

EMPLOYMENT GUARANTEE ACT : A BOON TO THE UNORGANISED  
RURAL LABOUR

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INTRODUCTION :

Unorganised rural labour in India forms the biggest section of the persons below the poverty line, howsoever defined and estimated. Most of them belong to the backward castes, the Scheduled castes and the scheduled tribes. Several welfare schemes designed and implemented after Independence have not been effective in reducing their abject poverty, oppression and exploitation. What they want today is not a plethora of grandiose schemes but a positive right to work that can be legally enforced. A time has come to organise them around this demand.

Right to work

Right to work is no longer a mere pious wish of those who think of the welfare of the weaker sections of the society. Since the establishment of the United Nations Organisation, it is generally losing its nebulous character and is getting concretised.

The Charter of the United Nations envisaged "promoting and encouraging respect for human rights". Article 1 of the Charter which states the purposes of the United Nations includes "to achieve international cooperation in solving international problems of economic, social, cultural or humanitarian character, and in promoting and encouraging respect for human rights and for fundamental freedoms for all without distinction as to race, sex, language or religion ... ." (emphasis added).

Later on the United Nations unanimously passed the Universal declaration of Human Rights in 1948. It is stated in the preamble to the Universal Declaration of Human Rights that "a common understanding of these rights and freedoms is of the greatest importance for the full realisation of this pledge" (for the promotion of universal respect for human rights).

Article 13 of the UDHR specifically lays down that "everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment". (emphasis added).

To make some of the rights in the UDHR, two international covenants were enacted in 1966 and these came into force in 1976. The first of these - the International Covenant on Economic, Social and Cultural Rights, that was opened for signature, ratification and accession on 19th December 1966, elaborated the right to work. Article 6 in the covenant is as follows

1. The States party to the present Covenant recognise the right to work, which includes the right of everyone to the opportunity to gain his living by work which he freely chooses or accepts, and will take appropriate steps to safeguard this right.

2. The steps to be taken by a State party to the present Covenant to achieve the full realisation of this right shall include technical and vocational guidance and training programmes, policies and techniques to achieve steady economic, social and cultural development and full and productive employment under conditions safeguarding fundamental economic and political freedoms of the individual.

## Rural Labour

The task of providing work to the rural labour in the Third World countries is very difficult mainly because of their large numbers and rural habitat. Besides, most of the rural workers are illiterate and unskilled. The number and proportion of landless labour in the total labour force in these countries is gradually increasing due to rapid rise in population, low rate of labour absorption in industries and services and mechanisation of agriculture. For example, the number of landless labourers in India rose from 27.5 million in 1951 to 47.5 million in 1971. The major problem facing the rural labourers is that of unemployment and underemployment which is the basic cause of their poverty. The other problems are low wage rates, long hours of work. These also arise out of the main problem of unemployment and underemployment. It is primarily these persons who are denied the right to work.

## EMPLOYMENT GUARANTEE

The demand to assert such a right cannot be made in the abstract. The only way to assert this right and thereby to reduce the poverty and indignity of the landless is to insist upon employment guarantee by the State. Such an experiment has been made in the State of Maharashtra in India. This experiment needs to be studied, to demand to have such a guarantee in other states in India.

## EMPLOYMENT GUARANTEE SCHEME OF MAHARASHTRA

Certain experiments to provide employment to rural labour in certain selected blocks were made in Maharashtra in 1969-70. Later in May 1972 the Government launched Employment Guarantee Scheme (EGS) guaranteeing employment in rural areas to all able-bodied persons at age 18 and

above who were willing to do manual work for stipulated wages. The operation of the EGS had to be suspended due to famine conditions in the State during 1972-73 and 1973-74 as it had to run large scale relief operations during this period. During this period the ad hoc Crash Scheme for Rural Employment (CSRE) of the Government of India was also in operation. After the famine was over the December 1974, the Government decided to introduce the EGS. In the preamble to the scheme announced in December 1974, it was clearly stated that the EGS was adopted to give effect to the right to work as stated in the Article 41 of the Constitution of India. This article states -

"The State shall, within the limits of its economic activity and development, make effective provision for securing the right to work, to education and public assistance in cases of unemployment, old age, sickness and disablement, and in other cases of undeserved want".

The EGS was introduced as a first step to ensure right to work. At the same time, it was emphasised to be an attempt to treat human labour as an asset to create capital assets to accelerate economic growth. Thus employment and growth were the twin objectives of the EGS. The main provisions of the Scheme were as follows :

- 1) All able-bodied persons in rural areas were to register their names with village officials, if they wanted employment on/at specific piece rate wages.

- 2) A group of 50 persons demanding employment had to be provided work by starting a new project within the radius of 5 kilometers of their residence.

3) The public work had to be productive and the proportion of expenditure on labour to that on skilled work, supervision, materials and equipment was to be at 60 : 40.

4) The EGS employment was not to affect the availability of agricultural labour at lawful minimum wages and hence the wages offered on the EGS were lower than the stipulated legal minimum wages.

#### FUNDS

The Government imposed some additional taxes and sur-charges to meet the expenses on the EGS.

