

# Politics of the right to work in India

## Employment Guarantee Schemes

*Labour Bulletin* continually looks at the issue of employment creation. **Anuradha Joshi** tells a fascinating tale of the right to work in India and how an Act guaranteeing employment was won. She evaluates its implementation and draws out some lessons.

**O**n 30 November 1984, Madan Wagare, a landless labourer aged 28 from the district Chandrapur, in the state of Maharashtra in India, with ten others filed a petition against the government of Maharashtra for not providing work at the appropriate wage rates that he was entitled to under the Employment Guarantee Scheme (EGS). In India, hundreds of cases are filed in courts every day. Yet this case was unusual in that the petitioners were landless labourers and were litigating against the state for improper implementation of the right to work. Even more unusual was that the state government had passed the Act that enabled Wagare to bring a case against it.

In August 2005, the Congress led United Progressive Alliance (UPA) government passed the National Rural Employment Guarantee Act (NREGA) providing a limited right to work to rural households in India loosely based on the EGS. Under the Act, rural households were entitled to 100 days of manual work at a minimum wage to be provided by the state governments within 15 days of the demand for employment. The scheme is co-funded through central and state governments and

relies on local elected governments for its implementation. It is unique in the developing world for providing the rural poor legal entitlements to work that can be upheld by the courts leaving the state open to litigation.

The case of Madan Wagare and the story of the National Employment Guarantee Act raise interesting questions. First, how did such progressive laws get on to the statute in the context of resource scarcity and the lack of political voice by the poor? Second, how did passing of the EGS enable a poor, semi-literate labourer to force the state to implement its own laws?

The answers to these questions lie in the politics that surround both the creation of the Acts as well as their implementation. First, as will be clear shortly, both programmes are a product of the politics of a particular period in time—in which key activists seized moments of opportunity and formed strategic alliances with the political elite to get progressive policy passed. Second, besides the obvious impacts of such programmes on employment generation, poverty alleviation and asset creation, it is important to realise the indirect

impacts they can have—in particular their potential for creating incentives for the mobilisation of the rural poor. In the long run, it is likely to be such mobilisation that has the ability to hold public agencies accountable as well as push for broader social reforms.

### MAHARASHTRA EGS

The problem of unemployment and underemployment in rural areas is a common one in many parts of the developing world. In places dependent on rain-fed agriculture, the poor and landless are vulnerable to the vagaries of rainfall. Drought relief programmes and the opening of public works programmes are the typical responses of the state with varying degrees of success.

Maharashtra, in the mid 1970s took an unusual and progressive step in response to the problems of droughts. It introduced a limited right to work in the EGS that offered a guarantee of employment to all rural adults over the age of 18 who were willing to do manual unskilled work on a piece rate basis. The guarantee was backed up through an unemployment benefit that the government gave if it was unable to provide work within 15 days of the



Rural Indian workers in 1987 protesting against the government for not opening up new works for employment. The banner at the back says, "Construction and Woodworkers Union, gadchiroli/chandrapur. Indefinite Hunger Strike". The slogans held up at the back say, 'We don't have employment we are starving.' 'We don't want charity, but work as a right.' The young boy sitting in front between the men in caps, Keshar Gurnule worked as a labourer on the scheme and is now an activist attempting better implementation of Employment Guarantee Schemes.

demand. The scheme also created an infrastructure such as roads and wells that could help in the economic growth of the rural areas.

The roots of the scheme lie in a pilot project started in 1965 by VS Page, a social activist and Congress politician in Sangli district of Maharashtra to mobilise underemployed labour on a large-scale to reconstruct and drought-proof local agriculture. This was later scaled up to the EGS.

The political environment was conducive to such a scheme. During the drought of 1972-74, the leftist movements had shown their strength by mobilising the rural labour force. They campaigned in rural areas around the enforcement

of the minimum wage. It was natural to extend the campaign to demand that public works pay the minimum agricultural wage.

