NREGA and the scope for revival of rural labour movement in India

Surendra Pratap, Centre for Workers Education, New Delhi, 2010

National Rural Employment Guarantee Act (NREGA), a landmark legislation enacted in 2005, is a major step towards realizing the employment as a legally enforceable right. Most important aspect of the act is its strategy of growth through employment. The employment generation is to be done through development works in rural areas. Therefore, the Act actually clubs together the development rights and employment rights; aims to develop crucial infrastructures needed in rural areas like roads and water resources etc. and side by side ensure employment to rural folk in the lean periods. The overall impact of this Act, if implemented properly, can be far reaching and it may not only reduce the pains of poor rural people but it may have a positive impact on overall socio-economic development of the nation as a whole. Its real importance can be properly appreciated by situating it in the broader politico-economic context.

It is painful that even after 62 years of economic development after independence; we could not eradicate the worst forms of poverty and social discrimination in our country. About 42 percent of Indian population lives below poverty line (Patnaik 2006). About 75% of the Indian poor are in rural areas and majority of them are land less daily wagers or marginal farmers, majority of whom is represented by Scheduled castes/Scheduled Tribes and Other backward castes. Women of these sections are the worst sufferers. We hoped that the economic developments by their magic of supply and demand mechanism and trickle down effect may automatically resolve the problems of unemployment, poverty and social oppression, however, we miserably failed and all the assumptions were proved wrong.

Generally, it is suggested that the problem of poverty and unemployment can be resolved by gradually transforming the predominantly agricultural economies to predominantly industrial economies; and that the growth in industries automatically resolves the problems of unemployment and poverty. It is interesting to see how India moved towards this transformation and what were the outcomes?

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The government survey of poverty line was challenged by many researchers including the Utsa Patnaik. Utsa Patnaik adjusted the figures for 2400 calorie norm in 1973-74 and on the basis of it calculated the poverty at 39 percent in 1999-2000 and 41.5 percent in 2004-05(based on fixed consumption basket).
In India from 1983 to 2004-05, share of agriculture in GDP and employment changed from 37 and 68.5 percent to 21.1 and 56.5 percent respectively. Share of manufacturing in GDP and employment changed in the same period from 14.3 and 10.7 percent to 15.1 and 12.2 percent respectively. While the share of services in the GDP and employment changed in the same period from 38.6 and 17.6 percent to 53 and 24.8 percent respectively. The share of industry (including manufacturing, mining, and electricity, gas and water supply) in GDP and employment in 2004-05 remained at just 26.4 per cent and 17.6 per cent respectively.2

It is interesting to note that the economy of India is transformed in terms of contributions of different sectors in the GDP; but rather than resolving the crisis, it aggravated the whole problem. The GDP contribution of agriculture declined drastically from 37 percent to 21 percent; but population dependent on agriculture still remained at 57 percent. It can be easily understood why 75 percent of the poor are in rural areas and why they are facing extreme conditions of poverty. The growth in industry plus services has attained predominance over agriculture in terms of GDP contribution but the growth is such that industry plus services are unable to absorb the surplus population dependent on agriculture. Therefore the agriculture became even more overloaded with surplus population in terms of GDP per capita.

Actually, this problem of Indian economy is inherited from the colonial past and could not be resolved yet. The industry is unable to absorb the surplus population from agriculture and thereby hindering the growth of agriculture; and on the other hand, huge rural world remains backward and unable to emerge as an effective market for industrial goods, thereby hindering the growth of industry. Even after 6 decades of development Indian economy could not break out from this vicious circle.

The resolution of this problem demanded a path of economic development based on thorough-going land reforms to promote peasant agriculture on the one hand and expansion of labour intensive manufacturing based on internal demand on the other. This could have broken the vicious circle hindering the overall growth. But the path of development followed in independent India was never directed towards this. In the words of Prabhat Patnaik, “The absence of thoroughgoing land reforms, a result of the bourgeoisie's compromise with landlordism, kept productive forces in agriculture arrested. The market for mass consumption goods remained restricted and grew slowly for this reason. Moreover, the ability of the state capitalist sector to keep expanding, and thereby to keep enlarging the market for the private capitalist sector, got progressively undermined: the low agricultural growth put a ceiling on the rate at which public investment could grow without squeezing the living standard of the masses to an extent intolerable in a democracy; in addition, the ruling classes enriched themselves from the public exchequer, a form of "primitive accumulation of capital," which further curtailed the growth of public investment. The dirigiste strategy of capitalist development, dependent on expanding public investment, entered a cul-de-sac and lost social support even as metropolitan capital—and, in

particular, finance capital—stepped up its offensive against this strategy through the Bretton Woods institutions, and later the WTO, in a world where the crucial support coming from socialist countries had disappeared.\(^3\)

Mainly due to the cumulative effect of these factors Indian economy entered in a crisis as early as in 1970s. However, even after this, rather than identifying and addressing the root causes of the crisis, the economic development after 1970s gradually moved towards an escapist path of export oriented development based on foreign investments. In the phase of globalization and liberalization, particularly after 1990, whole debate and struggle on alternative strategies of development was pushed in background and it became the mantra that fully liberalized economy with export oriented growth can be the only growth model of today. The issues of poverty and unemployment found their place only in trickle down. This was very interesting phase in history, when a consensus was gradually and systematically constructed on these anti-people economic policies of liberalization and globalization among major parliamentary parties of almost all the shades, from left to right. It was and it is largely justified by the TINA Syndrome—There Is No Alternative.

