

NATIONAL RURAL EMPLOYMENT GUARANTEE ACT 2005



EMPLOYMENT GUARANTEE AND THE RIGHT TO WORK

Employment Guarantee Act: The Basic Idea

The Employment Guarantee Act is a step towards the right to work, as an aspect of the fundamental right to live with dignity

The right to work as a “fundamental right”

- The “right to life” is a fundamental right of all citizens under Article 21 of the Indian Constitution.
- “Right to life... includes the right to live with human dignity, it would include all these aspects which would make life meaningful, complete and living.”
(Supreme Court)

The right to work in the “Directive Principles” of the Constitution

- “The State shall... direct its policy towards securing that the citizen, men and women equally, have the right to an adequate means of livelihood...” (Article 39A)
- “The State shall ... make effective provision for securing the right to work...” (Article 41)

NREGA 2005 in a Nutshell

The National Rural Employment Guarantee Act 2005 is a law whereby: any adult who is willing to do unskilled manual work at the minimum wage is entitled to being employed on local public works within 15 days of applying.

The Unemployment Allowance

If employment is not provided within 15 days, the applicant is entitled to an unemployment allowance:

- **At least one fourth of the minimum wage for the first 30 days.**
- **At least one half of the minimum wage thereafter.**



WORKERS' ENTITLEMENTS

Who is eligible?

Anyone above the age of 18
who resides in rural areas.

Is there a limit on the number of days of work?

- Yes: 100 days per household per year.
- Each nuclear family counts as a separate “household”.

Where will the work be provided?

- Within 5 kilometres of the applicant's residence, as far as possible.
- If work is provided beyond 5 kilometres, a travel allowance has to be paid.

What is the minimum wage due to NREGA labourers?

- Labourers are entitled to the statutory minimum wage for agricultural labourers in the state, unless the Central Government “notifies” a different norm.
- If the Central Government notifies, the norm is subject to a minimum of Rs 60/day.

How and when are wages to be paid?

- Weekly, or in any case not later than a fortnight.
- Directly to the person concerned, in front of the community.

Mandatory worksite facilities

- Drinking water
- Shade
- Medical aid
- Creche if more than five children below age 6 are present

Note: These facilities are to be provided by the implementing agency.

Gender-related provisions

- Equal wages for women and men in all circumstances.
- No gender discrimination of any kind.
- Priority for women in the allocation of work: at least 33% of labourers should be women.



EMPLOYMENT GUARANTEE SCHEME

Employment Guarantee Scheme (EGS)

- Each State has to launch an “employment guarantee scheme” within six months of the Act coming into force.

EGS: Basic Implementation Principles

- Block is the basic unit of implementation.
- In each Block, a “Programme Officer” is to coordinate the implementation of EGS
- Gram Panchayats are the main implementing agencies.
- Accountability to Gram Sabhas.

EGS: Implementing agencies

- Gram Panchayats (half of EGS works)
- Other Panchayati Raj Institutions (PRIs)
- Line departments (PWD, Forest Dept.)
- NGOs.

Note: Private contractors are banned.

EGS: Decentralised planning

- Programme Officer to maintain shelf of projects, based on proposals from the implementing agencies.
- Gram Panchayats also supposed to prepare a shelf of works based on the recommendations of the Gram Sabha.

EGS: Permissible works

- Minor irrigation
- Water conservation, drought proofing, desilting of tanks, flood control, etc.
- Land development
- Rural roads
- “Any other work which may be notified by the Central Government in consultation with the State Government”

EGS is a “demand driven” programme

- Employment to be provided on demand, within 15 days.
- Programme Officer sanctions projects to ensure that all applicants get work.
- Programme Officer to arrange payment of unemployment allowance to those who don't get work.

EGS: Applying for work

Step 1 (Registration): Gram Panchayat to “register” interested households, to facilitate advance planning.

Step 2 (Application): Adult members of registered households apply for work.

EGS: The Registration Process

- Unit of registration is the household.
- Gram Panchayat to issue a “job card” to each applicant.
- Special meeting of Gram Sabha to be held to invite applications.

EGS: The Application Process

- Any adult member of a registered household can apply for work at any time.
- Applications should be for at least 14 days of continuous work.
- Advance applications are allowed.

EGS: Wage-material ratio

- Wage-material ratio should not be less than 60:40
- Wages of skilled and semi-skilled labourers to be included in material costs

EGS: Cost sharing

- Central Government to pay for:
 - wage costs,
 - 75% of material costs, and
 - some administrative costs.
- State governments to pay for:
 - 25% of material costs
 - other administrative costs,
 - unemployment allowance.



TRANSPARENCY AND ACCOUNTABILITY

Hamara Paisa, Hamara Hisaab!

- All NREGA-related documents to be available for public scrutiny.
- Copies of documents to be made available at nominal cost.
- Muster rolls to be pro-actively displayed at Panchayat Bhawan.
- Documents can also be obtained under the Right to Information Act.

Social Audits

- Gram Sabhas to conduct social audits of all works taken up within Gram Panchayat
- All relevant documents to be provided to the Gram Sabha by the Gram Panchayat and other implementing agencies

Beware the “anti-corruption clause”!

Section 27 of the Act allows the Central Government to stop release of funds if there is any suspicion of corruption.

This means:

- Arbitrary powers to stop funds
- Punishing the victims of corruption instead of its perpetrators

NREGA: Where and When?

- Act will come into force initially in 200 districts.
- To be extended to the whole of rural India within five years.