the Act. The adult members of a household, willing to undertake manual unskilled work are required to submit an application to the Gram Panchayat, which will then review the application. Upon successful verification, the Panchayat must register the household and issue the job card. Any adult whose name appears on the job card can submit an application for a minimum of 14 days of work. If the work allotted is not within a radius of 5 km of the village, the labourer must be paid additional wages to cover transportation and living expenses. The work must be allotted within 15 days of the receipt of the application, failing which the state government must ensure that a daily unemployment allowance<sup>68</sup> is paid to the applicant.<sup>69</sup>

The work undertaken by the labourers must fall under the list of permissible projects<sup>70</sup> provided under the Act, which must be decided in a systematic, participatory manner whereby all workers have the right to participate in the process of deciding which projects are to be undertaken and their order of priority. The wages due must be paid within a maximum of 15 days from the date of work done, directly into the bank/post office account of the labourer. The wage rate, which must be equal for

men and women, shall be the minimum wage rate fixed by state governments for agricultural labourers under the Minimum Wages Act, 1948; unless the central government has notified a specific wage rate. The Act also mandates the provision of certain facilities at the work site, such as medical aid, drinking water, shade and provisions for child care.

The Central Employment Guarantee Council (CEGC), the State Employment Guarantee Council (SEGC), Programme Coordinators at the district level and Programme Officers at the Panchayat level, are all involved in monitoring the implementation of the Act. One-third of the non-official members in the CEGC and SEGC, as well as the number of beneficiaries who are allotted work under the scheme, are required to be women. Gram Sabhas are required to monitor the execution and undertake an audit of the projects under the scheme, which involves determining whether state reported expenditures are reflected in ground realities. In addition, state governments are required to set up Independent Social Audit Units (ISA) which are tasked with assisting the Gram Sabhas in conducting the audit. State governments are required to set up grievance redressal mechanisms to address complaints by any person regarding the implementation of the scheme.

In terms of financing, the state governments are required to bear the cost of unemployment allowance and the administrative expenses of the SEGC, while the central government would finance the cost of wages for unskilled manual workers and the administrative expenses of the CEGC. The cost of material and wages for skilled and semi-skilled workers is to be shared between the central and state governments in the ratio of 75:25.<sup>71</sup>

## POLICY ANALYSIS

Below, we have mapped the PMJAY to an analysis structure that combines the Longwe Gender Analysis Framework and supplements it with the two lenses on policy design discussed previously - Alignment of Incentives and Implementation Intensity.

<sup>65</sup> Section 4, Mahatma Gandhi National Rural Employment Guarantee Act, 2005.

<sup>66</sup> Schedule I, Mahatma Gandhi National Rural Employment Guarantee Act, 2005.

<sup>67</sup> Schedule II, Mahatma Gandhi National Rural Employment Guarantee Act, 2005.

<sup>68</sup> Section 7(3) of the Act specifies that the daily unemployment allowance rate shall not be less than one fourth of the daily wage rate for the first thirty days during the year and not less than one half of the daily wage rate for the remaining period.

<sup>69</sup> Section 7(3), Mahatma Gandhi National Rural Employment Guarantee Act, 2005.

<sup>70</sup> Schedule I of the Act lists down the type of projects that the REGS must focus on, in a particular order of priority.

<sup>71</sup> Section 22, Mahatma Gandhi National Rural Employment Guarantee Act, 2005; Annual Master Circular 2019-20, Mahatma Gandhi National Rural Employment Guarantee Act, 2005, Ministry of Rural Development, Government of India, [https://nrega.nic.in/netnrega/writereaddata/Circulars/2390Annual\\_Master\\_Circular\\_2019-20.pdf](https://nrega.nic.in/netnrega/writereaddata/Circulars/2390Annual_Master_Circular_2019-20.pdf)

Levels of Recognition/ Levels of Equality	Negative	Neutral	Positive	State Capability/ Implementation Intensity	Alignment of Incentives
Control				High	Largely Aligned
Participation					
Heightened Consciousness					
Access					
Welfare					

## Welfare

MGNREGA's norms mandate that one third of the beneficiaries definitely be women, and it institutes mechanisms like child care facilities to children under age of 6 (a women worker is paid wages and deputed to look after such children), and affords women the preference to work on worksites close to their place of residence. Therefore, it is marked 'Positive' on Welfare.

## Access

MGNREGA creates a legal and institutional framework for the right to work and to ensure wage parity at minimum wage for both men and women. Additionally, it reserves at least one third of workdays for women. These measures guarantee women entry into the labour market, and therefore it has been marked Positive on Access.

