

PayDash:

Improving Last-Mile Access to Information on MGNREGA Payments

Photo by Ishan Tankha

THE CHALLENGE: TIMELY INFORMATION TO PROCESS MGNREGA WAGE PAYMENTS

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is the central social protection scheme for the rural poor across India, providing work to tens of millions of poor households across the country each year. While payment infrastructure has greatly benefited from investments in digital financial systems, the payment process is relatively complicated to track in real-time, and busy officers must juggle many priorities alongside payment processing.¹ When wages are delayed, vulnerable workers may struggle to

address a rejected payment or opt not to participate in MGNREGA in the future.

Can providing the right information about payments to busy officers, at the right time and in a useful format, reduce workloads and improve program delivery?

THE SOLUTION: A DIGITAL MONITORING PLATFORM FOR BUSY MGNREGA OFFICERS

Since 2013, researchers from Inclusion Economics at Yale University and Inclusion Economics India Centre with colleagues from IDinsight and the University of Michigan² have worked with the Ministry of Rural Development

¹ Schaner, S and Troyer Moore, C. 2019. "Enhancing Women's Economic Empowerment Through Digital Cash Transfers." Evidence for Policy Design, Harvard Kennedy School.

² Rohini Pande, Yale University; Charity Troyer Moore, The Ohio State University; Yusuf Negggers; Gerald R. Ford School of Public Policy, University of Michigan; Eric Dodge, IDinsight

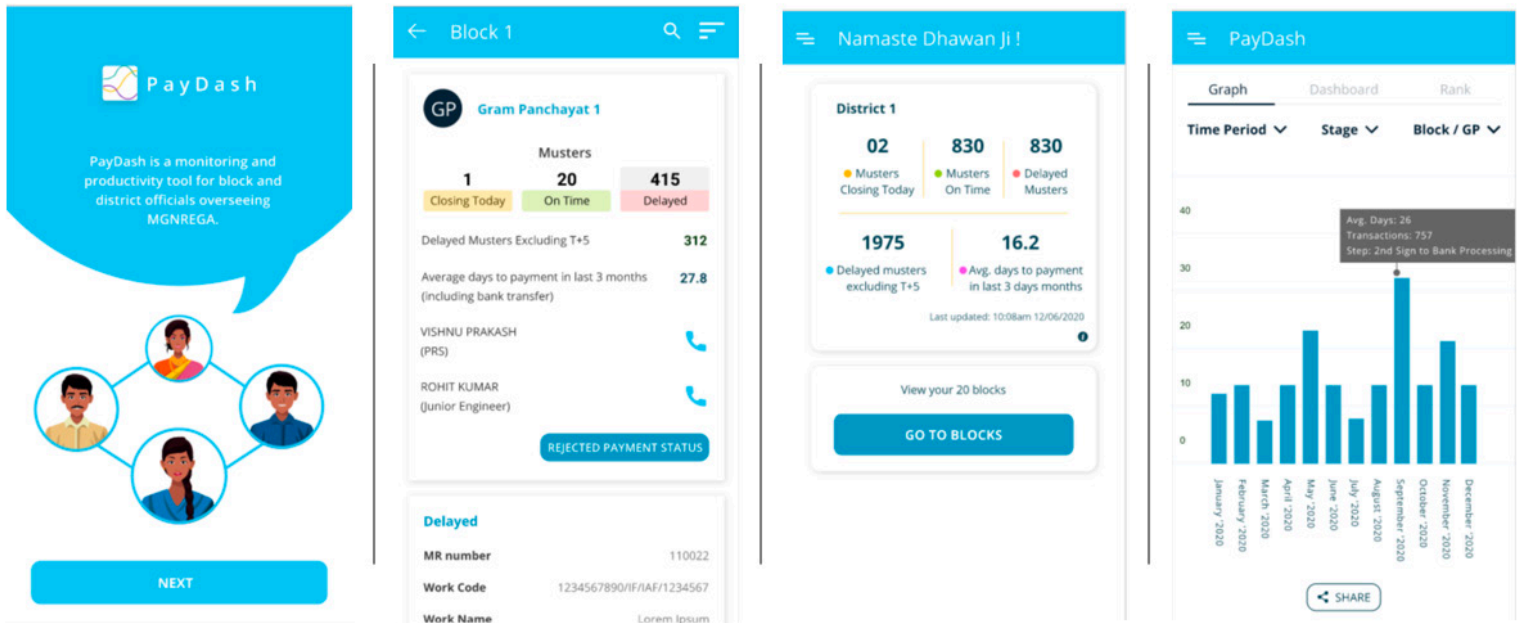


Figure 1: PayDash 2.0 selected screenshots

to support MGNREGA implementation through evidence-backed research. In this collaboration, we have developed and tested a novel mobile and web

application, called PayDash, to help government officials acquire information relevant to monitoring and managing MGNREGA payments.



