

India's Promising Right-to-Work Programme

by James Manor

A new kind of 'right-to-work' programme in India has had a major impact on poverty and might be worth adapting elsewhere. Its name is a mouthful -- the Mahatma Gandhi National Rural Employment Guarantee Act. Everyone calls it the NREGA.

It gives every household in rural areas (where two-thirds of Indians live) the right to demand 100 days employment -- hard manual labour -- on public works projects every year. They earn a decent minimum wage which is a hedge against destitution during seasons when the demand for unskilled labour is slack. The NREGA differs from most other poverty programmes in one important way. Instead of being passive recipients, poor people must proactively seek work. The aim is to strengthen their capacity to pursue their own interests in the public sphere.

It is the largest poverty programme in history. Since 2006, it has provided over two billion person-days of work -- 48% of which have gone to women, enhancing their financial autonomy. To combat corruption, it includes the most powerful transparency mechanisms in any poverty programme on earth. Its design represents the most productive collaboration between a government and civil society ever seen, since the main ideas for it came from civic associations that had worked among the rural poor.

It is not easy to make the NREGA work well. Many bureaucrats, politicians and the rural rich prefer that poor people remain passive and dependent. They are strongly allergic to transparency and downward accountability which the programme seeks to promote. They see the funds which the NREGA injects into rural areas as an opportunity to rake off percentages and enrich themselves.

On that last front, they have been disappointed. The NREGA records every detail of a worker's involvement both on paper and in a sophisticated computerised system. The two sets of records are easily inspected, and if they do not match, theft from the programme becomes apparent. This system has certain limitations, but it makes it excruciatingly difficult to steal from workers' wages.

One further set of transparency mechanisms, social audits, turn out to be harder to implement. Powerful local people hate being cross examined in mass meetings of villagers, so they usually find ways of avoiding genuine social audits.

But the programme works well enough in most parts of India, to have a tangible impact on the lives of the poor. The minimum wage paid by the NREGA has forced up wages for unskilled labour more generally. The kind of migration that is driven by desperation -- to find work in cities or rich agricultural regions -- has declined dramatically. That means that some

families are not divided when the main earner migrates for long spells during which women and children are vulnerable to exploitation. Families which migrated together can now remain at home, so that children live more stable lives and can attend school.

If we look beyond these conventional measurements, we find that the NREGA has made an impact on poverty in two other crucial ways. It has strengthened both the political capacity and the economic agency of the poor.

These technocratic terms mean something important in the real world. When poor people are drawn proactively into this programme, their political awareness increases -- along with their confidence, their political skills and their connections (with other poor people and with allies among the nine-poor). Those four things add up to their 'political capacity' – a severe shortage of which is one important dimension of their poverty.

They also earn enough wages to give them a little financial autonomy, so that they are less dependent on rich people who often dominate village life. Many poor people use their wages to buy more and better food for their families – so that their nutrition improves and they become more productive. Many find it possible to keep their children in school, instead of sending them out to earn as child labourers. Many invest in livestock or better seeds and fertilisers for their own small plots of land. They can begin to exercise 'economic agency'.

The NREGA has also turned out to be 'good politics'. It has made the government and parties that introduced it more popular. It helped India's government to win re-election in 2009. That is far more stunning news in India than it would be in South Africa, since governments in New Delhi had been thrown out by voters at five of the previous seven national elections.

Even the Chinese, who seldom find merit in Indian policies, are talking about developing a programme modelled on the NREGA. South Africans, whose politics are far more like India's and whose unemployment rates are staggering, might consider something similar.

Prof. James Manor holds the Emeka Anyaoku chair at London University's Institute of Commonwealth Studies. He will be giving a lecture on NREGA at the University of Johannesburg at 17.00 on Monday 6 June in the Humanities Common Room, Auckland Park Kingsway Campus. Mr Zwelinzima Vavi is the discussant. Further details: 011 559 4251.