However, design apart, it must be said that actual implementation of MGNREGA has been contextual and strongly influenced by existing cultural and social norms, with caste and political considerations playing a key role in the way women were able to access work. States with increased cultural acceptance of female participation in the labour force, and effective state and local institutions committed to promoting female participation (such as through SHGs), tend to perform better. Whereas the states riddled by caste biases, norms limiting female mobility, traditional preference of men as manual labour, or with information asymmetry towards women, tend to fare not so well under the scheme.<sup>72</sup> Additionally, job access is also often based on wage difference - in places where men are drawn to higher paying private-sector jobs, it is more lucrative for women to work on MGNREGA projects;<sup>73</sup> equally, states where men migrate to towns and cities leaving women behind also cause the latter to work under MGNREGA.<sup>74</sup>

## Heightened Consciousness

MGNREGA makes a conscious choice to ensure that a third of the beneficiaries who are allotted work under the scheme are women, and by ensuring uniformity in wages between men and women (which is otherwise hard to find in the labour market), it sends out a positive message regarding gender parity, which has a cascading effect in women's engagement in their households and the community at large. Hence it is marked 'Positive' with respect to Heightened Consciousness.

## Participation

By requiring that 33 percent of the non-official members in the CEGC and SEGC be women, MGNREGA clearly makes an attempt to enable women's participation in decision making. Therefore, the scheme is 'Positive' on Participation.

## Control

MGNREGA does not have any component directly addressing the parameter of Control.

## State Capability/ Implementation Intensity

One of the major benefits of the way MGNREGA has been structured lies in the fact that it allows for a self-selection mechanism for choosing beneficiaries. Since it offers 100 days of guaranteed work a year for those willing to undertake manual labour, this immediately rules out the rich and the middle class.<sup>75</sup> This has proven extremely helpful for the administration when it comes to ensuring the scheme reaches those who need it most, particularly in the absence of credible data on poor households.<sup>76</sup>

<sup>72</sup> MGNREGA implementation: A Cross-state comparison, 01/ 2012, <http://www.indiaenvironmentportal.org.in/files/file/MGNREGA%20Implementation%20A%20Cross-State%20Comparison.pdf>; How women seized NREGA, Down to Earth, 07/06/2015, <https://www.downtoearth.org.in/blog/how-women-seized-nrega-2282>

<sup>73</sup> MGNREGA implementation: A Cross-state comparison, 01/ 2012, <http://www.indiaenvironmentportal.org.in/files/file/MGNREGA%20Implementation%20A%20Cross-State%20Comparison.pdf>

<sup>74</sup> How women seized NREGA, 07/06/2015, <https://www.downtoearth.org.in/blog/how-women-seized-nrega-2282>

<sup>75</sup> The economics of the MGNREGS, 07/02/2016, <https://www.livemint.com/Sundayapp/ueWD2KvNelmsOGEupZND6K/The-economics-of-the-MGNREGS.html>

<sup>76</sup> The economics of the MGNREGS, 07/02/2016, <https://www.livemint.com/Sundayapp/ueWD2KvNelmsOGEupZND6K/The-economics-of-the-MGNREGS.html>

That said, MGNREGA remains implementation intensive and requires significant bandwidth of the administration at all levels of governance, though the bulk of the monitoring and reporting responsibilities lie with the states and the Gram Panchayats (GP). While the last couple of years have seen the use of ICT tools, geo-tagging, space technology, an electronic fund management system (eFMS), and Aadhaar seeding introduced to strengthen and usher in more transparency and accountability in the programme implementation, MGNREGA continues to be a programme where the state's role in monitoring remains critical. Therefore, State Capability/Implementation Intensity has been marked as 'high'.

## Alignment of Incentives

MGNREGA was structured with the intent of reducing tension between different governance layers, and to minimise instances of corruption. For instance, works are carried out at the Gram Panchayat level, accountability is based at the state-level, and MGNREGA funds are disbursed mainly at the federal level.<sup>77</sup> That said, actual implementation differs greatly from that in theory, despite incentives of the major stakeholders being largely aligned. However, this cannot be generalised as there exists variance in the way functionaries work across the states. Below we have analysed the incentive structures of stakeholders who have the most stake in the running of MGNREGA:

### 1. Beneficiaries

- a. The incentives of beneficiaries are aligned with the broader objectives of the scheme; self-selection and the use of manual labour, and ensures that only beneficiaries who 'need' the scheme actually avail it. It has been observed that the use of hard unskilled manual labour dissuades potential beneficiaries with other viable alternatives from availing the scheme.
- b. With respect to women beneficiaries, the legal and institutional framework of MGNREGA guarantees women the right to work and ensures

them wage parity when compared to men – both of which are hard to come by otherwise, in the labour market. Other measures such as crèches and being able to undertake work close to home incentivises female retention in the labour market.