PayDash uses timestamped data noting when each sub-step of the payment process occurs in order to help officials more quickly process pending payments. It is built on APIs providing real-time data on payments from the MGNREGA MIS, with linked information and contact details that allow officers to follow up with employees responsible for each payment sub-step at the GP and block levels. PayDash is designed to be multilingual, intuitive, and easy to navigate — and offline functionality ensures that officers can use the app when in areas with limited internet and mobile connectivity. PayDash also

includes a performance dashboard where officials can view their jurisdiction's current and historical processing time performance, both overall and by payment approval step.

PayDash decreases the time and effort needed to gather information to identify and monitor payments. It clearly identifies where, and at what steps, delays are originating, and who could help address the delay.

Phase I: Rigorous Evidence that PayDash Improves MGNREGA Implementation

From 2017 – 2020, the research team evaluated the effects of the PayDash application in a randomized evaluation across Madhya Pradesh and Jharkhand. In 2021, the team replicated this evaluation by rolling out an additional randomized control trial in Bihar. In these statewide studies, we trained officials on the PayDash application and then monitored their usage and MGNREGA program outcomes. In Madhya Pradesh and Jharkhand, this intervention spanned 75 districts and 573 blocks, involving approximately 1,300 district and block officials and 7.7 million workers.³

PayDash improved the monitoring and processing of wage payments in several significant ways. First, PayDash reduced Stage 1 wage payment processing times by 24%. It led to a 23.6 percentage point reduction in the probability that processing was completed after the eight day statutory period. Second, PayDash led to improvements in processing times in areas with previously high delays. In these areas, payment processing times declined by 3.4 days on average (see Figure 2). Third, PayDash improved the efficiency of payments without reducing access to work: there was a 9% increase in days worked in areas with access to PayDash as well as increased recorded demand for work.⁴ Fourth, officers with access to PayDash were less likely to be transferred during the evaluation period.

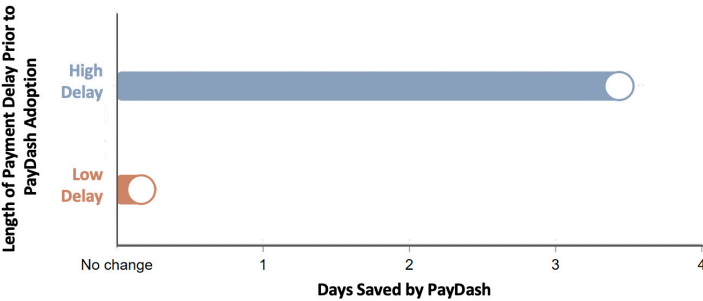


Figure 2: PayDash led to substantial reductions in wage payment delays in high delay areas.

³ Total program participants in areas where the study was active in FY2016-17

⁴ Based on social audits report data on presence of unmet demand for MGNREGA work from February 2017 to August 2018

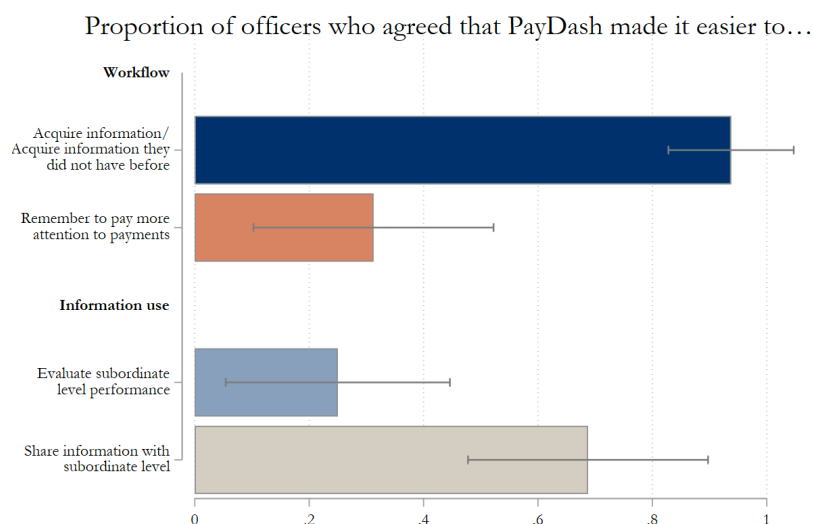


Figure 3: Endline survey - Officers found the app useful

Lastly, PayDash users reported that the application helped them acquire and share information with their teams more effectively in order to meet program objectives (see Figure 3).

Phase II: Expanding PayDash Features and Access

In response to positive feedback from users and strong interest from our state-level partners, the research team has developed a new version of the PayDash platform with two key new features: a rejected payments module that will allow officers to track real-time data on rejections and information on why they occurred, making it easier to address issues and resubmit payments; and a user management portal that allows state administrators to directly manage PayDash user access and update officer postings.

These features are currently being tested in Bihar in preparation for a nationwide launch.

The research team includes Rohini Pande, Yale University; Charity Troyer Moore, The Ohio State University; Yusuf Negggers; Gerald R. Ford School of Public Policy, University of Michigan; Eric Dodge, IDinsight

Yale *Inclusion Economics*

Inclusion India
Economics CENTRE

IDinsight

KREA
university

M UNIVERSITY OF
MICHIGAN