

COMMENT

Of Labour and NREGA

LABOUR MARKET IS BEHAVING in a peculiar fashion. Despite shrinkage in organised sector employment labour shortage in some areas of economic activity is a hard reality. Reports are coming from almost all states from Tripura to Gujarat and Punjab to Kerala that farmers and industrialists are facing labour shortage. True, the present shortage is forcing an upward movement in wages in some regions. It is quite possible that this may be a short-run gain which comes with a long-term loss. Many blame it on National Rural Employment Guarantee Act (NREGA) for this phenomenon.

Strange it may seem, many works undertaken under NREGA are unproductive, if not counter productive. In North Bengal's tea garden region jobless plantation workers under NREGA scheme are asked to dig 10 feet deep tanks of the size of a football field at a place where the watertable is 200 feet below ground level. Nobody knows why they are digging this boulder-strewn area but the villagers somehow get 10-15 days daily wages. In Uttarakhand villages totally useless check dams are being made in river beds because workers find it more convenient to make them there. Making true check dams requires them to climb mountains and carry stone from long distances. Not many sites for useful check dams are available hence they make useless ones.

It is reported on Agri-business and Management website that "this end of cheap labour shall push up the cost of cultivation many folds. This shall also lead to the increased use of herbicides and mechanization of agriculture. Chemical weed control shall become an indispensable part of modern day agriculture." Mechanization of harvesting and other operations will take place. It is reported that farmers of Maharashtra are beginning to use mechanical harvesters for cutting sugar cane. Harvesters are being used profusely for harvesting wheat across the country. Consequently, the long-term demand for labour will decline. The Government is making the poor people cut apart their own lifeline of demand for labour. They may get 100 days employment now but they may have to sit idle for 265 days in future since demand for labour will be less.

Also, NREGA is creating obstruction in beneficent migration. Relocation of people has taken place naturally for millennia due to changes in technologies and natural circumstances. The worker's wage rate is increasing but the long-term demand for his labour power is being killed.

This situation is developing despite many shortcomings in the implementation of NREGA. The Planning Commission has estimated that only 14 percent households have been provided with 100 days employment under NREGA. The Government is taking steps to improve this situation. Better implementation will make things worse in the productive sectors of the economy. The country will invest in machines while labour is engaged in cosmetic works in the villages.

Government of Andhra Pradesh has ordered stoppage of all works under NREGA during the harvesting season to make available labour to the farmers. Reportedly the Central Government is considering a similar measure. This will not solve the basic problem even though the measure marginally balances the situation. Availability of 100 days work in the village creates a reluctance to migrate in the remaining 265 days as well. Industries are today facing labour shortage throughout the year which is not solved by seasonal adjustments.

If the government wants to continue NREGA, the least that should be done is to allow works on private lands to be undertaken. Every rural household may be paid wages of 100 days for undertaking rain water harvesting, soil conservation, tree plantation or other works on their private lands. This will give these expenditures a productive orientation. Industries will still face labour shortage but, at least, the villages will be more prosperous. In most cases NREGA turns out to be yet one more instrument of relief in the hands of political parties, bureaucrats and the panchayets etc. And relief is no permanent solution to joblessness even in the unorganised sector.

[contributed]