Another interesting incentive with respect to women is the focus on green priorities like water conservation. MGNREGA allowed for the first time, women who traditionally were unpaid farm labourers or cultivators (as a result of working in their own fields), to be paid for reviving their own farms, or for making provisions for irrigation that benefit them.<sup>78</sup> This has resulted in encouraging women from drought prone areas like Bundelkhand, Warangal in Telangana etc. to work under MGNREGA.<sup>79</sup>

## 2. Gram Sabhas & Gram Panchayats

Gram Sabhas and GPs are the lowest denominator of administration in MGNREGA. They are also often the ones at the frontline tasked with managing the allocation of projects. However, reports in places like Rajasthan and Tamil Nadu have found that the supply of work to villages by Sarpanches (responsible for allocating work at the Gram level), are deeply influenced by local political considerations such as voting preferences or whether it is election year.<sup>80</sup> Often caste considerations also come into play. Surveys and studies have also revealed that where local land owners were politically influential, efforts were also made to subvert the 100 days employment in a way it could accommodate the harvest season's need for agriculture labour.<sup>81</sup> Reports also indicate that there remains great deal of information asymmetry, wherein people are either unaware of grievance redressal methods available at the district level, or feel disconnected, which keeps the issues confined to the Gram Panchayat level.<sup>82</sup> This reluctance to bypass immediate local officials indicates that poor performance is rarely reported by GP officials, particularly women who are more disenfranchised than their male counterparts.<sup>83</sup> All of this skews the incentive structure for local officials when it comes implementing the scheme.<sup>84</sup>

<sup>77</sup> MGNREGA implementation: A Cross-state comparison, 01/ 2012, <http://www.indiaenvironmentportal.org.in/files/file/MGNREGA%20Implementation%20A%20Cross-State%20Comparison.pdf>;

<sup>78</sup> How women seized NREGA, 07/06/2015, <https://www.downtoearth.org.in/blog/how-women-seized-nrega-2282>;

<sup>79</sup> How women seized NREGA, 07/06/2015, <https://www.downtoearth.org.in/blog/how-women-seized-nrega-2282>;

<sup>80</sup> How women seized NREGA, 07/06/2015, <https://www.downtoearth.org.in/blog/how-women-seized-nrega-2282>; Supply or demand? How politics influences the implementation of the MGNREGA in Rajasthan, Effective States and Inclusive Development (ESID), [http://www.effective-states.org/wp-content/uploads/briefing\\_papers/final-pdfs/esid\\_bp\\_6\\_MGNREGA\\_Rajasthan.pdf](http://www.effective-states.org/wp-content/uploads/briefing_papers/final-pdfs/esid_bp_6_MGNREGA_Rajasthan.pdf)

<sup>81</sup> MGNREGA implementation: A Cross-state comparison, 01/ 2012, <http://www.indiaenvironmentportal.org.in/files/file/MGNREGA%20Implementation%20A%20Cross-State%20Comparison.pdf>

<sup>82</sup> MGNREGA implementation: A Cross-state comparison, 01/ 2012, <http://www.indiaenvironmentportal.org.in/files/file/MGNREGA%20Implementation%20A%20Cross-State%20Comparison.pdf>

<sup>83</sup> MGNREGA implementation: A Cross-state comparison, 01/ 2012, <http://www.indiaenvironmentportal.org.in/files/file/MGNREGA%20Implementation%20A%20Cross-State%20Comparison.pdf>

<sup>84</sup> Note: In fact, a World Bank study found that the average Gram Panchayat president has to manage 470 accounts and coordinate with 17 line departments involving 50 officials, and MGNREGA only piles on to this. See more at <https://www.downtoearth.org.in/coverage/panchayat-raj-half-a-cheer-for-democracy-5431>

### 3. District level authorities

With Aadhaar and other tech-enabled monitoring tools increasingly being used in the implementation of the scheme, the incentives of district level authorities are getting more strongly aligned with the effective implementation of the scheme. However, as in the case of GPs, caste and political biases sometimes influence the way district authorities function, particularly given the power they wield.

