

Ground reality meets data to strengthen democratic accountability: Research for action in NREGA

Rajendran Narayanan

Azim Premji University, Bangalore & LibTech India

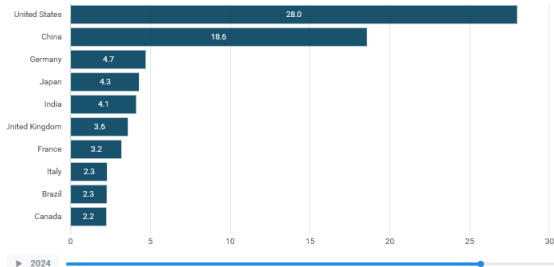
IMSc, 23 May, 2025

Research for Action

"The value of scientific research can, in many circumstances, be enhanced if it is combined with real-world involvement and action. This approach should be seen as an essential complement of, not a substitute for, research of a more 'detached' kind." [[Drèze, Jean, 2002](#)]

Top 10 countries by GDP (in trillion US dollars)

India is now the fifth largest economy, and is expected to become the third largest by 2027



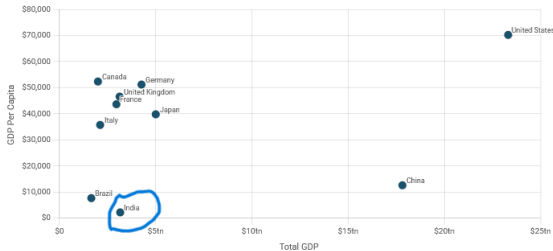
The measure used is nominal gross domestic product in current US\$. Data till 2022 are actuals, while those from 2023 onwards are IMF projections.

Source: World Economic Outlook, International Monetary Fund

Data For India

Per capita income vs GDP

Countries with GDP of a similar size to India have far higher per capita incomes

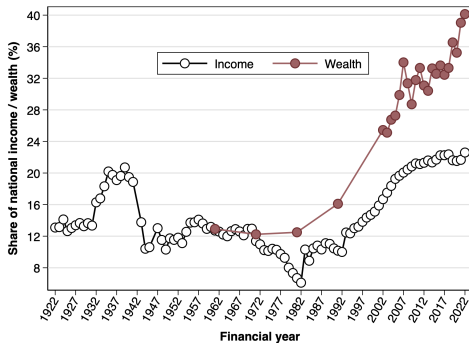


Top 10 countries by nominal GDP in 2024 according to projections by International Monetary Fund (IMF) have been selected for the graph. All data is in current US\$

Source: World Development Indicators, World Bank

Data For India

Income & Wealth: Top 1%



Source: [The India Forum](#)

Anoop Satpathy Committee

What should be the national minimum floor wage?

Anoop Satpathy Committee

Floor wages should be Rs 375 per day. In 2023, the weekly floor wages would be Rs 3,050.

Floor wages can be thought of as the smallest flat amount of money that any person in the whole country should earn

Below Floor Wages

**HOW MANY
ARE EARNING
LESS THAN THE
NATIONAL MINIMUM
FLOOR WAGES?**

1/2

Regular wage
workers

9/10

Casual wage
workers

3/5

Self-employed
workers

Source: [Bahutva Karnataka](#)

Context of the Right to Work

There are constitutional guarantees such as equality, dignity, right to life and against discrimination but for rural workers these are hard to achieve.

Rural workers have no bargaining power.

Context of the Right to Work

There are constitutional guarantees such as equality, dignity, right to life and against discrimination but for rural workers these are hard to achieve.

Rural workers have no bargaining power.

- Fear of unemployment
- Exposure to exploitation by private contractors.
- Repeated distress migration leading to loss of children's education, women's exploitation etc.
- High levels of food insecurity and health risks.
- They are low in the hierarchy of power.

Context of the Right to Work

There are constitutional guarantees such as equality, dignity, right to life and against discrimination but for rural workers these are hard to achieve.

Rural workers have no bargaining power.

