



The October edition of the Global Cooperation Newsletter presents a feature article written by professor Kunal Sen on the substance and impact of the Mahatma Gandhi National Rural Employment Guarantee Scheme (NREGA) -- the largest and best resourced social welfare programme in India. The author raises several key issues regarding broader development objectives and the transformative potential of the programme, as well as some lessons from its implementation.

We are also publishing information about the most recent, 8th meeting in New York of the Social Protection Inter-Agency Cooperation Board, in which ICSW actively participated.

Finally, the Newsletter profiles the Global Deal initiative unveiled in September 2016 at UN Headquarters and aimed at enhancing social dialogue that adapts effectively to changes in the world of work.

Sergei Zelenev, ICSW Executive Director and editor of the Newsletter

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India's National Rural Employment Guarantee Act, Ten Years On: Lessons from its Implementation

By Kunal Sen

When the National Rural Employment Guarantee Act (NREGA) was passed in the Lok Sabha (the lower house of India's bicameral Parliament) on 23 August 2004, it was seen as an iconic Act that enshrined the right to employment in the Indian Constitution. There was a great deal of expectation about the ability of the programme to transform the lives of the rural poor, as well as to transform the relation between the state and the citizen through the manner in which the implementation of the NREGA was decentralised to the *gram panchayats* (local self-government organisations in India). This kind of public works programme is a popular instrument in many countries for protecting the poor against macroeconomic and agro-climatic shocks. The NREGA has received increasing attention across the world in recent years as an important anti-poverty programme that other countries can emulate.

Ten years on, we can ask whether the Act has delivered on those expectations? What have we learnt about the anti-poverty effects of the NREGA and its broader transformative potential? What have the challenges been in implementing the NREGA, and what are the key lessons from its implementation?

What is the NREGA?

The Mahatma Gandhi National Rural Employment Guarantee Scheme (NREGA) is India's largest and best resourced social welfare programme (with a budget of 8.91 billion USD or 1.3 per cent of total central government spending), and the world's largest social security intervention (in terms of household coverage over 50 million households since 2008).



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Formulated with the principles of a Rights Based approach, the NREGA guarantees 100 days of employment to every rural household that demands work at a stipulated minimum wage (with the additional requirement that one-third of all NREGA jobs should go to women, and that there should be no difference in wages paid to men and women). While the idea of employment generation programmes in the form of public works programmes has had a long history in India, these programmes have been largely sporadic and top-down. The NREGA marks two important departures from earlier programmes – firstly, that it is demand-led, which is its biggest strength as a rights based social protection instrument. The second unique feature of the programme is that it is a policy made by an Act of Parliament, rather than a programme that can be changed or done away with in

case of regime change. This was done to ensure long-term sustainability and political commitment towards social protection. An additional feature of the NREGA is that, while the financing of the programme is mostly from the Central Government and the design characteristics of the scheme is under the aegis of the Ministry of Rural Development (MORD) in the Central Government, the implementation of the scheme is decentralised to local governments (gram panchayats, GPs, in most part) with the majority of the funds channeled to GPs.

Has the NREGA achieved its broader development objectives?

Has the NREGA reduced poverty in India? What about its other development outcomes? The evidence on this is not unequivocal – the NREGA may have contributed to reduced distress migration from rural areas, for example, but the effects on rural poverty have been weak. Moreover, calculations of the net benefit of the programme that take into account the fiscal costs of the programme suggest that it is not clear whether the large allocation of public expenditures on the NREGA can be justified. There may well be more effective ways to reach the poor (such as cash transfers). The rationale for the programme may not be particularly compelling, if the main objective of the programme was to reduce the poverty and vulnerability of the poorest rural households.