### 4. Social auditors & VMCs

Accountability remains at the core of the MGNREGA, with social audits being an important aspect. Audits at the gram level are meant to be assisted by Village Resource Personnel (VRPs) who serve the extremely significant role of providing assistance, support and handholding to the community members so that the latter can conduct a social audit of their Gram Panchayat. Likewise, MGNREGA also requires Vigilance and Monitoring Committee (VMCs) to be set up to run concurrent audits to supplement the social audits. Both VRPs and VMCs can be drawn from people belonging to the local community, such as local SHGs, school teachers, youth, social audit volunteers, CBOs etc, (with a definite preference for women members). However, there have been instances where social audits are not undertaken

due to bandwidth or capacity issues, or where government officials have been known not to participate.<sup>85</sup>

More importantly, while social audits may seek to enforce accountability, they are still subject to caste dynamics and bureaucracy, given they may require gram sabha members to confront the same officials against whom they may have complaints. However, places where SHGs have been tasked with conducting social audits and in forming VMCs – which indicate strong women mobilisation and political awareness – are likely to function much better than a group that has been randomly, though well-intentionally constituted.<sup>86</sup>

## PROGRESS IN IMPLEMENTATION

The scale of implementation of MGNREGA requires almost 50 percent of the total fund allocations of the Department of Rural Development.<sup>87</sup> The Government announced a budget of Rs. 60,000 crores to MGNREGA for the financial year 2019-20, which is the largest budget allocation for this scheme till date. The year-wise data is presented in the table below.

Financial year	No. of households provided employment (crores)	No. of persons provided employment (crores)	No. of women provided employment (crores)	Average number of person days of work per household	Expenditure by the centre (crores)
2006-07	2.10	NA	NA	43	8823.35
2007-08	3.39	NA	NA	42	15856.88
2008-09	4.51	NA	NA	48	27250.10
2009-10	5.25	NA	NA	54	37905.23
2010-11	5.49	NA	NA	47	39377.27
2011-12	4.99	NA	NA	43	38034.69
2012-13	4.99	NA	3.75	46	39778.29
2013-14	4.79	NA	3.54	46	38601.59
2014-15	4.14	6.2	3.12	40	35785.20
2015-16	4.81	7.2	3.64	49	43876.09
2016-17	5.12	7.6	3.90	46	58081.07
2017-18	5.12	NA	3.88	46	63646.41

Source: Standing Committee report<sup>88</sup> and Lok Sabha questions<sup>89</sup>

<sup>85</sup> MGNREGA implementation: A Cross-state comparison, 01/ 2012, <http://www.indiaenvironmentportal.org.in/files/file/MGNREGA%20Implementation%20A%20Cross-State%20Comparison.pdf>

<sup>86</sup> Research Study on Factors Facilitating Participation of Women in Mahatma Gandhi NREGS, National Institute of Rural Development, Ministry of Rural Development, Government of India, 04/ 2013, [http://nirdpr.org.in/nird\\_docs/rss/RS%2098.pdf](http://nirdpr.org.in/nird_docs/rss/RS%2098.pdf)

<sup>87</sup> 46th Report: Demands for Grants, Department Related Standing Committee on Rural Development, 13/03/2018, [http://164.100.47.193/lsscommittee/Rural%20Development/16\\_Rural\\_Development\\_46.pdf](http://164.100.47.193/lsscommittee/Rural%20Development/16_Rural_Development_46.pdf)

<sup>88</sup> 42nd Report: Implementation of Mahatma Gandhi National Rural Employment Guarantee Act, 2005, Department Related Standing Committee on Rural Development, 14/08/2013, [http://164.100.47.193/lsscommittee/Rural%20Development/15\\_Rural\\_Development\\_42.pdf](http://164.100.47.193/lsscommittee/Rural%20Development/15_Rural_Development_42.pdf)



Based on the above data, it is apparent that the allocations and expenditure for the scheme has increased over the years. This can be explained by two factors, namely, the increase in the number of people being given employment under the scheme, and the increase in wages. However, reports also indicate challenges such as inadequate funding leading to delayed payments and non-completion of 100 days of work (as shown by the data above).<sup>90</sup>

Further, data also suggests that about half the employed persons under the scheme are women, well over the 33 percent mandated by the scheme. This can be attributed to rural-to-urban migration which is more commonly undertaken by male members of the family.<sup>91</sup>