- Fear of unemployment
- Exposure to exploitation by private contractors.
- Repeated distress migration leading to loss of children's education, women's exploitation etc.
- High levels of food insecurity and health risks.
- They are low in the hierarchy of power.

Pushed to the corner so unable to exercise power and are low on political capacity.

Right to Work

Article 21 of the Constitution of India states

“No person shall be deprived of his life or personal liberty except according to a procedure established by law.” – Fundamental Right to Life

Right to Work

Article 21 of the Constitution of India states

“No person shall be deprived of his life or personal liberty except according to a procedure established by law.” – Fundamental Right to Life

Olga Tellis & Ors. vs Bombay Municipal Corporation & Ors [[The Supreme Court of India, 1985](#)] case

“If there is an obligation upon the State to secure to the citizens an adequate means of livelihood and the right to work, it would be sheer pedantry to exclude the right to livelihood from the content of the right to life.”

Right to Work

Article 21 of the Constitution of India states

“No person shall be deprived of his life or personal liberty except according to a procedure established by law.” – Fundamental Right to Life

Olga Tellis & Ors. vs Bombay Municipal Corporation & Ors [[The Supreme Court of India, 1985](#)] case

“If there is an obligation upon the State to secure to the citizens an adequate means of livelihood and the right to work, it would be sheer pedantry to exclude the right to livelihood from the content of the right to life.”

NREGA: A way to enact the ‘Right to Work’ and Article 21

Impact of NREGA

Substantial evidence to indicate its transformative role.

- Providing social protection and boost rural incomes.
- Addressing deprivation.
- Organising around NREGA to enhance political capacities.
- Strengthening local governance (73rd amendment).
- Creating useful and ecologically sustainable assets.

For details see [[Narayanan, 2020](#)]

Impact of NREGA

Substantial evidence to indicate its transformative role.

- Providing social protection and boost rural incomes.
- Addressing deprivation.
- Organising around NREGA to enhance political capacities.
- Strengthening local governance (73rd amendment).
- Creating useful and ecologically sustainable assets.

For details see [[Narayanan, 2020](#)]
Government as a Venture Capitalist!

NREGA Worksite



Key Statutes and the MIS

The Act provides up to 100 days of work in a year for any rural household, on demand, at minimum wage.

Key Statutes and the MIS

The Act provides up to 100 days of work in a year for any rural household, on demand, at minimum wage.

Three essential legal safeguards:

- 1 Unemployment Allowance:** If work is not provided within 15 days of demanding work

Key Statutes and the MIS

The Act provides up to 100 days of work in a year for any rural household, on demand, at minimum wage.

Three essential legal safeguards:

- 1 Unemployment Allowance:** If work is not provided within 15 days of demanding work
- 2 Delay Compensation:** If wages are not received within 15 days of completion of work in a muster

Key Statutes and the MIS

The Act provides up to 100 days of work in a year for any rural household, on demand, at minimum wage.

Three essential legal safeguards:

- 1 Unemployment Allowance:** If work is not provided within 15 days of demanding work
- 2 Delay Compensation:** If wages are not received within 15 days of completion of work in a muster
- 3** At least half of NREGA funds is to be used by the Gram Panchayat to strengthen local governance.

Key Statutes and the MIS

The Act provides up to 100 days of work in a year for any rural household, on demand, at minimum wage.

Three essential legal safeguards:

- 1 Unemployment Allowance:** If work is not provided within 15 days of demanding work
- 2 Delay Compensation:** If wages are not received within 15 days of completion of work in a muster
- 3** At least half of NREGA funds is to be used by the Gram Panchayat to strengthen local governance.

A real-time transaction based Management Information System (MIS) is in the public domain – digitisation of all the processes

Conceptual Clarity

The Act is demand-driven.

This implies if every household in a village **demands** for 100 days of employment in a year, then the government is **mandated** to provide it.