The focus in much of the policy discussion on NREGA's effectiveness has been on the material benefits that NREGA brings to poor rural households. Yet the original intention of the Act was also to change the nature of the relationship between the state and the citizen by making the provision of employment by the state to those who need it the most a right, and not an obligation of the state. The

evidence on the outcomes suggests that NREGA may have led to the political empowerment of the poor and provided dignified work to them, in a context where the outside option in the private labour markets was degrading and poorly paid wage labour, working for landlords, often in exploitative situations. The transformative potential of NREGA in changing citizen-state relations, especially for the *dalits* and *adivasis* (two of India's poorest and most marginalised social groups) and women, the three groups that NREGA targeted in particular, may be the more important developmental outcome of NREGA, rather than its poverty-reducing effect.

How well has the NREGA been implemented?

A remarkable feature of the NREGA has been the fact that the scheme has been poorly implemented, except in a few states. That may not be surprising, given the large gap that exists between what the Indian state promises to do for the poor and what it actual delivers. While the Act itself stipulates that "at least" 100 days of NREGA work should be provided to all rural households that demand such work, only 3 per cent of registered households in 2013-2014 at the district level have obtained 100 days of NREGA work. In the same financial year, the average NREGA days provided per household has been a mere thirty-six days. The low uptake of NREGA work has not been due to a lack of demand in most part, but due to systematic rationing of NREGA work by the *gram panchayats*.¹

¹ Himanshu, Abhiroop Mukhopadhyay and M. R. Sharan (2014), "[The National Rural Employment Guarantee Scheme in Rajasthan: Rationed funds and their allocation across villages](http://www.effective-states.org/working-paper-35/)", <http://www.effective-states.org/working-paper-35/>

More worryingly, NREGA implementation has been particularly weak in the poorer Indian states. For example, the percentage of households that completed 100 days of NREGA work in four of India's poorest states, Assam, Bihar, Jharkhand and Odisha, was only 2, 8, 5 and 6 respectively. In contrast, the percentage of households that completed 100 days of NREGA work in two of India's richer states, Andhra Pradesh and Tamil Nadu, was 16 and 12 respectively.²

What have been the reasons for the poor implementation of the NREGA? The lack of administrative capacity of the state has obviously been one important factor – the NREGA is a complex program to administer and needs significant effort by bureaucrats at the state and local levels to make it work, along with prior experience in administering large-scale programmes.³ It is not a coincidence that the states that have had a successful record in administering and delivering other social welfare programmes, such as Andhra Pradesh and Tamil Nadu, were also the more successful states in implementing NREGA. But political commitment mattered too, and states with weak administrative capacity, such as Chhattisgarh, could circumvent that disadvantage to some extent owing to high political commitment on the part of the ruling party. At the local level, where political parties or ruling elites in villages saw clear electoral advantages in implementing NREGA well, they made sure that NREGA work was delivered to those who demanded it.⁴

Lessons

Several lessons come out of the experience of implementing NREGA over the past decade, both for India and for other countries considering ambitious rights-based universalist social welfare programmes:

- A rights-based approach enacted through changes in the constitution is not enough, *as the rights may not get delivered in practice* – it is important to be aware of

the challenges of implementation, and to take proactive steps in anticipation of the problems that arise in the process of implementation.

- Given the complexity of administering the NREGA, there should be more emphasis on *strengthening the capacity of state and local governments* in poorer states, so that we do not have had the perverse outcome that NREGA has been least implemented in the regions where the poor need it the most.
- Political commitment matters in the implementation of large-scale decentralised social-welfare programmes. For the success of such programmes, it is important *to build up multi-stakeholder coalitions* with committed local leaders and civil-society organisations, and to identify policy champions right at the outset.
- The decentralised nature of the implementation of NREGA has often worked to its disadvantage, with clear examples of “elite capture”, or where the *sarpanch* (head of village) and local bureaucrats were simply not interested in implementing the scheme well. That implies that there was a trade-off between the objective of empowering local governments and the objective of