Outcomes of this growth model are now very much clear. While the country’s growth is roaring at 8 per cent but regular employment is not exceeding even 1 per cent. The rulers of the country are dreaming to achieve the status of a global power but the country remains a home of largest number of poor, unemployed, homeless, illiterate and ill-fed in the world. These two aspects of the outcomes are actually inbuilt in this growth model. Many scholars rightly termed it a jobless growth model.

“An increasingly irreversible production structure in favour of the rich has started consolidating and economic activities catering to the rich are being handed over to large corporations. Simultaneously a typical jobless growth is seen to flourish. To cite a few examples: the number of workers in the Jamshedpur steel plant of the Tatas came down from 85,000 in 1991 to 44,000 in 2005 while production rose from one million tonnes of steel to five million tonnes. This means output increased by a factor of five while employment decreased by a factor of half. Similarly, Tata Motors in Pune reduced the workforce from 35,000 in 1999 to 21,000 in 2004 while increasing production from 1,29,000 vehicles to 3,11,500. Bajaj motor cycle factory in Pune reduced the number of workers from 24,000 in the mid-1990s to 10,500 in 2004 while doubling the output with the help of Japanese robotics and Indian information technology [Bhaduri 2008]. In Maharashtra, the leading state in terms of foreign direct investment (FDI), the number of factory workers came down from about 1.22 million per day in 1989-90 to about 0.77 million per day in 2003-04, although the industrial output increased from around Rs 78,000 crore in 1992-93 to over Rs 2,36,000 crore in 2003-04. Even today Maharashtra is the leading state in the factory sector in terms of investment, gross output and net value added; it is only factory employment that has declined [Singhvi 2008]. This is only possible with a huge rise in labour productivity, as mentioned

\(^3\) Patnaik, Prabhat (1999): Capitalism in Asia at the end of the Millennium; Monthly Review July-August, 1999
earlier, that again is largely contributed by the unorganized sector accounting for more than 90 per cent of the country’s labour force.”

On the other hand, absence of thoroughgoing land reforms and drastic decline in the public investments in agriculture infrastructure development, made the conditions worse in rural areas. Inequality in ownership of land and other resources increased further. Medium and large farmers who constitute only 3.5 per cent of rural population own as large as 37.72 per cent of the total land; and the rest 96.5% of the population survives only on 62.28% of the land. Majority of dalit population remains landless or virtually land less. If we look at the NSS data, at all India level around 10 percent of the SC households were landless in 1999-2000 as compared to 13.34 percent in 1992 and 19.10 percent in 1982. But if we combine two categories of landless and near landless (owning less than 0.4 ha of land), we get that 79.20%SCs, 52.90% STs and 59.20% others were landless or near land less. The data shows clearly that there is a change in terms of decreasing landlessness, but in actual sense this change means nothing, since the amount of land they own is so meager that it can not provide them any decent livelihood. The most important development is that the marginal farmers with tiny holdings now form the majority of the rural population. Income from their tiny holdings is insufficient to support their family and therefore for survival they are dependent on casual wage works, migrate seasonally or on long term basis. But mostly they do not prefer to sell their land to shift in cities, since industries are also not offering them decent and sustained livelihood.

With the step by step implementation of policies of globalization and liberalization, the crisis went on aggravating further and further.

Due to policies of economic reforms, input costs went up drastically. Fertilizer subsidies were removed and the supply of fertilizers has been handed over to private agents and the government has withdrawn from this. The cost of credit also increased enormously after the implementatation of the Narasimham Committee report. The treatment of agriculture and the small-scale industry as priority sectors for lending at low cost interest rates from the banking system has been given up. Therefore, The farmers have been actually forced to turn more and more to private moneylenders who obviously charge high rates of interest. More over, there has been a power taiff hike also as part of its Structural Adjustment Program.

Not only this, “in 1998, the World Bank's structural adjustment policies forced India to open up its seed sector to global corporations like Cargil, Monsanto, and Syngenta. The global corporations changed the input economy overnight and increased the input costs drastically. Farm seedsaved


5 Utsa Patnaik 2004 (Interview): It is a crisis rooted in economic reforms; Frontline; Volume 21 - Issue 13, Jun. 19 - Jul. 02, 2004
seeds were replaced by corporate seeds which needed fertilizers and pesticides and could not be saved.” 6

On the output side, there has been a dramatic fall in prices of farm produce as a result of free trade policies of the WTO. But more important is the dangerous fluctuations in the prices that are ruing the farmers. To cite an example, in the period from roughly 1990 to 1995-1996 lakhs of small farmers switched from food crops to cotton as the world prices were rising. Many of them had not cultivated cotton before. But, the world prices started crashing from the end of 1996 onwards and by 2001 it was practically at half the level it was in 1995. This led to ruination of thousands of farmers who were thrown in very high level of indebtedness.7 Peasant households in debt doubled in the first decade of the neoliberal economic reforms from 26 per cent of farm households to 48.6 per cent.

