

## Rural Assets for Employment

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The employment bill was introduced in Parliament in December 2004, after much bickering over the money to be spent on providing rights of employment to millions of poor in the country. Finally, a "watered down" bill was drafted; it guarantees at least 100-day wage employment in every financial year to every household whose adult members volunteer to do unskilled manual work. The government maintains that restricting this guarantee to the poorest 150 districts would cost the exchequer Rs 9,000 crore annually.

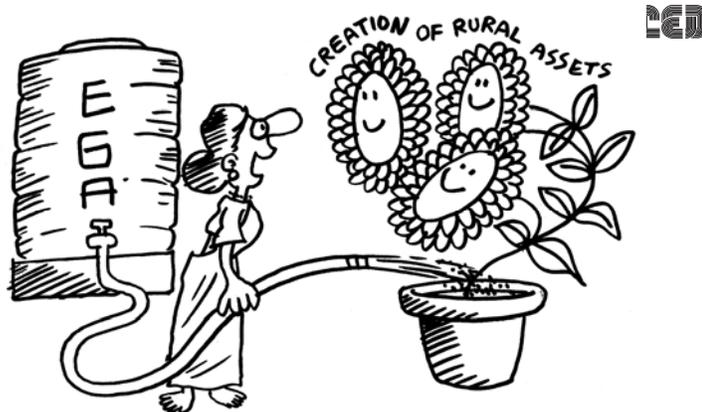
The bill's critics rile this as expenditure that will lead to nothing. But that's only one possibility. **The other possibility is that the bill could actually change the economic future of millions of Indians. But to do this, we will have to focus, not on the quantum of money, but on what it is spent and how it is spent.** In other words, the employment programme has to be integrated into the country's developmental programme. But even the votaries of the bill see it primarily as welfare: doling out work to the poor in return for which they get money and can buy food to tide over another drought. But this bill can be the answer to drought and economic destitution: it can provide not just drought relief, but relief against drought.

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To make jobs work for development we must focus on much more than the mechanics of spending money. **We must understand that the biggest employment opportunity in the country exists in creating and maintaining rural assets: trees, grazing lands, water harvesting structures, roads and other infrastructure.** These rural assets require investment of labour. The question we need to ask is **why are assets that get built in one season, lost in another? What can we do to ensure that the labour invested in rural regeneration leads to durable and productive assets?** That's the challenge of the new generation of employment programme.

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[http://www.downtoearth.org.in/cover\\_nl.asp?mode=2](http://www.downtoearth.org.in/cover_nl.asp?mode=2) [C.ELDOC.6009650]



Currently, the programme is designed for unproductive employment generation: digging holes to fill them with earth and

then digging them again. The road constructed one year, using the labour of the poor, will be washed away the next season. The check-dam built one year will be gone by the next. The sapling, planted one year, will wither away the next. It is precisely this hole that must be plugged. But for this, the employment programme has to become the basis of village-level developmental activity. The labour of the poor should be used to build the natural capital; but asset building is not merely about jobs. **Assets require clarity of ownership and stake in management.** Currently, the programme is designed to create employment for building public (actually governmental) assets: roads, schools and ponds. *The problem is that these governmental assets are nobody's assets.* Moreover, government agencies at the village level are fractured and so, implementation of their programmes gets distorted as well.

Take water structures. A pond requires a catchment. But even as the employment programme uses labour to dig the pond, its catchment is controlled by government departments: say, the forest department or the revenue department. The pond probably belongs to the panchayat (if it is small) or the irrigation department (if it is large). Anyhow, the pond remains what it is not meant to be, a hole in the ground: it has no water and can't charge the groundwater - a typical example of unproductive employment.

The question then is, who can best create durable assets? Fractured bureaucracies will provide fractured answers. And, efforts to consolidate all programmes will lead to time-consuming

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turf wars between departments. **The answer then is to find the owners of the asset and provide them legal rights to manage these resources. To do this we will need to integrate employment generation with decentralisation and put jobs in the domain of the panchayats. We will also need the different land and water bureaucracies of the state to function as line agencies of the panchayat so that the assets created are planned, owned and operated by communities, not faceless agencies.** With innovation in systems of governance - strengthening the accountability of panchayats through gram sabhas (village assemblies), putting the transfer of money in the public domain - the money can actually reach those it's meant for. And then, be made to work.

The bill is critical. Not only because it will provide employment. But because, **if it is operationalised correctly, it could root out the very corruption that BJP is apparently so agitated about.** Let's be clear that in the hierarchy of corruption, high-level corruption, however despicable, is less destructive than the low-level corruption that pervades the daily lives of Indians and makes delivery of governmental programmes a complete farce. The answer to this malaise - made famous by former Prime Minister Rajiv Gandhi's statement, that only 15 paise of each rupee spent reaches the poor - is to have transparent and accountable systems. It is time we counted real change.