2 Data over 2010-11 to 2012-13.

3 Chopra, D. (2015), [Political commitment in India's social policy implementation: Shaping the performance of MGNREGA](http://www.effective-states.org/working-paper-50/), <http://www.effective-states.org/working-paper-50/>

4 Roy, I. (2015), [Class politics and social protection: the implementation of India's MGNREGA](http://www.effective-states.org/working-paper-46/), <http://www.effective-states.org/working-paper-46/> and Dey, S. and K. Sen (2016), “[Is Partisan Alignment Electorally Rewarding? Evidence from Village Council Elections in India](http://www.effective-states.org/working-paper-63/)”, <http://www.effective-states.org/working-paper-63/>

providing social protection to the poor, which was not fully realised by the advocates of the NREGA, who wanted the scheme to be primarily implemented by local governments rather than by state and central governments. To guard against “elite capture”, it is necessary to have both *top down and bottom up mechanisms of accountability* and to have more robust mechanisms to capture demand for NREGA work on the part of the rural poor.

The opinions expressed in the article are those of the author and may not necessarily reflect the position of the ICSW Management Committee.

Social Protection Inter-Agency Cooperation Board meeting in New York.



The 8th meeting of the Social Protection Inter-Agency Cooperation Board took place on 22 September 2016 in New York. The meeting was attended by 47 participants from 22 international organizations, bilateral institutions and international NGOs, including the International Council on Social Welfare—a member of the Board since its inception. The agenda of the meeting included: delivering on the Sustainable Development Goals; the

social protection and humanitarian development nexus; social-protection assessment tools and knowledge-sharing.

1. Delivering on the SDGs: Global Partnership on Universal Social Protection

Participants agreed that SPIAC-B, as the global issues-based coalition on social protection, should continue to take the lead in framing, monitoring and implementing its different aspects in the context of the new 2030 Agenda for Sustainable Development. The widely-recognized relevance and political momentum for social protection worldwide provides a unique opportunity to enhance policy coherence, cooperation and the coordination of social protection actions at the global, regional and national levels. SDG Target 1.3 calls for universal social protection (“*implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable*”). A clear mandate has been given to the international community on the extension of the coverage of social protection systems, including social protection floors. At that 8th SPIAC-B meeting several topics of joint response were discussed: the launch of the Global Partnership on Universal Social Protection (see September 2016 issue of the Global Cooperation Newsletter), cooperation of the UN agencies on SPF at the country level, the inter-agency social-protection assessment tools, capacity-building and knowledge-sharing (including the social-protection gateway).

Global Partnership for Universal Social Protection (USP)

The new “Global Partnership for Universal Social Protection” was launched on 21 September during the UN General Assembly, the day before the 8th SPIAC-B

meeting (see event website: <http://www.social-protection.org/gimi/gess/NewYork.action?id=3>).

The new Partnership, supported by the ILO and the World Bank, brings together dedicated development partners such as the African Union, FAO, the European Commission, IDB, OECD, UNICEF, along with Belgian, Finnish, French and German technical cooperation agencies; several NGOs have been also actively involved. The launch showcased [evidence from 23 low- and middle-income countries](#) that have achieved universal social protection schemes. The objective of the partnership is to increase the number of countries that provide universal social protection and to support countries to design and implement universal and sustainable social protection systems. That will include joint support to countries on: (i) Social protection policies, programs and administration systems, (ii) Costing the extension of schemes and expanding fiscal space for universal social protection, (iii) Addressing bottlenecks in the delivery of social protection benefits, and (iv) Integrating principles of universal social protection into their national development strategies. The Partnership will be formalized and an action plan prepared; drafts will be shared with members of the Partnership as soon as possible. Membership requires contributing to the Partnership with either funding or in-kind contributions, such as producing more country case studies documenting universal social protection into their national development strategies. The Partnership will be formalized and an action plan prepared; drafts will be shared with members of the Partnership as soon as possible. Membership requires contributing to the Partnership with either funding or in-kind contributions, such as producing more country case studies documenting universal social protection in developing countries.