Cumulative effect of all these factors has produced a severe agrarian crisis which is reflected in very high incidences of farmer’s suicides and outburst of distress migration. “The number of farmers who have committed suicide in India between 1997 and 2007 now stands at a staggering 182,936. Close to two-thirds of these suicides have occurred in five states (India has 28 states and seven union territories). The Big 5– Maharashtra, Karnataka, Andhra Pradesh, Madhya Pradesh and Chattisgarh– account for just about a third of the country’s population but two-thirds of farmers’ suicides.”8

It is in this background that feminization of agriculture labour has emerged as a phenomenon. Women’s increased participation in agricultural laboring however, does not reflect any upward mobility but it is merely a result of pauperization of smallholders.9 With rising input costs, small land holdings have become uneconomical, and dependence on wage work has increased. Since the farm wages are far less than the nonfarm wages, generally the men prefer to migrate or engage themselves in non farm wage work; and women are compelled to work as agriculture labour in surrounding areas since they have also to be ar the burden of all the household work and reproductive responsibilities. The greater responsibility for family provisioning and debt obligations compel women to accept low wages, greater ‘unfreedom’ and a general worsening of working conditions.10

6 Vandana Shiva 2004: The Suicide Economy Of Corporate Globalisation; http://www.countercurrents.org/glo-shiva050404.htm
7 Utsa Patnaik 2004 (Interview): It is a crisis rooted in economic reforms; Frontline; Volume 21 - Issue 13, Jun. 19 - Jul. 02, 2004
8 P. Sainath 2009: Neo-Liberal Terrorism in India: The Largest Wave of Suicides in History; http://www.counterpunch.org/sainath02122009.html
Garikipati (2006) Argues: “…despite women’s increased participation in the labor market there exists a ‘gender based resource division’ in the household between propertied men and largely penurious women. Women’s lack of control over family’s resources is both a cause and an effect of her near negligible influence over household decisions and bargaining outcomes. …Women’s lack of control over family’s productive assets impinges on her ability to work on them and assert a claim over the incomes from them. This further erodes her ability to bargain for better wages in the labor market. Moreover, the gendered expectations surrounding women’s time-use within the household further impinge on her ability to allocate her work time freely and erodes the possibility of pursuing non-agrarian work options associated with higher pay. This, we argue, further adds to her ‘un-free’ status in the labor market.”

It is in this background that the NREGA gets its importance. It is well studied that Poverty and social discrimination has a direct relationship with the lack of opportunities for decent employment (in agriculture and non-agriculture). Both affect each other, but to resolve this problem, the second one is considered to be the deciding factor and the first comes mainly as a derivative of the second. Hence, creating decent employment opportunities for all emerges the main task for resolving the problems of poverty and social discrimination.

Genesis and Main Elements of NREGA

Creating employment through public works has a history in India that dates back to medieval period. During the periods of extended droughts, many big lakes etc were constructed by feudal monarchies with a dual purpose of offering jobs to the people and to build critical common resources. In Independent India, the state of Maharashtra was a pioneer in starting a policy of creating guaranteed employment through public works by introducing Employment Guarantee Scheme (EGS) in 1970s. Later, the State went ahead to enact Maharashtra Employment Guarantee Act, 1977. It provided gainful and productive employment to the people prepared to do manual labour in the rural areas and in the areas of 'C' class Municipal Councils. This was also an effective tool for drought management and drought proofing.

The government of India introduced the Food for Work Program in 1977. In 1980, it was restructured and renamed as the National Rural Employment Program (NREP). In 1983, Rural Landless Employment Program (RLEP) was launched to provide guaranteed employment to at least one member of every landless household up to 100 days in a year and create durable assets for strengthening the rural infrastructure. In 1989, both of the above schemes, NREP and RLEP, were merged in Jawahar Rojgar Yojana (JRY), with emphasis on delivering through Panchayati Raj institutions (PRIs), rather than through bureaucratic machinery. In 1993, the Employment Assurance Scheme (EAS) was launched in place of JRY. Then, in 1999, one more programme named Jawahar Gram Samridhi Yojana (JGSY) was created. In April 2002, JGSY and EAS were integrated to create Sampoorna Grameen Rozgar Yogana (SGRY).

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11 Garikipati, Supriya 2006: Feminization of Agricultural Labor and Women’s Domestic Status: Evidence from Labor Households in India; Available at SSRN: http://ssrn.com/abstract=951199; accessed on 16.06.2010
Work Programme (NFWP) was launched in 2004 targeting 150 backward districts. Finally in 2006, National Rural Employment Guarantee Act was enacted. The major difference between all the above schemes with NREGA is that all the previous schemes/programmes were allocation based, but NREGA is demand based (with in a limit of 100 days employment guarantee to a rural household) and with a provision of unemployment allowance if the work is not provided even after demand. Therefore in a limited framework, it guarantees the right to work.

The NREGA aims at: i) providing an insured income to poor rural households; ii) preventing distress migration; and iii) accelerating the growth of rural economy by developing crucial infrastructures.

