



# NREGA IN BIHAR

**BIHAR, HAS THE HIGHEST PROPORTION OF OUT-MIGRATION OF WORKERS IN THE COUNTRY, AND WAS MOST AFFECTED BY THE COVID-19 LOCKDOWN IMPOSED ON 24TH MARCH AND THE ENSUING MIGRANT WORKER CRISIS. MOST WORKERS FROM BIHAR WORKING IN OTHER CITIES HAD TO RETURN HOME AS THEY LOST THEIR EMPLOYMENT. SINCE END MAY, THE STATE GOVERNMENT HAS RECORDED THE RETURN OF 18 LAKH MIGRANTS AND MAPPED THEIR SKILLS FOR EMPLOYMENT. THE RETURNED MIGRANT WORKERS HAD TO RELY ON NREGA FOR EMPLOYMENT IN THEIR VILLAGES. BUT WHAT IS THE STATUS OF NREGA IMPLEMENTATION IN BIHAR? HOW MANY SEEKING EMPLOYMENT HAVE GOT WORK? DOES THE SCALE OF WORKS MATCH DEMAND? THIS AND MORE IN THIS TRACKER.**

# Highlights

- **11.01 lakh** new job cards issued in Bihar this year.
- **34.30 lakh** households have been provided employment this year - highest in the last 3 years.
- **10.61 crore persondays** have been generated in less than 5 months this year.
- **18.19 percent** households demanded but did not receive employment.
- An **average of 31 days** of work per household and 27 days of work per person has been provided this year.
- Bihar has a net available balance of negative **Rs 159 crore**.
- Testimonies of NREGA workers
- Among aspirational districts in Bihar, **1/4th households in Khagaria and Sitamarhi, and 1/5th households in Muzaffarpur and Katihar** did not receive NREGA work this year.
- **12 districts** in the state have exceeded the 60:40 wage to material ratio.
- **Rs 36.02 crores** of rejected labour wage payments this year.

*\*Cover image: Water conservation worksite, Kurhani block,*

The People's Action for Employment Guarantee (PAEG) is a group of activists, academics and members of peoples' organizations that came together to advocate for the National Rural Employment Guarantee Act (MGNREGA) in 2004. PAEG hopes to play the role of a catalyst in provoking discussion, peoples' monitoring and convening coalitions to strengthen NREGA implementation through research and advocacy. PAEG is also facilitating a series of consultations on an urban employment guarantee in collaboration with various campaigns, institutions and organizations.

## 11 lakh new job cards

**81.43 lakh** households got new job cards in the country, out of which **11.01 lakh** job cards were issued in Bihar since April 01, 2020. This means that **14.17%** of the new job cards in the country this year are from Bihar.

Table 1. State-wise households included in 2020-21

Select States	Households included this year (in lakhs)	Persons included this year (in lakhs)
ANDHRA PRADESH	3.88	6.33
BIHAR	11.01	14.17
CHHATTISGARH	2.34	8.22
JHARKHAND	3.72	5.19
KARNATAKA	3.94	9.69
MADHYA PRADESH	5.42	15.19
ODISHA	4.06	9.73
UTTAR PRADESH	20.82	30.75
WEST BENGAL	6.66	13.77
<b>All India</b>	<b>81.43</b>	<b>158.15</b>
Source - MGNREGA MIS Report R5.1.1 accessed on 31 August 2020		

## 34 lakh households employed

- This is the highest in the last 3 years. Except April, the employment provided to households in Bihar in months upto August this year was at least **1.5 times** more compared to each of the previous 3 years.
- However, only **2,136** households have completed a 100 days of work so far compared to 33,000 in Madhya Pradesh and 27,000 in Rajasthan (see table 2)

# 11 crore persondays

have been generated in the first 5 months compared to 14 crore persondays for the whole financial year 2019-20.