UN-wide coordination on social protection

The Social Protection Floor Initiative (SPF-I) was conceived in 2009 by the UN Chief Executives Board as one of nine joint crisis initiatives to protect the world's population against the worst of the potential fallout of volatile global financial markets. System-wide cooperation on social protection has been growing.

In his address to the members of the Board, the Executive Director of ICSW put forward the idea to support the elaboration of a UN resolution on social protection systems, including floors (at the forthcoming session of the Commission for Social Development). The adoption of a dedicated UN resolution on social protection would be most important in focusing attention to some key issues pertinent to universal social protection, including floors, and its multiple benefits for society, thus reinforcing the impact of ILO Recommendation No. 202. Such a dedicated UN resolution would serve as a testimony to the high-level political commitment to advance social protection at all levels. At the same time, the UN-negotiated resolution would address a different political constituency, also entailing a system-wide consistent monitoring of the agreed conclusions. It can only enhance the significance of the Recommendation No.202.

The workings of UN High-level Political Forum in July of 2017 with a focus on Goal 1 should also be monitored for points to advance USP/SPF agenda politically as part of SDG implementation. The next (2017) "Report on the World Social Situation" (RWSS) will be on social protection. That report is prepared on a biennial basis by the Division for Social Policy and Development of the Department of Economic and Social Affairs (DESA). Over the years, the Report

has served as a background document for the discussion and policy analysis of socio-economic matters at the intergovernmental level.

Monitoring frameworks

In order to follow-up, monitor and review the implementation of the 2030 Agenda, a framework of indicators has been developed. The indicator to follow-up on target 1.3 includes "Percentage of the population covered by social protection floors/systems, disaggregated by sex, and distinguishing children, the unemployed, old-age persons, persons with disabilities, pregnant women/newborns, work injury victims, the poor and the vulnerable".

There are two global databases that allow the monitoring of target 1.3 (to measure (i) effective social-protection coverage of all and by specific categories of the population, (ii) social protection coverage of the poor, and (iii) social protection coverage by different program types): The [ILO Social Security Inquiry](#) (SSI): based mainly on the administrative records of the Ministries of Labour and/or Welfare, Ministries of Finance and Social Security Institutions, and complemented by the data from labour force surveys. The [WB/ASPIRE database](#): based on household survey data on social and economic conditions. The participants indicated that donors should be encouraged to provide budget support so as to improve the compilation of reliable and consistent statistics for both databases at the country level. At the same time it is important to keep data monitoring on the SPIAC-B agenda.

2. Social Protection and Humanitarian-Development nexus

Following the request of the latest SPIAC-B meeting, a joint statement was prepared by a drafting team for the World Humanitarian

Summit (WHS) "How linking social protection and humanitarian action can bridge the development-humanitarian divide". To strengthen the development-humanitarian linkages, the statement focused on the further expansion and strengthening of social protection systems so as to continue to address chronic vulnerabilities and scale up the utilization of social protection as a means of responding to shocks and protracted crises. The statement was well received, and several SPIAC-B members represented at the WHS referred to the SPIAC-B statement in their agency statements.

Cash-transfer programmes affect actors in both the humanitarian and the social protection community. All participants agreed that there is an increasing potential and demand to actively bridge the two worlds, to work closer together in developing and implementing mechanisms. A World Bank Study "[The other side of the coin: the comparative evidence of cash and in-kind transfers in humanitarian situations](#)" examined what works and how it works, with evidence from countries responding well to shocks. A proposal was made by UNICEF to organize an internal conference to discuss in greater depth social protection in a humanitarian context. In order to move forward, it is important to collect evidence on what works.