Main elements of NREGA can be summarized as follows:

- Adult members of a rural household, willing to do unskilled manual work, may apply for registration in writing or orally to the local Gram Panchayat
- The Gram Panchayat after due verification will issue a Job Card. The Job Card will bear the photograph of all adult members of the household willing to work under NREGA and is free of cost
- The Job Card should be issued within 15 days of application.
- A Job Card holder may submit a written application for employment to the Gram Panchayat, stating the time and duration for which work is sought. The minimum days of employment have to be at least fourteen.
- The Gram Panchayat will issue a dated receipt of the written application for employment, against which the guarantee of providing employment within 15 days operates.
- Employment will be given within 15 days of application for work, if it is not then daily unemployment allowance as per the Act, has to be paid liability of payment of unemployment allowance is of the States.
- Work should ordinarily be provided within 5 km radius of the village. In case work is provided beyond 5 km, extra wages of 10% are payable to meet additional transportation and living expenses.
- Wages are to be paid according to the Minimum Wages Act 1948 for agricultural labourers in the State, unless the Centre notifies a wage rate which will not be less than Rs. 60/ per day. Equal wages will be provided to both men and women.
- Wages are to be paid according to piece rate or daily rate. Disbursement of wages has to be done on weekly basis and not beyond a fortnight in any case.
- At least one-third beneficiaries shall be women who have registered and requested work under the scheme.
- Work site facilities such as crèche, drinking water, shade have to be provided.
- The shelf of projects for a village will be recommended by the gram sabha and approved by the zilla panchayat.
- At least 50% of works will be allotted to Gram Panchayats for execution.
- Permissible works predominantly include water and soil conservation, afforestation and land development works.
- A 60:40 wage and material ratio has to be maintained. No contractors and machinery is allowed.
• The Central Government bears the 100 percent wage cost of unskilled manual labour and 75 percent of the material cost including the wages of skilled and semi skilled workers
• Social Audit has to be done by the Gram Sabha
• Grievance redressal mechanisms have to be put in place for ensuring a responsive implementation process
• All accounts and records relating to the Scheme should be available for public scrutiny


NREGA has following three specific features:

1. **Rights-based Programme**: Guaranteed employment, legally binding, unemployment allowance, ban on contractors, no use of machines, worksite facilities, payments through banks/post offices
2. **Transparency and Accountability**: Well defined grievance redressal mechanisms, IT enabled governance, provision of Social Audit
3. **Creation of Durable Community Assets**: Conservation of natural resources by way of aorestation and construction of water bodies, roads and other infrastructure, Scope for Convergence with other Developmental Activities

NREGA has a five-tier implementation structure. Gram Panchayat is the nodal agency at the bottom, GP selects, designs and implements 50% of the works. It is mandatory that Selection of works, monitoring and supervision is done by the Gram Sabha (village council). GP registers the households, issues the job cards and receives applications for employment. It is responsibility of GP to provide employment and monitor the NREGA works. The rest 50% works is undertaken by block Panchayats or district Panchayats or both. Block Panchayat has the responsibility to monitor and coordinate the work plans at the block level. Computer updating of NREGA works and muster roll entries is done at the block level and the responsibility of the same goes to NREGA programme officer. District Panchayat is mainly responsible for coordinating NREGA activities at the district level and implementing non-mandatory works and preparing district annual plans and five-year perspective plans. The state government acts as a facilitator in the flow of NREGA funds and deployment of manpower. The state governments set up the State Employment Guarantee Councils to look after the overall affairs of NREGA, monitoring and evaluation of its implementation. The Ministry of Rural Development is the nodal agency for NREGA implantation at the center. The ministry has set up Central Employment Guarantee Council took after over all affairs of NREGA, prepare budget and disburse funds and advice the government on its implementation. The council also does independent evaluation and monitoring of the scheme.

The most important aspect of NREGA is that it reserves 33% work for women. The strategy of employment generation through development works also promises to develop infrastructures and resources to address the gender needs. NREGA has potential to address basic needs and reduce the pains of the rural women who invest lots of time and energy to get water, fuel, fodder, and so on.
However, some provisions of the act have also negative implications for the women, e.g. focus on casual manual work, emphasis on productivity-linked wages, entitlements at the household level rather than individual level, restrictions placed on permissible works (largely to create durable physical assets).

Successes and failures of NREGA

NREGA has made some positive impacts on distress migration and it is reflected in hue and cries of labour shortages. Particularly it is experienced by farmers in Punjab who almost completely depend on migrant workers from poor states like Bihar for labour intensive agricultural operations, and the construction industry that is completely dependent on rural migrant workers from poor states. As every one knows that the agriculture and the construction operations require very hard labour and are low paying wage works, therefore if there is any improvement in the conditions of rural workers, these sectors will be the first to experience low turnout of migrant workers. There is a truth in this hue and cry, but the impact is not that much as they are projecting. A debate has already started and it seems that exaggeration of the impacts of NREGA on labour shortage is actually targeted to derail the NREGA.

A study conducted in three states of India-Madhya Pradesh, Orissa and Uttarakhand (covering a total of 20 villages) finds that the NREGA is still not able to fulfill its objectives. In none of the three states it is providing 100 days of employment, and the cases of payment of unemployment benefits are rarest of the rare. In such situations, it is unimaginable that NREGA is fuelling a labour shortage on such a scale. The major findings of the study can be summarized as follows:
1. It emerged very clearly in the study that no democratic process is being followed in deciding the shelf of projects, implementation, and monitoring. Majority of workers never got opportunity to participate in the village council meetings. Generally meetings are not conducted and in rare cases if conducted they are not publicized, and conducted in such a way that it becomes a formality to sign minutes already written by village council president and secretary. Social audit meetings are also conducted in the same way. Majority of workers are not aware of their rights under NREGA. Generally there are no notice boards and no campaigns to build awareness among workers (however it is mandatory under the act)
2. Average days of employment provided in Uttarakhand were found to be highest at 39 days, followed by 28 days in Madhya Pradesh and 19 days in Orissa. It is important to mention here that the areas selected for study in Orissa and Madhya Pradesh were having significant tribal population and they were also significantly represented among the respondents. The tribal

