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**“What Are Governments Doing to Promote Social Justice?: The ‘Right to Work’ as Social Policy — The Experience of Recent Legislation in India”**

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**What was the problem?**

International perception of India today is that of a booming economy rapidly emerging as an economic powerhouse. Yet there are large parts of the economy which still operate with very low labor productivity and with worker consumption at subsistence levels. Despite relatively high growth there has been employment stagnation, especially in rural India. The most recent data indicate very sharp increases in unemployment rates as well, despite the complete absence of social security and unemployment insurance in rural India. Employment generation has become not only the most important socioeconomic issue, but also the most pressing political concern in the country.

The mandate of the 2004 general elections was clear: the people of the country decisively rejected policies that implied reduced employment opportunities and reduced access to and quality of public goods and services. Indeed, the promise to do something about rural employment generation in particular was probably one of the most significant promises that resonated with the electorate.

**What was the innovation?**

The National Rural Employment Guarantee Act (NREGA), which came into force in 2005, reflects the commitment made in the UPA government’s National Common Minimum Program. The NREGA offers 100 days of employment per rural household per year in public works. The implementation officially started in March 2006 and is currently operative in 200 most impoverished districts (150 of which were already covered under a Food-for-Work program). It will be extended to cover the whole of rural India within five years.

Employment generation schemes, if imaginatively conceived and properly implemented, can have very substantial effects in stimulating higher levels of economic activity and therefore growth, especially in the rural areas. Because of the obvious multiplier effects of such spending, additional wage employment plays an important role in reviving local markets and rural industries. In addition, since the NREGA ensures continuous minimum public employment, local authorities now have access to a permanent labor force, which in turn can be mobilized to improve rural infrastructure and development. Possible projects include creating durable rural assets, water management and watershed development, irrigation and land productivity improvement, sanitation facilities, and even midday school meal preparation.

### **What obstacles did you face?**

In some states, corruption and weak delivery systems may prevent the target beneficiaries from receiving the benefits of the Act. Even the bravest supporters of governments at the state and central level would not argue that there are no leakages in government expenditure, or that there is still not widespread corruption in implementing government programs. Uneven levels of administrative capacity have led to varying results for the program across different states, with some areas reporting poor dissemination of the nature of the program, inadequate awareness about the rights of workers, and lack of technical assistance for the program.

However, while obviously corruption and wastage cannot be condoned and must be minimized, the legal commitment to spend in rural areas rectifies some of the increasing urban-rural disparity observed in the past decade. Even if there are leakages, money spent in rural regions will play a positive role in improving local economies. Perhaps even more important are the mechanisms within the Act itself to improve transparency in the implementation of NREGA's plans. The Act provides for community participation, empowerment and control through locally elected bodies of administrators. The new Right to Information Act has also proved indispensable in monitoring the allocation of NREGA funds.

### **What were the planned versus actual results?**

Among the four surveyed states of Andhra Pradesh, Chhattisgarh, Jharkhand and Madhya Pradesh, researchers found that NREGA is a major new intervention that has the potential to transform rural economic and social relations at many levels. However, this potential is still incipient and must be substantially supported in a variety of different ways. The field survey of the implementation of NREGA in the selected areas identified some important and unexpected positive results, such as the large and active participation of women, even in sectors in which women workers are rare. A major strength of the program has been the enthusiastic response of local residents, in particular the landless and marginal farmers.

Nonetheless, before the Act can produce more substantial results, it is clear that central and state governments will need to increase their financial and technical contributions. Such resources are required to ensure wider and more complete dissemination about the Act and all its features, to provide more assistance in the selection of works, to ensure prompt and correct payment of wages, to assist in the administrative work involved, and to allow for genuine public monitoring and social audit of the entire process.

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