3. Inter-Agency Social Protection Assessment Tools and knowledge-sharing

The World Bank and the ILO gave an update of the [Inter-Agency Social Protection Assessment tools](#) (ISPA tools¹). In 2 years there has been made substantive progress both in development of the tools and in country applications.² ISPA has encountered growing demand from countries for those tools, as they are based on a collaboration across agencies to help craft a common vision for social-protection systems. Despite that

success, a funding gap does exist. ISPA will need extra funding to meet all of the requirements of the work plan agreed by the Executive Group (tools development and enhancement, knowledge-sharing and learning, quality assurance, communication and dissemination, and reporting and accounting). It was agreed that the World Bank and the ILO will prepare an information e-mail to be sent to all country offices with the objective to disseminate and use the tools more at the country level. The internal training of country teams on the existing tools should be organized by all agencies. SPIAC-B members are invited to disseminate the tools internally and encourage their staff to use them in their SP activities. For support in applying ISPA tools, **contact info@ispatools.org**. The development of new tools was also suggested (Disabilities, MIS, Complaints & Appeals, Cash transfers, Financing, SP Statistics for the implementation of the SDGs).

ISPA is organizing a series of webinars in collaboration with socialprotection.org on the various tools, their country applications and how to use them. SPIAC-B members were invited to disseminate the announcements and participate.

¹ A set of practical tools that help countries improve their social-protection system by analysing its strengths and weaknesses and offering options for further action. The Executive Group includes WB, ILO, UNICEF, EC, Finland, France and GIZ, which have all committed financial resources to ISPA and they all attend the semi-annual meetings.

² Approved tools: **CODI** (Core Diagnostic Instrument - applied in Vietnam, Philippines, Belize; partially applied in Oman and Myanmar; planned applications in Cameroon, Tanzania, Cote D'Ivoire, Gambia); **PWP** (Public Works Programs - applied in Liberia, El Salvador, Tanzania, Senegal; partially applied in Ethiopia, South Africa, Kenya, Cambodia, India); **Payments** (Indonesia, Tanzania, Uganda, Bangladesh, Ukraine); **ID** (applied in Morocco and Peru). Tools under development: **FSN** (Food Security and Nutrition - planned to be piloted in Cambodia and Paraguay); **SPPOT-ABND** (Social Protection Policy Options Tools – Assessment Based National Dialogue - planned to be piloted in Togo and Namibia)

The Global Deal initiative is launched in New York.



The Global Deal initiative put forward by the Government of Sweden was unveiled by Mr Stefan Löfven, the Prime Minister of Sweden, at UN Headquarters in New York on 21 September 2016. The initiative was designed in collaboration with the Organisation for Economic Cooperation and Development (OECD) and the International Labour Organisation (ILO). Participating in the launch were OECD Secretary-General Angel Gurría, ILO Director-General Guy Ryder, Chilean President Michelle Bachelet, Bangladesh Prime Minister Sheikh Hasina, World Bank President Jim Yong Kim, International Trade Union Confederation General-Secretary Sharan Burrow, and African business leader Bob Collymore.

Why the Global Deal initiative?

The aim of the Global Deal is to improve the dialogue between social partners and countries' governments, so as to improve employment conditions and productivity. Effective labour relations and decent work contribute to greater equality and inclusive economic development, benefiting workers, companies and societies (win-win-win).

The background note provides the following insights: "in too many places around the

world, workers are denied basic human rights, and some are even persecuted and killed. Children are still forced to work in the most inhumane conditions, and migrants are exploited in horrific ways. Every year, there are 2.3 million work-related deaths, 310 million non-lethal accidents and 160 million work related cases of illness. In many countries, growing inequalities fuel social unrest and impede sustainable economic growth. The economic crisis has taken a toll on labour markets, changing the quality of existing jobs. It is estimated that over 600 million new jobs need to be created by 2030 just to keep pace with the growth of the global working-age population. Conditions also need to be improved for the 780 million women and men who are working but not earning enough to lift themselves and their families out of poverty, and the transition from the informal to the formal economy must be facilitated." (see: <http://www.theglobaldeal.com/app/uploads/2016/09/GlobalDealflyer.pdf>)