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12 This part of the paper is completely based on: Surendra Pratap, ‘Successes and Failures of NREGA towards Empowerment of Rural Poor’, Society for Rural Urban and Tribal Initiative (SRUTI), New Delhi, 2010. This study was conducted by the author of this paper for SRUTI in 2010 in three states of India-Orissa, Madhya Pradesh and Uttarakhand. The report is going to be published soon by SRUTI in a book form. We are indebted to SRUTI for allowing us to use the contents of the unpublished report for this paper


14 NREGA has not led to labour shortage in agriculture, construction: Jairam Ramesh; http://www.dnaindia.com/india/report_nrega-has-not-led-to-labour-shortage-in-agriculture-construction-jairam-ramesh_1606178

15 Surendra Pratap, ‘Successes and Failures of NREGA towards Empowerment of Rural Poor’, Society for Rural Urban and Tribal Initiative (SRUTI), New Delhi, 2010.
population in both the states face worst conditions of poverty and migrate in huge numbers to work as construction workers, quarry-mine workers etc.

3. In the study no responded reported to have received any unemployment benefits in spite of the fact that they received far less days of employment than actually provided by the act. To deny the legally provided amount of employment and also to deny the unemployment benefits to the workers, village councils do not promote and do not accept written applications for demand of wage work. In some cases where written applications were submitted village councils denied any receipt of the same. Therefore the workers are actually not in a position to legally claim for these benefits. Ignorance of workers and undemocratic and non transparent functioning of village councils and almost absence of any organization of workers is delaying any improvement in these situations. The act provides that if certain numbers of workers collectively demand for wage work, new work site can be immediately started, but the study could not get any evidence of workers collectively making a claim. Moreover, it was found that in the work site facilities were not provided in any state, with exception of drinking water facilities in summer at some places.

4. The wages are paid on piece rate basis, for example digging a certain size of trench provides them one day minimum wage. Particularly in Orissa and Madhya Pradesh, it was found that in many cases both husband and wife together were able to dig only one trench in a day and they received only one day minimum wage. So per person per day received only half of the wages. This problem was coming due to fixing flat rate of piece rate wages without any consideration of nature of soil etc. This problem was not reported in Uttaranchal. The delay in wage payments was a general problem in all the states. The delay was from one months to six months. Therefore it is defeating the objectives of the NREGA.

5. In all the states women formed majority in NREGA work force, but in Uttaranchal NREGA works were done almost only by women. There were interesting experiences when unable to find mail skilled workers, women themselves developed skills and their work teams handled the whole worksite and successfully completed work with comparable quality.

6. The corruption was one of the most important issues in Orissa and Madhya Pradesh. The study found that in many cases the contractors with JCB machines were illegally engaged in NRGA works and therefore lesser amount of work was provided to the workers. Actually the contractors purchase the job cards of the workers and also take signed withdrawal forms of their bank accounts authorizing them to draw the money from the workers’ bank accounts. In this way they draw money for the project and pay a little amount to the workers. It was also found that in many cases the village council secretary keeps the job cards of many workers with him, and according to workers, large numbers of fake cards were also made. So the corruption is systematically defeating the objectives of NREGA. In Uttaranchal also the cases of such corruptions were reported but were insignificant in comparison to MP and Orissa.

7. In all the three states the workers and particularly women demanded to extend the job guarantee of 100 days to each adult rather than one member of the family. Women workers demanded that they must get separate job guarantee and separate NREGA bank account, and that their payments must be compulsorily transferred in their bank accounts with in a week. It is because of not providing 100 days of work, not providing unemployment benefits, and delay in wage payments that they are still compelled to migrate. Because of the delay in payments many times they prefer to migrate than to work in NREGA. They also raised concerns that NREGA projects must be targeted to create water, firewood and fodder facilities at door steps. Tribal women demanded that NREGA should also be extended to build a system for ensuring better price for the forest produce they gather.
It is worth mentioning here that the payments of unemployment benefits is responsibility of the state governments, and it is alleged that to avoid these payments the state governments themselves are discouraging the written demand applications for workers so that they are not in a position to legally claim these benefits. This is also one of the reasons why the corruption in NREGA is overlooked. Moreover the major problem in NREGA is the low budget. The government of India rather than increasing the allocations to expand the effective coverage of NREGA, in its 2012-13 budgets decreased the allocations from Rs 400000 million to Rs 300000 million. To hide this real problem the government on the one hand overlooks corruption and on the other hand accepts corruption as one of the main factors for under achievements in NREGA.