Large farmers who had opposed the scheme accepted it once it was clear that the EGS would only open during the dry season when work was not available on farms. Thus, EGS helped maintain the rural workforce during lean periods at no extra cost to employers. The cost of the EGS fell largely on the population of Mumbai, which is where professionals who paid an EGS tax were based. The urban population saw the scheme as a means of stemming the rural-urban migration that was fast becoming a problem for mega-cities like Mumbai.

The EGS history also relates to the changing electoral politics in Maharashtra, particularly the Maratha-Kunbi caste bloc.

In the early years since Independence, the state Congress Party was dominated by Mumbai-based industrial and commercial capitalists, many from non Marathi backgrounds. In the 1960s, partly as a result of the change in state boundaries, power shifted decisively to the political elite of the Maratha and Kunbi castes who had their power base mainly in rural western Maharashtra. Promoting the EGS fitted neatly into this bloc's electoral calculations as it was dominated by small and marginal farmers, including tenants.

In sum, protest from below, combined with reformist politicians led to the passing of the Employment Guarantee Act in 1977.

#### MOBILISATION AROUND EGS

The EGS is unusual in rural development programmes in that it is statutory. It is this embedding in law that creates strong incentives for political and social activists to invest in the EGS, to learn about the Scheme and to use it as an instrument for mobilising around broader political purposes. The underpinning in law with a secure source of funding makes the scheme predictable and the administration is bound to operate the scheme regardless of the policy elite or of the political party in power. It also enables activists to use courts to force implementation with direct and indirect effects.

These expectations of the EGS were borne out in practice. In the late seventies and eighties, there was a flurry of mobilisation of rural workers around EGS. The success of early mobilisation in getting new employment generated had a multiplier effect on mobilisation in which rural labour came to see employment as a right.

By the mid-eighties, a state-wide federation of activist organisations working with EGS, the *Samanvay Samiti* formed to take up policy advocacy. These organisations filed a number of cases holding the state accountable for implementation. The outcomes of the cases were mixed. Madan Wagare won his case that sought an increase in the minimum wage and a link to inflation. Yet others lost the fight for the unemployment allowance that the state should pay if unable to provide work in the stipulated period.

Unfortunately, in the early nineties, fearing a budgetary crisis, the state found ways to unofficially ration employment offered by the

**“The EGS is unusual in rural development programmes in that it is statutory. It is this embedding in law that creates strong incentives for political and social activists to invest in the EGS, to learn about the Scheme and to use it as an instrument for mobilising around broader political purposes.”**

scheme. Consequently, the activism lost its momentum. By the early part of 2000, the number of active organisations in the *Samiti* had dwindled and the focus had shifted from the EGS to the liberalisation policies of the Indian government.

#### NATIONAL EMPLOYMENT GUARANTEE ACT (NREGA)

In contrast to the decline at the state level around the implementation of EGS, by the late nineties, campaigns focusing on rights were gaining ground at national level. Loose networks of activist organisations were struggling for the right to information, to food, to education and the right to work. These struggles made little progress until the Congress Party returned to power in 2004.

The right to work was central to the Congress agenda in the nineties. It was the drought of 1998-2004, along with strong activism from grassroots organisations demanding the better management of food grains and improved drought relief that persuaded elements of the Congress to support an Employment Guarantee Act (EGA) in its election manifesto. The Congress was not

expected to win, commentators predicted a BJP victory, so those opposed to the EGA within the Congress felt they had nothing to lose by appealing to rural voters. The unexpected success of the Congress Party in the elections and its ability to forge a coalition government, the United Progressive Alliance (UPA), with outside support from Leftist parties pushed the EGA on to the policy agenda.

The road from inclusion in the policy agenda to the final Act was not simple. A series of factors enabled those supporting the progressive legislation to suppress opposition. The creation of an extra constitutional institution, the National Advisory Commission, which included veteran activists gave progressives an inside track into the policy making process. Additional support came from intense debate around the draft legislation, both within the policy elite as well as in the media which enabled activists to lobby in favour of the Act through various channels.