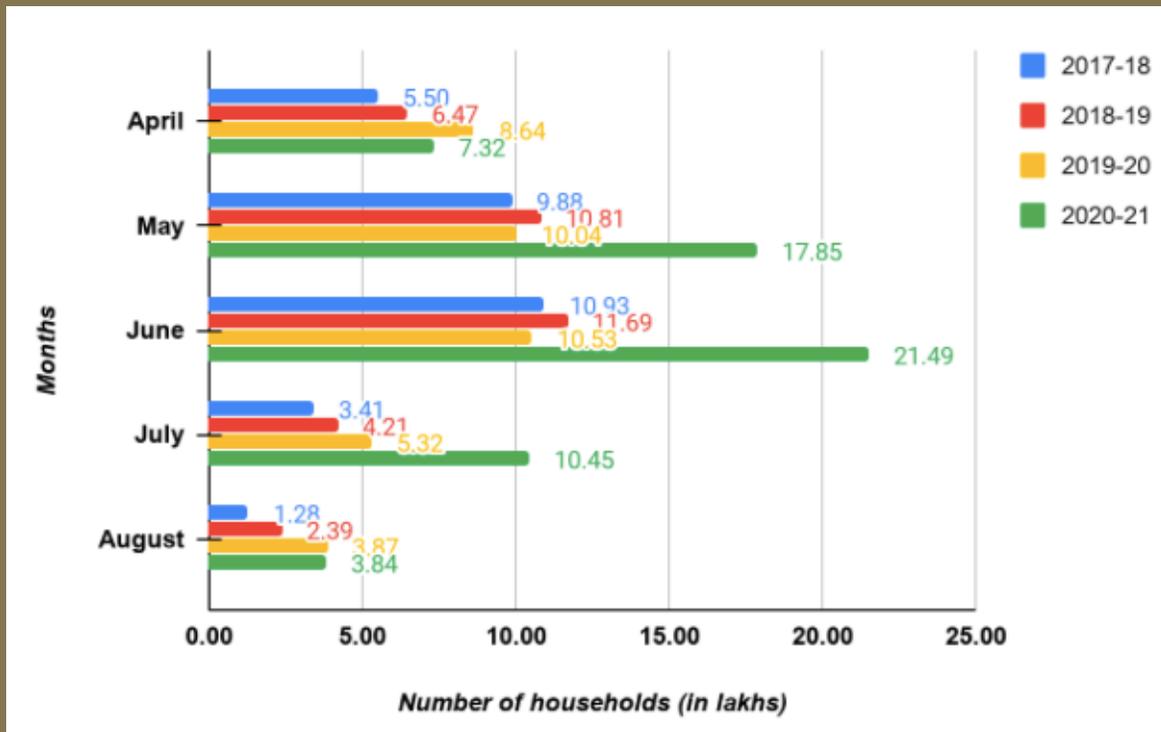


Figure 1. Employment provided to households in Bihar in the first five months of the financial years 2017-18 to 2020-21