NREGA is not comparable to a full-fledged right to work, since rather than guaranteeing employment to every individual, it only ensures 100 days of manual wage work to one member of a rural family. However, if the concerns raised in the above discussion are addressed and if the government provides sufficient budgetary support and the act is properly implemented, the overall impact may be far reaching, not only in terms of reducing the pains of rural poverty, but also in terms of a positive impact on overall socio-economic development of the nation. It has also some potential to transform vast poverty ridden rural population in to a promising domestic market for industries and accelerate the industrial growth. It may also significantly decrease the distress migration from rural areas and thereby reduce the reserve army of labour and therefore may also have overall empowering effect on the working class particularly by way of reducing the downward pressure on wages. Employment generation through infrastructure development may have a multiplier effect and it may play an important role in resolving the agrarian crisis by creating crucial infrastructure like roads and irrigation facilities and biomass etc. Inbuilt democratic mechanism in NREGA implementation also provides an opportunity to organize the rural workers to strengthen the peoples’ power under the Panchayati Raj Act. Particularly it provides a great opportunity to organize the women workers to ensure their greater control and leading role in all affairs of rural socio-economic life. However on the other hand, it is interesting to note that the World Bank is against the NREGA. The World Bank says that National Rural Employment Guarantee (NREGA) scheme and some other such pro-people policies like watershed programs and schemes for development of small and medium towns etc are policy barrier hurting economic development and poverty alleviation.\(^\text{16}\) It is a signal that the government may gradually decrease its emphasis on such programs, and probably it has already started in the form of reducing budgetary allocations.

**Scope for revival of rural labour movement**

Rural workers movement in post independence India passed through three distinct phases. The first phase of the movement was in continuity with anti-feudal struggles in colonial India. It is interesting to note that landless agriculture labour had already emerged in significant number in the colonial period and according to the report of a delegation of British trade union congress their total strength

was more than 20 million. The ILO estimated that the number of agriculture labourers increased from 21.5 million in 1921 to 31.5 million in 1931 and out of which 23 million were landless agriculture labourers. However, political forces engaged in anti-feudal struggle were largely opposed to form agriculture labour unions separately, largely out of the fear that it might be detrimental to the rural workers unity in anti-feudal struggle. There were debates among the activists engaged in anti-feudal struggles particularly in Akhil Bhartiya Kishan Sabha (AIKS) on the issue. For historical politico-economic reasons the agriculture labour movement first emerged in Kerala and Andhra Pradesh and many agriculture labour unions emerged in 1937-40. Babu Jagjeevan Ram of Indian National Congress formed Bihar Provincial Khet Mazdoor Sabha in 1937. During the same period in 1936 Ambedkar formed Independent Labour Party. These developments further intensified the debate on the issue of organizing agriculture labour in separate organization other than Kishan Sabha and building their separate movement to advance the cause of wage workers, while strengthening its unity with the peasant movement for the common cause of anti-feudal struggle. In Gaya Congress of AIKS in 1939 this issue was discussed and debated and the resolution was passed to raise the demands of agriculture labourers and establish friendly contacts with agriculture labour unions where ever they were formed, but there was no call for organizing the agriculture labourers. Swami Sahajanand was probably the first leader of the anti-feudal movement who raise this issue systematically in his book Khet Majdoor that he wrote in Hazaribagh jail in 1941. He clearly argued for a separate organization for agriculture labourers and poor peasants, and emphasized its importance in terms of strengthening the anti-feudal struggle. However, the peasant movement largely opposed or discouraged the formation of separate agriculture labour unions and argued for organizing them in Kishan Sabhas only in the name of maintaining all peasant unity in anti-feudal struggle. It is well established fact that the communist party and other left forces were leading the anti-feudal struggles in India and the credit goes to them for whatever could be achieved in terms of abolition of feudal exploitation and abolition of Jamindari system and thereby also bringing some light in the life of the oppressed castes. The communist forces were well grounded in the oppressed sections of rural masses and the oppressed castes were the closest allies and actually the lifeline of the communist party. But probably because of its above erroneous understanding and erroneous strategy of the all peasant unity in anti-feudal struggle and not organizing the agriculture labour separately, it was unable to fully understand the caste issue and was unable to build a movement targeted towards caste annihilation, because in relevant time the agriculture labourers were dalits (and some other backward castes) and dalits were agriculture labourers. However, it is also to be understood that there were important factors in objective conditions itself that were leading to such erroneous understanding. This was a phase of anti-feudal struggle, i.e., for the abolition of jamindari system of land relations and therefore the main demand was the land reforms that promised land to tillers including both sanctioning ownership of land to the tenants, and providing land to the landless. Therefore the landless agriculture labourers were considered to be the land less peasants. Sahajanand Saraswati also called them ‘poorest and property less kisans’ even when he was advocating for separate organization for agriculture labourers; and by all means he was right. Yes, they were landless peasants and they were part of jamindari abolition struggle, but they were wage workers and exploited by the same peasants that were leading the organization and struggle for
jamindari abolition. The relations became more exploitative because of caste division between rich and middle peasants on the one hand and agriculture labour on the other. Almost all the agriculture wage workers were from dalits, adivasis and some other backward castes. On the other hand, the rich and middle peasants that engaged them were mainly from the upper castes and a very small number from some backward castes. And these peasants were actually leading the Kishan Sabhas and the anti-feudal struggles. In such situations, it is but natural that even when the agriculture labourer played a very important role in anti-feudal struggles, their voice was not significantly represented in the movement and organization and their issues did not get significant focus in the movement. The only solution to this problem, and the only way to build a democratic anti-feudal movement was to form separate organization of agriculture labourers and build a democratic peasant-labour unity in the anti-feudal struggles.

So in the first phase of post independence period extending up to first half of 1960s actually there was no strong initiative to build an agriculture labour movement.