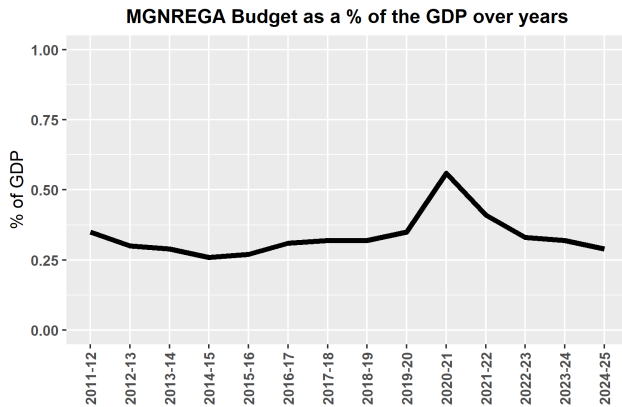
Consequently, the annual budget should be treated more as a *notional* construct. It can't be used as a cap.

Budget Allocations

For smooth functioning it is estimated that the budget should be 1.7% of the GDP. [[Murgai and Ravallion, 2005](#)]

Budget Allocations

For smooth functioning it is estimated that the budget should be 1.7% of the GDP. [[Murgai and Ravallion, 2005](#)]



Implications of Low Budget

- An acute crisis of funds allocation.
- Massive delays in wage payments
- Abysmally low wage rates.
- Technology as an enabler or disabler?

The Rashomon Effect in Data



The Rashomon Effect in Data



Online reports indicated that more than 85% of the payments were made on time.

Workers everywhere said that they weren't getting paid.

The Rashomon Effect in Data

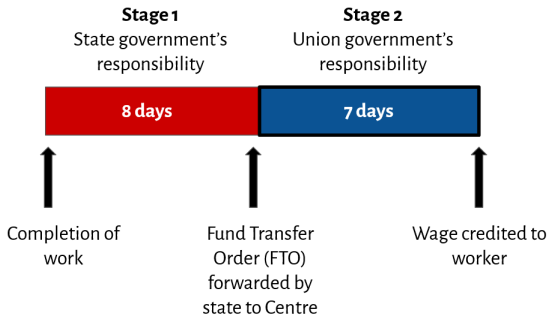


Online reports indicated that more than 85% of the payments were made on time.

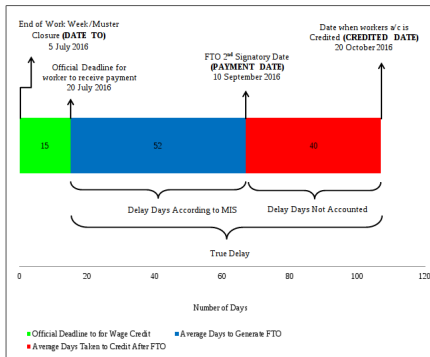
Workers everywhere said that they weren't getting paid.

Whose version of *truth* is true?

Wage Payment Responsibilities



Realities of Wage Payments



Stage 2 delays didn't get recorded anywhere in the MIS so no delay compensation is being calculated for delays by the Centre.

Large Scale Data Analysis

Analysis of over 90 lakh wage transactions by [[Narayanan et al., 2019](#)] revealed that

- Only 21% of the payments were completed within 15 days.
- Union government was taking more than 50 days on average to transfer wages.
- Union government pays no compensation for the delays it is causing.

Budget Crunch Causing Payment Delays

Government of India
Ministry of Finance, Department of Expenditure
167 B, North Block, New Delhi

21 August 2017

Subject: Note on Delay in Payments of MGNREGA

Reference: Instructions from Ad. Secretary (Department of Expenditure) dated 10 August 2017

2.4. On an average day, 10 – 15 Lakh Pay Orders are issued by Under Secretary to Government of India, Department of Rural Development. These orders contain FTOs of various states & union territories as per their demand, subject to them meeting financial and administrative requirements. It was found that the delay in payments to states mentioned in the newspaper articles were mainly due to infrastructural bottlenecks, availability of funds & lack of administrative compliance.