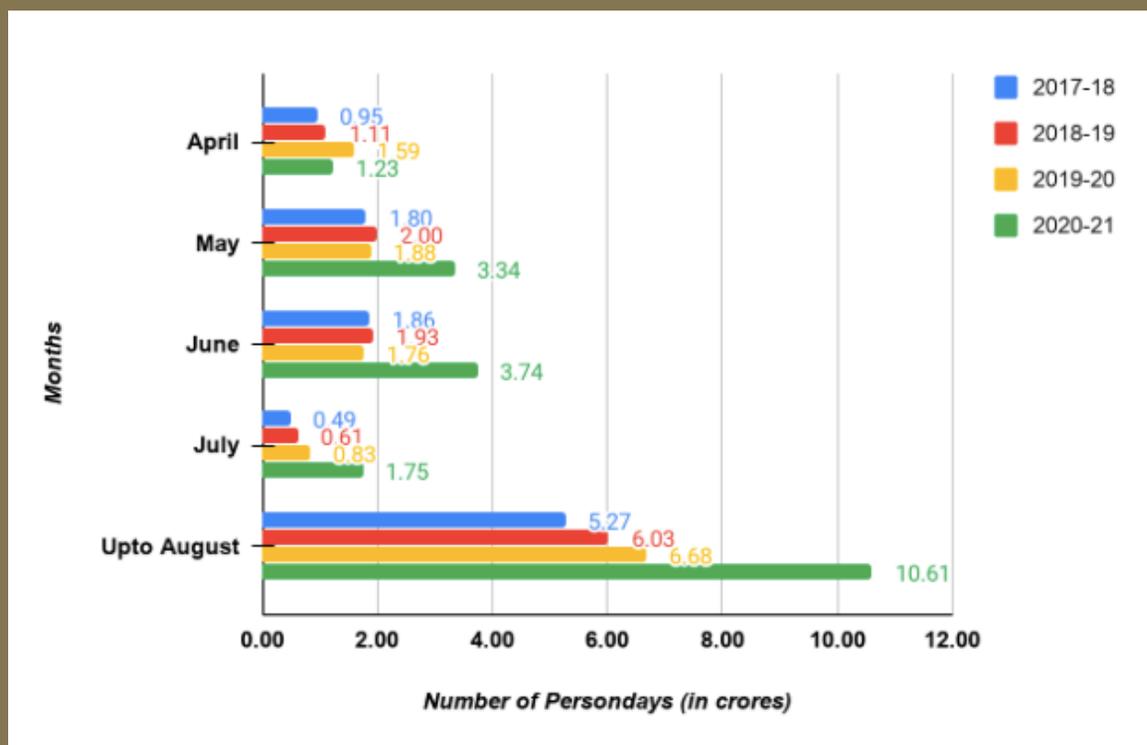


Figure 2. Persondays generated in Bihar in the first five months of the financial years 2017-18 to 2020-21

## 2% decline in proportion of women employed under NREGA

- In Bihar, the proportion of women in total persondays generated this year is 54% compared to 56% in 2019-20.
- In contrast, in Madhya Pradesh it has increased from 38% to 41%

Table 2. State-wise comparison of NREGA performance

		Bihar	Chhattisgarh	Madhya Pradesh	Rajasthan
Number of persons included in Job Cards (in lakhs)		14.34	8.25	15.37	17.78
Proportion of persons demanded but were not provided employment (in %)		20.05	19.43	22.49	13.85
Households that completed 100 days of employment		2,136	81,650	33,639	27,392
Proportion of women in total persondays	2019-20	55.85	50.7	38.11	67.31
	2020-21	54.11	50.47	40.9	65.32
Proportion of SC Households	2019-20	22.29	10.56	16.23	19.51
	2020-21	21.79	10.65	15.92	19.43
Source - MGNREGA MIS Report R5.1.1 and R5.1.5 accessed on 31 August 2020					

## 18% unmet demand

An average of **31 days** of work per household and **27 days** of work per person has been provided in Bihar this year. Only **2,136** households have completed 100 days of employment in Bihar. In contrast, households that completed 100 days of employment in Andhra Pradesh, Chhattisgarh, and Madhya Pradesh are 2.5 lakh, 81,000, and 33,000 respectively.

Table 3. Employment demanded and employment provided to households in 2020-21

Months	Households demanded work (in lakhs)	Households provided work (in lakhs)	Percentage of households that demanded but didn't receive work (in %)
April	8.57	7.32	14.56
May	20.43	17.84	12.68
June	26.21	21.49	18.01
July	13.40	10.44	22.07
Upto August	41.93	34.30	18.19
Source - MGNREGA MIS Report R5.1.1 accessed on 31 August 2020			

- Under NREGA, work should be provided to a worker within 15 days of demanding for work failing which workers are entitled to an unemployment allowance.
- The Unemployment Allowance (UA) is 1/4 of the wages till 30 days and beyond 30 days it is 1/2 of the wages.
- The UA data for 30 panchayats in Araria block of Araria district showed that 1,854 job cards were eligible for 34,975 days of unemployment allowance. This amounted to **Rs 17.96 lakh** which hasn't been calculated at all, let alone paid.

## NREGA funds in deficit

- Net available balance is the difference between the total allotted funds and the total expenditure including the payment dues.
- Bihar has a net available balance of negative **Rs 159 crore**.
- Uttar Pradesh, Andhra Pradesh, Telengana, and Odisha too have a negative net available balance. The Central Government needs to release funds to these states on a priority basis. Otherwise, it will result in a delay in wage payments to the workers.



NREGA workers are organised in our Panchayat. That is why we were able to force the administration to provide us work under NREGA during the lockdown. About 200-250 workers received a minimum 4 weeks of employment this year. Some people have not received payment for their work. Returnee migrants to the Panchayat were affected the most as they did not receive enough days of employment despite being provided with Job Cards on their arrival. Therefore most of the migrants have gone back to cities looking for work despite knowing that the number of cases of COVID-19 is on the rise in cities.