#### SUPERVISION AND IMPLEMENTATION

A committee of the members of Legislature was appointed to watch the implementation of the scheme. The Committee has done a good job, and has, till 1978, submitted 7 reports that contain valuable information on the working of the EGS.

#### THE MAHARASHTRA EMPLOYMENT GUARANTEE ACT 1978

After gaining experience in operating the scheme the Government decided to make a statutory provision for securing the right to work through EGS. The bill was introduced in the State Legislature in August 1977. It was duly passed, received the assent of the President and came into force in January 1979.

#### MAIN PROVISIONS

Article 3 of the Act recognises the right to work and states that "every adult person in the rural areas in Maharashtra shall have a right to work, that is, a right to get guaranteed employment for doing unskilled

manual work and to receive wages therefor weekly or in any case not later than a fortnight, in accordance with the provisions of this Act and the Scheme made thereunder".

It is clearly stated in the Preamble to the Act that the objective of the Act is "to make effective provision for securing the right to work laid down in article 41 of the Constitution of India by guaranteeing employment to all adult persons who volunteer to do unskilled manual work in rural areas in the State of Maharashtra".(emphasis added.)

The Act describes the main features of the Scheme as follows :

(1) Only productive works shall be taken up under the Scheme. Productive works are any works which, in the opinion of the State Government, directly or indirectly contribute to the increase of production or the absence of which inhibits the increase of production.

(2) The works taken up under the Scheme shall be in rural areas.

(3) The District Collector shall be asked to prepare blue prints of the works to be taken up under the scheme, as a part of the District plan. These blue prints should be based on the Panchayat Samiti area development plans prepared with a view to give employment guarantee to all adult persons for unskilled manual work and to make use of natural resources, actual or potential, which are readily available in the respective Panchayat Samiti areas. Unskilled work is defined as any work which any adult person, without any special training, can normally be expected to do and which is so classified in the Scheme.

(4) A manpower budget for the District shall be prepared to plan the works to be taken up under the Scheme.

(5) The Scheme may also provide, as far as possible, for the training and upgradation of the skills of the unskilled labour.

(6) The wages should be directly linked with the quality and quantity of work.

(7) The schedule of wages shall be so fixed that a person working diligently for 7 hours a day would normally get a total wage equal to the minimum wage for agricultural labourer for the lowest zone fixed by the State Government from time to time.

(8) The Samiti Officer (person appointed for implementing the Scheme in the Panchayat Samity (block area) may direct any person who volunteers for employment under the Scheme, to do work of any type permissible under it.

(9) All work taken up under the Scheme shall be executed departmentally and not through any contractor.

(10) There will be a limit to finance works on private lands, directly benefiting the holders.

(11) The work under the Scheme shall be so organised that the normal agricultural operations and non-plan works of the State Government are not adversely affected.

(12) A provision for a periodical inspection of works under the Scheme to ensure proper quality of works and a balance between total wages paid and the quality and quantity of work done shall be made in the Scheme.



(13) An Audit Squad to conduct a periodical audit of expenditure incurred under the Scheme shall be appointed.

(14) If any personal injury is caused to any person employed under the Scheme by accident arising out of and in the course of his employment, he shall be entitled, free of charge, to such medical treatment as is admissible under the Scheme, and if hospitalised, the Government shall arrange for such hospitalisation including accommodation, treatment and diet and shall also pay him daily wages at half of the minimum wage rate stipulated for the lowest zone fixed by the Government. In case of death of such person, Rs. 5000/- shall be paid ex-gratia to his legal heirs. In case of disablement an ex-gratia payment determined in accordance with the Scheme shall be made but the amount of such payment shall not exceed Rs.5,000/-.

(15) The Government shall ordinarily provide all kinds of tools and implements and gun powder required for any work and where tools and implements are not so provided and are brought by the person concerned he shall be paid such hire charges as may be prescribed.

(16) The Government shall, as far as possible, undertake comprehensive land development programme on water-shed basis. Such works, as far as possible, shall be provided within a radius of five kilometers from the village of the workers engaged on such works.

The Scheme provides for the registration of the names and addresses of the persons who volunteer to work. Every adult person who is residing in any rural area and is willing to do any unskilled manual work is entitled for registration.



Where there is no able bodied adult member in a family, a minor member of such family, who has completed 15 years of age is also entitled for registration.

The Act also provides for the establishment of the Employment Guarantee Fund. The contributions to the Fund are mainly from the proceeds of the tax on professions, trades, callings and employments and surcharges on certain taxes. The tax on professions, trades etc. was mainly levied to meet the expenditure under the EGS. In addition, the State Government also contributed to the Fund.

### RULES

Several rules have been made under the EGS Act to clarify the provisions regarding registration for employment, application by a registered person for employment, payment of unemployment allowance, maintenance of accounts, utilisation of the EGS Fund and powers of different officials under the Act.