Delay in Payments – MGNREGA

Page 3

Supreme Court Ruling

Supreme Court of India

Swaraj Abhiyan vs Union Of India on 18 May, 2018

Equivalent citations: AIR 2018 SUPREME COURT 3670, 2018 LAB IC 3893, (2018) 7 SCALE 679, (2018) 189 ALLINDCAS 140 (SC), (2018) 3 JLJR 38, 2018 (7) SCC 591, 2019 (134) ALR SOC 15 (SC)

Author: Madan B. Lokur

Bench: N.V. Ramana, Madan B. Lokur

41. We also cannot countenance the view advanced by the Central Government that it has no responsibility after the second signature is placed on the FTO. The wages due to the worker in terms of Stage II above must be transferred immediately and the payment made to the worker forthwith failing which the prescribed compensation would have to be paid. The Central Government cannot be seen to shy away from its responsibility or taking advantage of a person who has been placed in the unfortunate situation of having to seek employment under the Act and then not being paid wages for the unskilled manual labour within the statutorily prescribed time. The State Governments and Union Territory Administrations may be at fault, but that does not absolve the Central Government of its duty.

Caste-Based Payments

☰ Search

THE  HINDU

GIFT FRONT PAGE  Account 

HOME / NEWS / INDIA

MGNREGA scheme



Centre tells States to split rural jobs scheme wages into separate categories for SCs, STs, others

It will complicate payment system, may lead to a reduction in funding, say experts.

Updated - June 03, 2021 07:44 am IST - NEW DELHI

PRISCILLA JEBARAJ



 READ LATER  PRINT



Most Popular



Miss India among 24 finalists for Miss World 2025 talent competition



Kurma mela: The science of the mass nesting of Olive Ridley turtles



North Korea's second naval destroyer is damaged in a failed launch at a ceremony attended by President Kim Jong-un



Delhi-Srinagar IndiGo flight turbulence 'Near

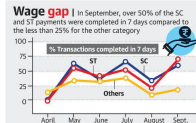
Ground Reality Meets Data Analysis



THE HINDU

1000000

"These are people who did the work together, at the same workplace, under the same contract for the same number of days. They were all on the same muster roll. But those from SC/ST [Scheduled Castes and Tribes] got paid within 15-20 days. Those from other communities had to wait two months," said Karthik Singh, a coordinator with the Rajasthan Asangathi Mandali Union.



"This caused a lot of worry that there was some gaddad [mess-up], and created suspicions and tensions among the villagers. When Dheuli is coming, how can anyone buy what is needed unless the money comes on time? Panchayat officials say they have submitted the details for everyone, but the order to sell the monuments by caste has come from higher up."

Caste-Based Payments Revoked

Public pressure + analysis of 18 lakh transactions ensured that

Caste-Based Payments Revoked

Public pressure + analysis of 18 lakh transactions ensured that

Search

THE HINDU

GET FRONT PAGE

Account

HOME / NEWS / INDIA

MGNREGA payments

Centre to scrap caste-based payments for MGNREGA

MoRD directed to revert to single muster, single FTO

Updated - November 25, 2022 11:17 pm IST - NEW DELHI

PRISCILLA JEBARAJ

READ LATER

PRINT

Most Popular

Madras High Court stays amendments taking away TN Governor's power to appoint Vice-Chancellors

Going beyond the blame game: understanding sterilisation and its limits

Delhi metro 2 killed, at least 11 injured, airport sees 13 flight diversions

Miss India among 24 finalists for Miss World 2025 talent competition

PM to inaugurate 103 Amrit Bharat railway stations on May 22

Navigation icons: back, forward, search, etc.

38 / 57

Role of Aadhaar in NREGA

- **Verification of Job Cards:** Seeding the Aadhaar numbers of workers with the NREGA job card. Job card is then authenticated against the information in the Aadhaar database.
- **Directing Payment:** Making the payment through the Aadhaar Payment Bridge System, wherein Aadhaar is the financial address of the individual.
- **Withdrawing Money**

ABPS

NREGA payments can be account-based (like a NEFT transfer) or Aadhaar-based (ABPS).