**- Jitendra Paswan (Chitoria Panchayat, Mansahi Block, Katihar District)**

Due to lockdown restrictions, I returned from Delhi in May. During quarantine after returning to my village, some officials from the Labour Department came and took my information. They promised that migrants will be provided work in the village. The mukhya of our village arranged for employment in tree plantation work. We were told that we will receive MGNREGA wages (Rs.194 per day) for the work. After working for 30 days, we were told that the government is only providing wages at Rs.50 per day. We demanded NREGA wages, but we are yet to be paid.

I applied for work under 'Garib Kalyan Rojgar Abhiyan' and was assured that I will receive a call from the government when work is available. Almost 50 days have passed and I have not received any calls. I am planning to return to Delhi and look for work. COVID-19 does not feel like a big risk in comparison to hunger.

**- Arun Yadav (Chitoria Panchayat, Mansahi Block, Katihar District)**





We have received only 4-7 days of work this year. People from nearby panchayats told us that they received two weeks of work. In June, during harvest season, some workers worked on fields but at lower wages compared to previous years. My family grows maize in our field. This time we received Rs.950 per quintal for our produce in the market. Whereas last year we were able to sell the produce at Rs.1850 per quintal. Under these circumstances, the government is not able to provide us work under NREGA. We are not applying for unemployment allowance hoping that we will be provided work under in October. Government announced that 'vriksharopan' work will be done by NREGA workers, but none of us received work. That work was given to private contractors.

**- Akhilesh Kumar (Laxmipur panchayat, Kursakanta Block, Araria District)**

Three members of my family and I applied for work under NREGA in April. But till now we have received employment for only 12 days per person. Technically we have received 48 days of employment in our household. But under the present crisis when we are not able to find work anywhere other than NREGA, 100 days of work per household is not enough. Most NREGA workers in our panchayat have not received employment in the last two months. When we raised this issue to our panchayat mukhiya, she said that there is no work. But a lot of work is being diverted to contractors who employ their own workers. The government representatives also turn a blind eye to our demands as they fear the contractor lobby.

**- Ayub (Chahatpur panchayat, Palasi block, Araria District)**



# Status of NREGA in Garib Kalyan Rojgar Abhiyan districts in Bihar

- Gareeb Kalyan Rojgar Abhiyan (GKRA) launched by the PM in Khagaria district of Bihar on 20th June 2020, is aimed at initiating public works, construction activities, and other economic activities to provide employment to returnee migrants and other rural residents. Even though NREGA is only one component of GKRA, we are tracking it because at the very least it should boost NREGA implementation in the selected districts.
- Out of 116 districts selected under GKRA, 32 high out-migration districts (including 12 aspirational districts) from Bihar were identified for implementation of GKRA.



Map of Bihar shows the non-GKRA districts, GKRA districts, and aspirational districts included under GKRA

## No observable difference in NREGA employment between GKRA districts and non-GKRA districts.

- 31 persondays per household generated in GKRA districts and 32 persondays per household generated in non-GKRA districts
- Proportion of households that demanded but were not provided employment was 18% in GKRA districts and 16% in non-GKRA districts.
- In districts like **Khagaria** and **Sitamarhi**, 1/4th of the households that demanded work didn't receive work. Whereas, in **Araria**, **Begusarai**, **Muzaffarpur** and **Katihar**, 1/5th of the households didn't receive work.

Table 4. Status of NREGA in terms of work demanded and employment provided in aspirational districts

Aspirational districts under GKRA	Households that demanded but were not provided work (%)	Proportion of households with less than 50 days of employment (%)
Araria	20	82
Aurangabad	13	84
Banka	17	85
Begusarai	21	87
Gaya	17	84
Jamui	15	84
Katihar	21	84
Khagaria	30	87
Muzaffarpur	20	87
Nawada	14	83
Purnia	14	84
Sitamarhi	25	90

Source - MGNREGA MIS Report R5.1.1, and R5.1.4 accessed on 31/08/2020

# 12 districts exceed the limit on material intensive work

- For every 100 rupees spent on any work under NREGA in a panchayat, Rs 60 should be minimally spent on wages and not more than Rs 40 on material. The wage component of any work should be at least 60% of its total cost and the material component should not exceed 40% of the total cost. This is called the wage to material ratio that should always be maintained at 60:40.
- With unemployment at a high and unmet demand at 17%, it is worrying to note that there has been an increase in material-intensive work in Bihar. 39% of total NREGA expenditure so far has been on material, compared to 21% last year
- 12 districts in the state have exceeded the 60:40 wage to material ratio.