#### IMPLEMENTATION OF NREGA

Experience over the last couple of years with the implementation of the NREGA in different states seems varied. In some states, the scheme has not taken off. Job seekers have not been turned away and not issued job cards as there are ‘no orders from above’ to implement the scheme. In others, it has been better, and activist organisations have done social audits using the Right to Information Act (RTI) to ensure implementation of the scheme. Throughout India, there appear to be no cases in which the unemployment allowance has been paid.

While it is too early to make claims, the variation in the performance of the NREGA can be explained by various factors.

First, the NREGA works better in

places where activist groups increase awareness and mobilise people to ensure implementation. Mobilisation is happening slowly.

Second, the NREGA has not taken off in states where elected local governments are non-functional. Third, implementation of the NREGA is better in states that have a history of implementing public works programmes as in Rajasthan and Maharashtra.

Fourth, a culture of transparency and vigilance has been fostered in states where the RTI has played a major role in recent years. Finally, the extent to which the NREGA becomes a stake in political competition seems to influence its implementation. In places where political parties are fighting to be identified with a well implemented NREGA, as in Rajasthan, there is continuous oversight by the opposition.

#### LESSONS FROM EGS AND NREGA

What lessons can we learn from the experience of the EGS and the NREGA that might be useful for other countries?

It is clear that the details of the EGS and the NREGA are shaped to the Indian context. The context of federalism in which states have considerable responsibility for social programmes accounts for the innovation of the EGS in the relatively prosperous state of Maharashtra. The capacity and structure of the Indian bureaucracy and its experience in dealing with drought relief programmes enables a certain degree of reliability in implementation. The existence of vibrant civil society organisations in certain states make it possible to use RTI laws to ensure accountability and expose corruption. These peculiarities of India may not find parallels in other countries. Yet, there are some general lessons that could provide starting points for thinking about

**“public works projects are prone to corruption and ways need to be found to reduce such opportunities. Mechanisms for direct accountability between citizen groups and the bureaucracy can be part of the solution. The RTI in India makes it possible for citizens to demand information about public works, such as the project budget, work specifications and the names of workers”**

social security programmes in developing countries.

First, rights in law are important. The establishment of such rights are inevitably struggles to influence the creation, interpretation and implementation of the law. Such legal rights are important not only as mechanisms of formal accountability, but for the impact they have on the collective action by the poor. Although rights may not be realised by disadvantaged communities in the short run, they have mobilising effects that are important in the long run.

Second, there will always be a tension between the employment seekers and asset creation objectives of public works programmes. As a social security strategy to cope with drought, the work seekers aim to take priority over the creation of infrastructure. Some of the tension between the two goals might be mitigated by involving local elected bodies in the choice of projects and implementation to reduce the chances of incomplete or wasteful

projects as has happened in the implementation of the NREGA.

Third, public works projects are prone to corruption and ways need to be found to reduce such opportunities. Mechanisms for direct accountability between citizen groups and the bureaucracy can be part of the solution. The RTI in India makes it possible for citizens to demand information about public works, such as the project budget, work specifications and the names of workers employed on the project. The RTI has enabled some activist groups to hold social audits of the NREGA projects and expose corruption.

Fourth, focusing on the mobilisation of people and demand-side approaches for making social security systems work better must be accompanied by an equal focus on increasing the capacity of public officials to respond to those demands. Overstretched bureaucracies with inadequate resources will be pushed between a rock and a hard place if measures are not taken to allow them to cope with the new requirements.

Finally, it is important to realise that the progressive legislation represented by the EGS and the NREGA is a product of progressives within and outside government. They seize opportunities to advance political projects as well as engage in a long process of political bargaining between the state and different social groups.

These programmes are unlikely to be sustainable if transplanted as a blueprint to other countries. Rather the lessons are rooted in some of the mechanisms outlined above that make these programmes work in a particular context. ■

*Anuradha Joshi is a fellow in Governance and Public Policy at the Institute of Development Studies, Brighton, England.*