ABPS

NREGA payments can be account-based (like a NEFT transfer) or Aadhaar-based (ABPS).

ABPS involves 3 linkages - Aadhaar and jobcard, Aadhaar and bank account, bank and National Payments Corporation of India (NPCI) mapper.

Justifications for ABPS

1 February, 2023 - ABPS made mandatory.

Justifications

- Increased efficiency and savings
- Removing 'ghost' workers
- Timely payment of wages
- Reducing rejections in wages
- Increased transparency

Alive but dead

8:35

Janmanrega

Job CardancePaymentAssetsStatus

Job Card Details

Job Card Number:

KN-23-004-017-001/525

Head of Household:

Mummy

Father/Husband Name:

Sumitra

Date of Registration:

25/03/2006

State:

KARNATAKA

District:

RAICHUR

Block:

RAICHUR

Panchayat:

MATMARI

Village:

MATMARI

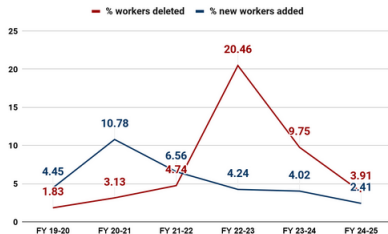
Details of Applicants of the Household

deleted 21/01/25

Serial Number	Name of Applicant	Gender	Age
1	ಜಯರಾಜ*	Male	45
2	'Sumudham'.*	Female	42
3	Sumitra*	Male	40
4	Mummy	Female	35
5	Rubina*	Female	32
6	ರತ್ನಮ್ಮ*	Female	30
7	Lusicristina	Female	20
8	Deen Lata*	Female	23
9	Kalpana	Female	22
10	Abhishek	Male	20

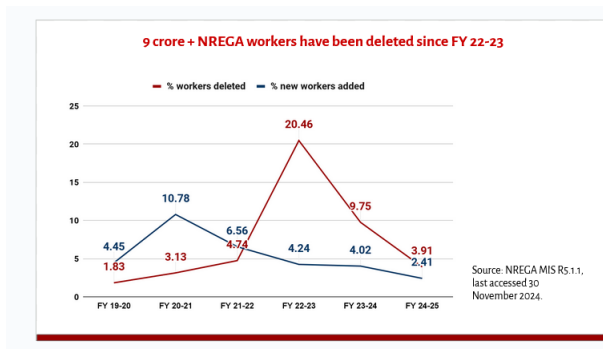
Worker Deletions

9 crore + NREGA workers have been deleted since FY 22-23



Source: NREGA MIS R5.1.1,
last accessed 30
November 2024.

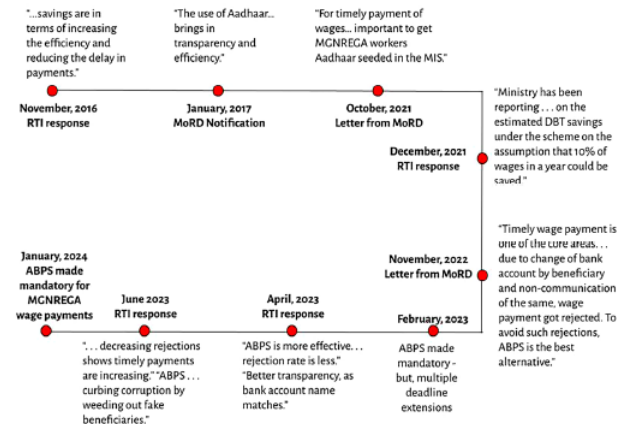
Worker Deletions



In a sample of 1,914 villages, 71% of the workers were deleted because of “not willing to work.” [Buddha and Narayanan, 2024]