## EVALUATIONS UNDERTAKEN

A performance audit<sup>92</sup> of MGNREGA was undertaken by the Comptroller and Auditor General (CAG) in 2013, to determine whether structural mechanisms for implementation of the Act were put in place, the procedures under the scheme were effectively followed, and the primary objective of the scheme was being met. The report<sup>93</sup> found that —

- Only 39 percent of the beneficiaries were aware about the key features of MGNREGA, which had a direct impact on their ability to exercise their rights under the scheme.
- More than half of the job cards issued under the scheme suffered from at least one of the following defects — photographs not attached, signature/thumb impression not present, or employment and payment details not updated.
- Less than one-fourth of the survey participants reported that social audits were being conducted in the village.
- Although Bihar, Maharashtra and Uttar Pradesh collectively accounted for 46 percent of the total rural population of the country, only 20 percent of the total funds were released to them

- With respect to impact of the scheme, 63 percent of the beneficiaries acknowledged that the scheme helped them avoid migration for work.

The findings of the report indicate that the scheme has not been applied uniformly, with satisfaction levels being much higher in some states as compared to others. The report also concludes that the intended beneficiaries had not been able to fully utilise the benefits of the scheme.

A gender-sensitive study was undertaken by the National Institute of Rural Development (NIRD),<sup>94</sup> on the factors affecting the extent and implications of women's participation in the scheme. The study had the following observations —

- Both awareness and participation rates were higher for members of Self Help Groups (SHG), but on an average, the level of awareness about the various facets of the scheme was low
- Participation in the scheme had a positive impact on the quality of life for a majority of the respondents. The changes included increase in income, quantity and quality of food intake and expenditure on clothing, health and education.

The report recommended that emphasis should be placed on gender-sensitisation of officials as it has a significant impact on the participation of women in the scheme. In addition, reservation for women at each level of functioning should be explored as women officials have been found to improve the participation of women in the scheme. Yet another report that came out around the same time as the NIRD report, was the cross-state comparison of MGNREGA, conducted by Princeton University<sup>95</sup>, revealed a strong positive correlation between the literacy rate in the state and the level of success in the implementation of MGNREGA. A more recent 2017 report from the ILO titled 'MGNREGA, paid work and women's empowerment, ILO' also suggested a strong co-relation between general empowerment, education and MGNREGA, stating that women who worked in MGNREGA were more

<sup>89</sup> Unstarred Question 326, Ministry of Rural Development, Lok Sabha, 25/02/2016, <http://164.100.24.220/loksabhaquestions/annex/7/AU326.pdf>; Unstarred Question 2592, Ministry of Rural Development, Lok Sabha, 27/12/2018, <http://164.100.24.220/loksabhaquestions/annex/16/AU2592.pdf>; Unstarred Question 4059, Ministry of Rural Development, Lok Sabha, 13/08/2015, <http://164.100.24.220/loksabhaquestions/annex/5/AU4059.pdf>; Unstarred Question 625, Ministry of Rural Development, Lok Sabha, 13/12/2018, <http://164.100.24.220/loksabhaquestions/annex/16/AU625.pdf>; Unstarred Question 48, Ministry of Rural Development, Lok Sabha, 23/07/2015, <http://164.100.24.220/loksabhaquestions/annex/5/AS48.pdf>; Unstarred Question 1545, Ministry of Rural Development, Lok Sabha, 26/07/2018, <http://164.100.24.220/loksabhaquestions/annex/15/AU1545.pdf>; Unstarred Question 2442, Ministry of Rural Development, Lok Sabha, 16/03/2017, <http://164.100.24.220/loksabhaquestions/annex/11/AU2442.pdf>; Unstarred Question 137, Ministry of Rural Development, Lok Sabha, 26/07/2018, <http://164.100.24.220/loksabhaquestions/annex/15/AS137.pdf>; Unstarred Question 2563, Ministry of Rural Development, Lok Sabha, 12/03/2015, [http://164.100.47.193/Annexure\\_New/lsq16/4/au2563.htm](http://164.100.47.193/Annexure_New/lsq16/4/au2563.htm)

<sup>90</sup> Numbers that count: An assessment of the Union Budgets of NDA II, CBGA, 02/ 2019, <http://www.cbgaindia.org/wp-content/uploads/2019/02/Numbers-That-Count-An-Assessment-of-the-Union-Budgets-of-NDA-II-1.pdf>

<sup>91</sup> Numbers that count: An assessment of the Union Budgets of NDA II, CBGA, 02/ 2019, <http://www.cbgaindia.org/wp-content/uploads/2019/02/Numbers-That-Count-An-Assessment-of-the-Union-Budgets-of-NDA-II-1.pdf>

<sup>92</sup> The audit was for the period from April 2007 to March 2012.