In the second phase extending from second half of 1960s up to early 1980s, there were some interesting developments. It can be said that this period was most precious period for the working class movement and transformation of Indian-economy, polity and society. We can list some of the important developments as follows:

1. Anti-feudal political movements reached to its culmination in second half of 1960s. It was largely defeated, followed the path of left adventurism, faced unimaginable repression and finally got scattered in various political tendencies with in the broad radical left.

2. A most popular movement emerged in first half of 1970s which later went in the leadership of Jayprakash Narayan. It was a reflection of the crisis both of the India economy and the international economy. The movement that later became the JP movement was actually a wave of struggles, and spontaneous movements in both rural and urban areas mainly led by the left and socialist forces. There were a series of historic strikes in public sectors like railways and post offices etc., in private sector like in textile industries etc. The movement was so strong that the government was compelled to declare Emergency rule. However, with imposition of emergency the movement was further widened and intensified. However, also in many ways it was derailed because the real issues were lost and the opposition political parties successfully transformed the movement just to change the regime. The far right forces who were earlier opposing the political forces-the socialists and communists providing leadership to the wave of struggles, also became the part of the JP movement.

3. A strong dalit movement also emerged in 1970s almost all over India, in different names like: Adi-Dharm Movement in Punjab, Nama Sudra movement in Bengal, Adi-Dravida movement in Tamilnadu, Adi-Hindu movement in Kanpur, Pulaya movement in Kerala, Untouchable movement in Maharashtra, Dalit movement in karnataka

4. Jamindari system of agrarian relations was abolished and capitalist development of agriculture was accelerated. Green revolution brought a see change in terms of transformation of agriculture and in the second phase of green revolution probably from the second half of the 1970s the
mechanization of agriculture was also accelerated. Large number of projects were started to develop infrastructure facilities in rural areas like irrigation, electrification, roads, schools, and also the infrastructure of the local elected councils and bureaucratic administrations. On the other hand the industrialization also was accelerated. All these developments also created large opportunities for rural wage labour and also increased the collective bargaining power of the rural wage labour.

All the four factors discussed above played role in abolition of jamindari system and realizing the freedom of dalits from feudal obligations. With the abolition of jamindary system, development of capitalist agriculture on the one hand, and increasing opportunity of wage work outside agriculture played an important role in abolition of attached/bonded labour (Halwaha in UP) system in agriculture. Periods of these developments were different in different states and regions but it happened sooner or later in all regions. This was experienced as a real freedom by dalits and was reflected in series of spontaneous strikes of agriculture labour in rural areas in some regions in late seventies, in some in early eighties and in some in late eighties. It is interesting to note that in Punjab the agriculture labour movement emerged in 1960s itself because of early capitalist development in rayatwari regions (as against jamindari system of land relations) which also later developed as green revolution belts. But even when Haryana and western Uttar Pradesh fell in the same region and with same system of land relations, agriculture labour movement in these parts emerged only in 1980s. There may be several factors behind this, but one of the most important factors was the practice of attached labour system in Haryana and western UP that in a way was responsible for persistence of the feudal obligations for a longer period. The attached labour system gradually went out of practice only in 1980s, and therefore we observe the emergence of agriculture labour movement in Haryana in 1980s. It is worth remembering here some of the great movements of agriculture labourers led by Bhartiya Khet Majdoor Union (BKMU) in this period. A countrywide campaign and struggles was launched by BKMU in 1978, against atrocities and for social justice of Harijans, adivasis, rural poor and other agricultural workers in which twenty lakh agriculture workers participated. During the same period a historic march of five lakh agricultural workers was organized and charter of demand on the issues of agriculture labour was presented to the Parliament. A countrywide land struggle was launched in 1980 in which thousands were arrested and 12 persons lost their lives. One day general strike of two million agricultural workers was organized in 1982, demanding a comprehensive central legislation for agriculture labour. BKMU along with other agricultural labour unions organised one day general strike simultaneously on the same day on July 15th 1983 in which more than twenty lakhs participated demanding a comprehensive central legislation which shall include: 1) trade union rights, 2) employment guarantee and unemployment wages, 3) payment of pension, 4) equal wage for women, payment of maternity allowance, 5) a separate Labour Department, for agricultural workers.17

17http://www.indialabourarchives.org/usr/local/gsdl/cgi-bin/library?e=q:000-00---0ail- aituc%2echeman%2cindran%2cwet%2cwbms%2ctexah-01-0-0-0prompt-14-Document-stx--0-11-1-en-50---20-about-BKMU--001-001-1-0isoZz-8859Zz-1-0&a=d&c=aituc&cl=search&d=HASH01783f6c36b21dbefcaeb3c93
It is in this phase that the demand for Central legislation for agricultural workers was raised. Kerala was the first state to legislate Agriculture Workers Act in 1974. A central Agricultural Workers Bill was drafted in 1981. However due to strong opposition from some political parties central legislation for agricultural workers could not be enacted till date. In 1982, State Governments were directed by the central government to plan appropriate legislation to regulate the working conditions and to provide for the welfare of the agricultural workers. However, only one state Tripura responded to this and enacted Tripura Agricultural Workers Act, 1986. The struggle for central legislation for agriculture workers continued.