### WORKING OF THE SCHEME

All the above information shows that the scheme is mainly for the landless and near landless. Besides the evaluation reports of the Committees appointed by the Government, a few independent studies have also been published. (Dandekar, Kumudini "Employment Guarantee Scheme - An Employment Opportunity for Women", Pune Orient Longman Ltd., 1983; Deshpande, Vasant "Employment Guarantee Scheme - Impact on Poverty and Bondage Among Tribal Workers", Pune, Tilak Maharashtra Vidyapeeth, 1982).

These studies point out that "the EGS has made an unprecedented dent on the prevalent unemployment in rural Maharashtra. It is certainly a right step towards reduction

in poverty and unemployment. For females, it proved a boon unheard of in employment history of the development effort" (Dandekar, 1983).

In 1979-80, 200 million man-days employment was generated. It provided additional employment for roughly one-eighth of the potential surplus labour. In addition it has also helped to create more employment opportunity even in agriculture due to various schemes like percolation tanks undertaken under it. Persons belonging to the Scheduled Castes, Scheduled Tribes and other backward castes have been the main beneficiaries of the Scheme, as the majority of them are landless. The Scheme has also helped to reduce the exploitation of the weaker sections of the society. Dandekar writes, "the more the exploitation by landed farmers, the greater was the attendance on the EGS" (p.26). She also notes that while the impact of the EGS in different districts was uneven, the significant achievement of the EGS appears to be the employment of about 0.39 million person-years under the EGS. In 1979 and 1980 about 0.4 million females were working in the scheme and their percentage among the total EGS workers was more than 40% in both the years. This has not only made a marked dent on female unemployment but also has helped raise the status of women by providing such employment in rural areas.

The EGS has also helped to reduce the incidence of bonded labour in the State by giving rural landless employment opportunities and some additional income, and thereby reducing their indebtedness to and reliance on local moneylenders (Deshpande 1982).

The growing popularity of the EGS can be seen from the following table.

Year	Budget Provision (Rs.Crores)	Expenditure (Rs.Crores)	Mandays of Employment Generated ( In crores)
1972-73	2.23	1.88	0.45
1973-74	3.71	1.89	0.51
1974-75	15.00	13.72	4.81
1975-76	30.40	34.61	10.95
1976-77	50.00	50.10	13.32
1977-78	55.00	51.54	11.53
1978-79	70.63	74.17	16.35
1979-80	100.40	109.23	20.54
1980-81	110.90	122.12	71.15
1981-82	116.00	126.17	15.60
*1982-83	72.00	54.02	6.04
Total till Sept. '82	626.27	639.45	117.25

\* The 1982-83 figures are for April to September 1982 only.

(Source : "EGS : A Model of Rural Development", in  
LOKARAJYA EGS number, Oct. 16, 1983;  
pp.19, by P.K.Sawant)

#### COMMENTS :

Like all the schemes, the EGS is not without defects.

The major defect of the EGS is the cumbersome procedure of registration and for demanding employment. Works are not started promptly as there is always some delay

in getting the technical sanction and/or administrative sanction. The technical sanction is to be given by the Public Work or the Irrigation or the Forest Department while the administrative sanction is to be given by the Revenue Department.

There is a large scope for corruption in the scheme. The officials boost the musters with bogus names, do not enter proper measures of work done in their records and thus make enormous sums for themselves.

There are delays in the payment of wages though there is a provision that wages should be paid within 2 weeks of work done during a week.

In a number of cases the piece rates for work prescribed do not ensure the payment of the stipulated minimum wages. This is due to several factors. Firstly, the rates prescribed are low. Secondly, the workers are still under an impression that the EGS works are in the nature of scarcity relief works where the emphasis is on relief rather than on work done. Bogus musters also lead to reduction in wages paid to those who actually worked. The officials also apply incorrect rates to be on the safe side, for example, the rate for digging of soft soil is supplied even when in fact the soil is one which is classified as hard.

The two major limitations of the Scheme are that it is applied only to rural areas, though there is large scale unemployment even in urban areas. Secondly, even rural areas the operation of the Scheme is suspended during the agricultural season, though, at least in certain places, there are many unemployed workers even during such a season.

However, as described earlier the EGS has several advantages. It ensures landless labourers' right to work. It helps to reduce the dependence of backward castes and tribes and women on the rural elite. It helps to create capital assets in rural areas. It leads to some redistribution of income. It also reduces migration of labour to urban areas.

#### Organising Rural Labour

The main advantage of the EGS is that it gives SAGs an effective opportunity to organise the rural poor against exploitation and oppression.

However, the rural labourers work in different places and with different employers in a village, which makes it difficult to organise them. In an EGS work, a number of rural workers work at the same place which makes it easier to mobilise them.

Social Action Groups in Maharashtra have, at many places, utilised the EGS to organise rural labour. Some of these organisations have succeeded in politicising the workers, in fighting caste injustices, in organising strikes for minimum wages and in general in challenging the class-caste hegemony in rural areas.

It is hoped that SAGs in other states in India will take initiative and force their governments to enact a law like the EGS act in Maharashtra. It may be pointed out that there are no substitutes for the EGS Act, which not only provides employment to landless labourers but also guarantees by making it obligatory on the part of the

government to provide it. SAGs should put forward such a concrete demand than an abstract demand to enforce the right to work.

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