Shifting Goalposts of Aadhaar

The Indian Journal of Labour Economics



Account vs Aadhaar

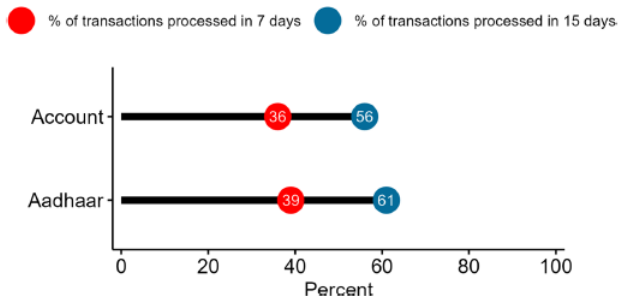


Fig.4 Percentage of wage payments processed within 7 and 15 days for workers receiving payments through different modes *Source:* Author's own data

No **statistically significant** difference in the time taken to pay between the two payment methods.

[[Bheemarasetti et al., 2025](#)]

Rejection Rates

Table 4 Summary of regression results with % of transactions rejected as the dependent variable

Focal variable	% of transactions rejected
Payment type (ABPS = 1)	-0.408 (0.626)

Standard error in parenthesis

$0 < = *** < 0.001 < ** < 0.01 < * < 0.05$

Challenges with ABPS

- Diverted payments
- Rejected payments
- Misdirected payments
- For rights-holders the State becomes distant opaque

Rejection Rates

Table 4 Summary of regression results with % of transactions rejected as the dependent variable

Focal variable	% of transactions rejected
Payment type (ABPS = 1)	-0.408 (0.626)

Standard error in parenthesis

$0 < = *** < 0.001 < ** < 0.01 < * < 0.05$

Discussion

Data comes with politics on its back (paraphrasing John Tukey)

Discussion

Data comes with politics on its back (paraphrasing John Tukey)

Goals of technology implementation must imbibe non-negotiable principles: equity, participation, social efficiency, quality of service, accountability, transparency, sustainability, solidarity, public ethos, and transferability.

Discussion

Data comes with politics on its back (paraphrasing John Tukey)

Goals of technology implementation must imbibe non-negotiable principles: equity, participation, social efficiency, quality of service, accountability, transparency, sustainability, solidarity, public ethos, and transferability.

Can a machine learn democracy? (Code is law)

Beware of Technoutopianism

“It’s not that technocratic ideas in general are bad in and of themselves. Rather, the trouble is cultism and imbalance. New vaccines are good, but not while health-care systems go unfunded. Educational technology might be helpful, but not if good teachers and institutional support are lacking. Elections are great, but not if social norms and government institutions don’t support democracy. Technocratic means might be a part of the solution, but with so much attention on them, who’s working on the other parts?” Kentaro Toyama

From the street to the courts

"Action research is part of a larger effort to achieve practical change through action based on democratic means and institutions – public debate, the media, the courts, the electoral process, street action, among others. Research can help with arguments and evidence that contribute to more effective action." Jean Dréze

- S. Bheemarasetti, A. De, R. Narayanan, P. Saboo, and L. Tamang. [MGNREGA as a Technological Laboratory: Analysing Wage Payment Delays as a Result of Two Digital Interventions](#). *Indian Journal of Labour Economics*, 2025.
- C. Buddha and R. Narayanan. [The Right to work Deleted](#). *The Hindu*, 2024.
- Drèze, Jean. On Research and Action. *Economic & Political Weekly*, 3 March, 2002.
- R. Murgai and M. Ravallion. Employment guarantee in rural india: What would it cost and how much would it reduce poverty? *Economic and Political Weekly*, 40(31):3450–3455, Jul 2005.
- R. Narayanan, S. Dhorajiwala, and R. Golani. Analysis of payment delays and delay compensation in mgnrega: Findings across ten states for financial year 2016–2017. *Indian Journal of Labour Economics*, 62(1): 113–133, 2019.
- S. Narayanan. The continuing relevance of mgnrega. *The India Forum*, Apr 3 2020.

The Supreme Court of India. Olga Tellis and Ors vs Bombay Municipal Corporation and Ors on 10 July, 1985.

<https://indiankanoon.org/doc/709776/>, 1985.