However, we again witness a downfall in the agriculture labour movement after 1980s that can be said to be the third phase. There may be various factors behind this, but the most important factor seems to be the development of the capitalist agriculture to a new stage where in the agricultural operations were increasingly mechanized to the extent and managed in such a way that routine wage work in agriculture was almost lost and availability of wage work became largely seasonal. In 1990s itself the wage work in agriculture was available for not more than 100 days in a year and thereafter it decreased further. This situation led to the following phenomena:

1. Agriculture labour acquired a new identity of rural labour doing various wage work in rural areas including agriculture wage work
2. Migration of agriculture wage workers, both on day to day basis to nearby urban centers and on seasonal basis to distant places
3. A reserve army of agriculture labour was created by way of feminization of labour (the women staying at home while men migrating) and in the form of semi-proletariat (the people with small land holdings and always ready to do wage work whenever available)
4. This situation changed the rural labour market also. The agricultural labour market was village based and therefore the collective bargaining was also village based. But in new situations the village based labour market lost its significance, and so the village based collective bargaining. Now the rural labour was working in various occupations in which ever surrounding villages or urban centers wage opportunities were available for it.

In these situations, organizing the agriculture labour became difficult, and it required a change in the strategy of organization and struggle. Actually the demands raised by the agriculture labour unions in 1980s as discussed above were already addressing these issues and framing their demands to target the new situations; for example, the demands for minimum wages, employment guarantee and unemployment wages, payment of pension, equal wage for women etc. However, organizing the rural workers increasingly became a difficult task, and there was no breakthrough for a long time.

The situation started changing only in the fourth phase that can be said to have started after the implementation of national rural employment guarantee scheme (NREGA) in 2005. It is also to be noted that this act became a reality after along struggle and particularly with the efforts of left forces which were supporting the congress government at center at that time.
It is to be noted that with the differentiation of peasantry and proletarianisation large number of poor peasants and wage workers have emerged in almost all caste categories. In high caste hindus also a significant section now falls in the category of poor peasants. Due to caste pride they do not prefer to do wage work in rural areas and they migrate to nearby urban centers or the cities. Rarely we also observe some high hindus doing wage work in rural areas. In backward castes a significant section of population is now doing wage work along with cultivating their small farms. It is also interesting to note that the poor high caste hindus are also reported to be working in NREGA works, because it is not considered as bad as doing wage work in some one’s farms. NREGA provides an employment guarantee for 100 days in a year to one member of each rural family and there is no condition of any thing like poverty line. Therefore, it provides an opportunity to organize poor peasants and landless wage workers across the caste categories at village level. Therefore it is not only an opportunity for revival of the rural labour movement but also to build the unity of the poor peasants and landless wage labour across the caste. It may be a significant step towards breaking the barriers of the caste relations and transforming it in to class relations that is the first step towards caste annihilation.

There are immense scopes for revival of rural labour movement by way of organizing the rural workers around employment rights under NREGA. The democratic structure and functioning that is promised in NREGA (and that can be made a reality only if organized force of rural workers appears on the stage) provides immense opportunities for organizing democratic movements of rural workers at village level to democratize the panchayats and make it the people’s councils in real sense of the word.

NREGA unions have started emerging across the country and along with fighting for effective implementation of the act, they have also started raising the demands for increasing the wages, and increasing the days of employment etc. There is also a demand for extending the scope of NREGA works and on the other hand there is also a demand to consider NREGA workers as construction workers and therefore extending the benefits of construction workers’ welfare schemes to NREGA workers. It is generally agreed that the recent growth in the membership of central trade unions came from the informal sector and largely from NREGA unions.

Now let us turn again to the debate among left political forces (that are the most important force fighting for the cause of rural poor and wage workers) on the issue of organizing agriculture labour unions. Even after the agriculture labour/rural labour movement passed through three phases of development and reached in the fourth phase, the debate is still continuing. It is interesting to note that during the process of splits in the left movement, those parties which were declared revisionist took a right direction on this issue and started organizing the agriculture labour separately and formed national level agriculture labour unions; and those declared as radical continued working with the same position of organizing agriculture labour and farmers in the same organization to complete the task of anti-feudal struggle. In the first split in the communist movement in 1964 the mother party, the Communist party of India (CPI) was declared revisionist and new formed communist party of India (Marxist)-CPI (M) was declared radical. The communist party of India
soon formed Bhartiya Khet Majdoor union in 1968. In the second split, in CPI(M) in 1967, the mother party CPI(M) was declared revisionist and later a new radical party CPI (ML) was formed. CPI (M) started organizing agriculture labourers and formed All India Agricultural Workers Union (AIAWU) in 1982. CPI (ML) later scattered in various parties and groups and one of the largest ML parties CPI ML-Liberation was declared revisionist some time in 1980s, and CPI ML-Liberation formed All India Agricultural Labour Association (AIALA) in 2003. It seems that with entering in the parliamentary politics these parties were compelled to realize the importance of agricultural labourers as a separate-social political force and therefore also realized the importance of organizing separate agricultural labour unions. However, large number of left groups with radical ideology (other than those engaged in armed struggle) that are well grounded in rural areas and actually working with poor peasants and agriculture labourers are still persisting with the same position of anti-feudal struggle and not engaging themselves in organizing the rural labour unions.

Centre for Workers Education, New Delhi

Email: Workerscentre@gmail.com, Web: http://workerscentre.wordpress.com/