Table 5 Districts where Material to Wage expenditure ratio have exceeded 40 percent

Districts	Proportion of expenditure on materials (%)
Arwal	52.34
Aurangabad	49.30
Begusarai	51.92
Buxar	41.77
Jamui	46.76
Jehanabad	45.10
Lakhisarai	52.00
Madhepura	47.88
Munger	64.50
Nawada	42.81
Sheohar	55.83
Vaishali	44.10
<b>Grand total of Bihar</b>	<b>38.97</b>

Source - MGNREGA MIS Report R7.1.1 accessed on 31 August 2020

# Understanding NREGA wage delays: What are rejected payments?

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A rejected transaction is like a bounced cheque. A wage payment can be rejected due to a variety of technical reasons such as incorrect account numbers, incorrect mapping of the worker's Aadhaar number with her bank account etc. All India, around 1 in every 23 transactions get rejected due to Aadhaar mapping issues and other such technical reasons.

The workers are usually in the dark usually about how to rectify a payment that is rejected. In many cases, even the officials are clueless about it. Unless it is correctly rectified, every subsequent transaction of a worker will keep getting rejected. So they would continue working in NREGA but would never get paid. Till it is correctly resolved, the worker has no access to her own wages and the workers typically run pillar to post trying to resolve it.. Moreover, no delay compensation is paid to workers till it gets resolved.

Column 2 in Table 6 shows the total number of transactions rejected in each of the last 5 years. Column 3 gives the corresponding amount of labour wages that have been rejected. Column 4 gives the number of rejected transactions that are yet to be resolved and column 5 gives the corresponding amount of labour wages that are stuck without resolution. For 2020-21, **Rs 36.02 crores** of labour wages continue to be rejected for no fault of the workers. And, labour wages amounting to **Rs 98.78 crores** continue to be rejected from 2016-17 to 2019-20.

Table 6. Status of rejected transactions in Bihar from 2016-17 to 2020-21

Years	Total rejected transactions (in lakhs)	Total rejected transactions amount (in crores)	Total transactions pending rejections (in lakhs)	Total pending rejections amount (in crores)
2016-17	3.02	50.40	1.21	20.04
2017-18	2.36	43.85	1.16	21.22
2018-19	2.71	56.52	1.22	25.27
2019-20	3.77	84.52	1.44	32.25
2020-21	1.69	41.27	1.48	36.02
Total	13.55	276.57	6.50	134.80

Note - 2020-21 data is till 31 August and the rest of the data is for the whole year.  
Source - MGNREGA MIS Report R8.1.5 accessed on 31 August 2020

- In many cases, the block officials regenerate the Funds Transfer Order (FTO) for a rejected wage payment without actually resolving the main issue. Such transactions continue to get rejected in that case.
- **Assuming a daily wage rate of Rs 194 (the daily wage rate for 2020-21), this means that roughly 69.48 lakh persondays of work have not been paid to workers (rejected) for government's mistakes** (Note that the daily wage rate for years before 2020-21 was lower than Rs. 194, so 69.84 lakh persondays is a lower-bound estimate).

In Table 6, Total pending rejections is calculated by subtracting 'rejected successful transactions' from 'total rejected transactions' in MIS Report R8.1.5.

# Concurrent audits completed in 744 panchayats

It is creditable that women led social audit teams are conducting concurrent audits of ongoing NREGA work across panchayats of Bihar. However, these reports are not yet available in the public domain or on the NREGA MIS.



Source of all figures : [www.nrega.nic.in](http://www.nrega.nic.in), Ministry of Rural Development, Gol. Reports downloaded on 31st August, 2020

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