



India Committee of the Netherlands

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P R E S S R E P O R T

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CAMPAIGN 'WORK AGAINST POVERTY': DEVELOPMENT AID AND DEBT CONVERSION FOR EMPLOYMENT GUARANTEE IN INDIA

INDO-DUTCH TEAM INVESTIGATED POSSIBLE SUPPORT FOR NEW EMPLOYMENT GUARANTEE PROGRAMMES IN ANDHRA PRADESH AND GUJARAT

The campaign 'Work Against Poverty' of the India Committee of the Netherlands has yielded its first results. In the Aid India Consortium meeting of September 1991 the Netherlands have urged the other donor countries to consider financial support to possible new employment guarantee programmes for the rural poor.

The Dutch Minister of Development Co-operation, Dr. Jan Pronk agreed with the Government of India to find out if and how co-funding of employment guarantee programmes could become a part of Dutch development cooperation with India in the states of Andhra Pradesh and Gujarat. An Indo-Dutch fact-finding team concluded its investigation on this matter in February this year and reported in March. Besides A.P., Gujarat and New Delhi the team visited Maharashtra, where it studied the present functioning of the Employment Guarantee Scheme. The mission recommended to work in a phased manner - e.g. by starting a pilot phase in selected districts - towards a state-wide employment guarantee. The team-members included, among others, Prof. Indira Hirway, economist at the Gandhi Labour Institute in Ahmedabad and teamleader Dr. Piet Terhal, economist at the Centre for Development Planning of the Erasmus University of Rotterdam. Together they recently finished a comparative assessment of the effects of rural public works in four Indian states, China, the Netherlands and former East Pakistan.

Campaign 'Work Against Poverty'

In December 1990 the 'India Committee of the Netherlands' (ICN) started the campaign 'Work Against Poverty' in The Netherlands and the European Community as a concrete form of solidarity with the right to work movement in India. The campaign aims to mobilize people and put pressure on the western governments in order to realize the following demands:

- * make agricultural labourers the most important target group of bilateral and European Community development aid to India.
- * spend (at least a quarter of) development aid on employment guarantee programmes for agricultural labourers.
- * use debt conversion for employment guarantee programmes.

The ICN is of the opinion that a considerable part of development aid to India should be used for programmes, more in particular possible new employment guarantee schemes, which directly benefit agricultural labourers. This aid should be given in the form of grants which are not tied to import obligations. Also a part of the enormous amount of presently non-utilized aid (close to US \$22 billion!) could be reoriented towards guaranteeing employment for the poor. Finally the Indian foreign debt from bilateral development loans could be converted into a financial support fund for rural employment guarantee.

Right to work movement

Three out of every four Indians living below the poverty line are landless agricultural labourers and their family members. Un(der)-employment and extremely low wages are their most urgent problems. Agricultural labourers in India are increasingly demanding the right to a human existence and therefore the right to work and income. India has a growing movement of unions and non-governmental organizations urging the government to guarantee employment to the rural poor. This movement has been inspired by the Employment Guarantee Scheme (EGS) in the state of Maharashtra. Despite limitations and deficiencies the EGS has, through labour-intensive public works (irrigation, soil conservation, afforestation etc.), been able to reduce rural unemployment considerably, especially among women. Migration to urban centres has decreased. The EGS has given rural workers more opportunities to organize themselves. Maharashtra's Employment Guarantee Scheme can serve as a model to improve upon.

The National Front government under former Prime Minister V.P. Singh - actively engaged in formulating plans for right to work and a national employment guarantee scheme - decided to have an Indo-Dutch mission to possible cooperation in this field between the two countries. After the fall of the V.P. Singh government the mission was postponed till the Congress government came to power. This government has also agreed with a fact-finding mission, although the Narasimha Rao government has no plans for a national employment guarantee programme but leaves this to the individual states to decide.

As a result of campaigning by local NGO's and emerging agricultural labourers unions, the government of Tamil Nadu has announced in February that it will implement an Employment Guarantee Scheme in 4 out of the 21 rural districts of the state. This is considered by the 'Tamil Nadu Coordination Committee on EGA' a small but significant breakthrough. However, campaigning in Tamil Nadu will continue to demand the enactment of a law that will provide a legal employment guarantee, and not only a scheme, in all rural districts of the state.

Last August the 'Andhra Pradesh Agricultural Labourers Samakhya' presented 141,000 signatures and a Memorandum to Shri G. Venkataswamy, Union Minister for Rural Development, to be delivered to the Prime Minister of India and the Chief Minister of Andhra Pradesh, demanding employment guarantee as well as land reforms, minimum wages, joint pattas for men and women and a comprehensive law for disabled people. In Memorandum to Prime Minister and Chief Minister the Samakhya recommends the central and state governments to accept the offer of the Dutch government to support a possible new employment guarantee scheme in Andhra Pradesh.

Campaign 'Work Against Poverty' to continue

The India Committee of The Netherlands (ICN) is continuing its campaign 'Work Against Poverty' in support of the right to work movement in India. The ICN intends to involve more people, unions and NGO's in other countries in the campaign and in the discussion how the poverty of India's agricultural labourers can be tackled. In the Netherlands the campaign is, amongst others, endorsed by the Federation of Dutch Trade Unions. The European Federation of Agricultural Labourers' Unions (EFA) has written a letter to the European Commission in support of the campaign demands. In France and Germany the campaign has also been actively taken up by NGO's.

The poverty of the 250 million agricultural labourers is a social, economic and political problem of enormous magnitude which should receive topmost attention, not only in India but also on the international level. But until now the international community has almost totally ignored the plight of India's agricultural labourers. Most western development aid has not contributed to improving the living conditions of the India's rural workers, but rather supported a policy that has marginalized and pauperized them. The recent liberalization pushed by IMF and World Bank will reinforce these processes, unless strong measures are taken to tackle rural poverty on a large scale in the form of the right to work and income.

Enclosed you will find the leaflet 'Work Against Poverty' and the 32 page booklet with the same title, which both contain more information about the campaign 'Work Against Poverty' and its background. If the booklet is not included you can ask us to send you a copy.

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