Poverty reduction, decent work and social dialogue

Employment is seen as a vital link between economic development and poverty reduction – access to more and better jobs is the key to improving living conditions and achieving the SDGs. Women and men must be ensured equal opportunities in the labour market and equal participation in decision-making. A well-functioning social dialogue that adapts effectively to changes in the world of work, technological developments and fluctuations in demand is an important tool for generating decent work and improved job quality. For societies, the Global Deal can contribute to social cohesion, build trust and inclusion, and reduce the risk of social unrest. The global sustainability agenda, the 2030 Agenda, contains a specific goal on decent working conditions and inclusive growth. The Global Deal is a contribution to that Goal.

Enhanced social dialogue is both "morally right and economically smart", providing numerous benefits and opportunities to society. Social dialogue is defined by the ILO to include all types of negotiation, consultation or simply the exchange of information between, or among, representatives of governments, employers and workers, on issues of common interest relating to economic and social policy. Social dialogue takes many different forms. It can exist as a tripartite process, with the government as an official party to the dialogue, or it may consist of bipartite relations only between labour and management (or trade unions and employers' organisations), with or without indirect government involvement. Concerted search for a consensus can be informal or institutionalised, and often it is a combination of the two. It can be inter-sectoral, sectoral or at the enterprise level. Social dialogue based on the freedom of association and the right to collective bargaining takes into account each country's cultural, historical, economic and political context. There is no 'one size fits all' model of social dialogue that can be readily exported from one country to another. Adapting social dialogue to the national situation is key to ensuring local ownership of the process. There is a rich diversity in institutional arrangements, legal frameworks and traditions and practices of social dialogue throughout the world.

The Global Deal concept does not aim to develop a new framework or agreement to be implemented in a uniform manner in all countries, or to create a new international organisation. Instead, the Global Deal aims to develop a platform for highlighting the issue of cooperation between parties and strengthen existing cooperation structures. The Global Deal will build on already established initiatives and projects, but will contribute by providing political direction and impetus to overall development, and by systematising and scaling up existing processes.

A Declaration of Support forms the basis of the Global Deal, with which countries, companies, trade unions and other organisations are invited to become associated, making real commitments.

It is envisioned that the Global Deal will entail the exchange of ideas, joint projects, solutions, experiences, challenges, lessons learned and policy advice, promoting concrete initiatives and voluntary commitments. The Global Deal Support Unit will facilitate the sharing of experience and peer learning, and provide a coordinated follow-up structure.

For more information:

<http://www.theglobaldeal.com/app/uploads/2016/09/GlobalDealflyer.pdf>

Useful resources and links – the finds of the month

Diletta Carmi

Implementing Eco-Social Policies: Barriers and Opportunities—A Preliminary Comparative Analysis

UNRISD, Geneva,
September 2016

This working paper published by UNRISD analyses opportunities for and barriers to the effective adoption of eco-social policies in national programmes by undertaking a comparative analysis

comparative analysis of case studies in three countries: Costa Rica, Ecuador and the Democratic Republic of Congo. The author looks at the different approaches taken in each country, analysing the benefits and trade-offs as well as the factors that led to their adoption or defeat



[Read more](#)

Policy Innovations for Transformative Change: Implementing the 2030 Agenda for Sustainable Development UNRISD, Geneva, 2016

The UNRISD 2016 Flagship Report helps unpack the complexities of the 2030 Sustainable Development Agenda in a unique way: by focusing on the innovations and pathways to policy change, and analysing which policies and



practices will lead to social, economic and ecological justice. Drawing on numerous policy innovations from the South, the report goes beyond buzzwords and brings to the development community a definition of transformation that can be used as a benchmark for policy-making toward the 2030 Agenda, intended to “leave no one behind”.

[Read more](#)

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