<sup>93</sup> Report of the Comptroller and Auditor General on Performance Audit of Mahatma Gandhi National Rural Employment Guarantee Scheme, Ministry of Rural Development, 2013, [https://cag.gov.in/sites/default/files/audit\\_report\\_files/Union\\_Performance\\_Civil\\_Ministry\\_Rural\\_Development\\_6\\_2013.pdf](https://cag.gov.in/sites/default/files/audit_report_files/Union_Performance_Civil_Ministry_Rural_Development_6_2013.pdf)

<sup>94</sup> Research Study on Factors Facilitating Participation of Women in Mahatma Gandhi NREGS, National Institute of Rural Development, Ministry of Rural Development, Government of India, 04/ 2013, [http://nirdpr.org.in/nird\\_docs/rss/RS%2098.pdf](http://nirdpr.org.in/nird_docs/rss/RS%2098.pdf)

<sup>95</sup> MGNREGA implementation: A Cross-state comparison, 01/ 2012, <http://www.indiaenvironmentportal.org.in/files/file/MGNREGA%20Implementation%20A%20Cross-State%20Comparison.pdf>



likely to have control over household decisions than other women. More importantly, it highlighted that households with women MGNREGA workers also have a higher likelihood of the oldest girl in the house spending more hours in school.<sup>96</sup>

## CONCLUDING NOTE

MGNREGA represents a paradigm shift in India's history of employment generation and social welfare programmes, by creating a rights-based, demand-driven programme that overcomes problems of targeting through self-selection. In the last 14 odd years since its inception, MGNREGA has achieved a lot given the ideals behind its creation, beginning with how, on an average, 5 crore families find employment under the Act every year, and how, a bulk of those employed under the Act involve women, SC/STs and others vulnerable members of society.

While it has been criticised for poor asset creation, creating labour scarcity and wage inflation, the scheme has many perks as well, particularly in relation to job creation for disadvantaged/vulnerable communities like women. MGNREGA has been credited with economically empowering women, and this has had a cascading impact on household dynamics resulting in improved bargaining and decision-making power at home, as well within the community, where women's participation in local governance has increased.<sup>97</sup> It has also indirectly helped enforce the minimum wage law by creating viable paying alternatives for all workers in rural areas, thereby even benefitting labourers who do not participate. This was found most helpful to women workers in exploitative sectors like farm labour and domestic work. Also, through its self-targeting mechanism and social audits, sharpened by Aadhaar seeding and DBTs, it is tightening the leakages. Scheme convergence is also beginning to address issues relating to not creating durable assets. Thus, while implementation heavy, it has been one of the better functioning social protection schemes that have seen vulnerable communities like women, both



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join the labour force, and whose participation and retention have been on equal or better terms with that of men.<sup>98</sup>

However, as regional variations show, the scheme functions better in states with more responsive governance structures, and improved collective actions/women mobility mechanisms. Therefore, in the long-term, so long as refining the programme's implementation, and strengthening its monitoring is accompanied by greater SHG involvement and community mobilisation, and improved political engagement, the programme will continue to generate wins for Indian women.

<sup>96</sup> MGNREGA, paid work and women's empowerment, Fernanda Barcia de Mattos, Sukti Dasgupta, ILO Working Paper No. 230, 2017, [https://www.ilo.org/wcmsp5/groups/public/---ed\\_emp/documents/publication/wcms\\_613735.pdf](https://www.ilo.org/wcmsp5/groups/public/---ed_emp/documents/publication/wcms_613735.pdf)

<sup>97</sup> MGNREGA, paid work and women's empowerment, Fernanda Barcia de Mattos, Sukti Dasgupta, ILO Working Paper No. 230, 2017, [https://www.ilo.org/wcmsp5/groups/public/---ed\\_emp/documents/publication/wcms\\_613735.pdf](https://www.ilo.org/wcmsp5/groups/public/---ed_emp/documents/publication/wcms_613735.pdf)

<sup>98</sup> Note: The women participation rate in Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) has been 55% in FY 2015-16, 56% in FY 2016-17, 53% in FY 2017-18 and 53% in 2018-19 (as on 07.12.2018) which has been above the statutory requirement of 1/3rd women participation under MGNREGS, as per the Mahatma Gandhi National Rural Employment Guarantee Act, 2005. As taken from <https://rural.nic.in/pressrelease/women-participation-under-mgnregs>



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