

The Agricultural and Other Rural Workers (Protection and Welfare) Bill, 2022 (Bill No. 167 of 2022)

Executive Summary

The Agricultural and Other Rural Workers (Protection and Welfare) Bill, 2022, aims to safeguard and enhance the welfare of agricultural and rural workers across India. It addresses the long-standing exploitation and lack of legal protection for this vulnerable workforce by proposing statutory entitlements like minimum wages, pensions, accident compensation, maternity benefits, and access to education and healthcare. Agricultural and rural workers, despite forming the backbone of the Indian economy, remain unorganized and highly exploited due to the absence of structured legal protection and welfare provisions.

Key Provisions

- ❖ Establishment of the National Agricultural and Other Rural Workers Welfare Authority.
- ❖ Establishment of a ₹10,000 crore Welfare Fund.
- ❖ Statutory guarantees for wages, pensions, medical care, maternity benefits, and insurance.
- ❖ Registers for workers, employers, health institutions, and village industries.
- ❖ Mandated contributions from central and state governments.

The Bill addresses a critical socioeconomic gap and fulfils the state's welfare obligation but needs to clarify the implementation mechanisms and co-ordination, augmentation of existing welfare schemes.

Background and Context

Current Situation:

- 80% of India's population resides in rural areas, with many involved in agriculture or rural crafts.
- Most rural workers are in the unorganized sector with no formal protections.
- Existing laws like the Unorganised Workers Social Security Act, 2008, have limited reach and do not cater specifically to rural workers.

Historical Context:

- Despite attempts to legislate welfare for unorganized workers, comprehensive protection for agricultural and rural workers has not materialized.
- Previous welfare attempts have remained fragmented or poorly implemented.

Stakeholders:

- Agricultural and rural workers: Direct beneficiaries.
- Employers (farmers, contractors, village industry owners): Will need to comply with new obligations.
- Central and State Governments: Financial and administrative responsibility.
- Civil society and trade unions: Likely to support and push for effective implementation.

Why Now?

- ❖ Persistent rural poverty, food insecurity, gender disparities, and seasonal unemployment demand legislative intervention.
- ❖ COVID-19 exacerbated rural vulnerabilities, highlighting the need for legal safety net.

Key Sections

- ✓ Section 3: Establishes the National Agricultural and Other Rural Workers Welfare Authority headquartered in Maharashtra.
- ✓ Section 4: Details Authority functions including maintaining registers of workers, employers, and village industries; ensuring access to healthcare, education, pensions, insurance, and nutrition.
- ✓ Section 5: Constitutes a ₹10,000 crore Welfare Fund with contributions from states, corporates, and other donors.
- ✓ Section 6: Mandates employer responsibilities—registering workers, providing minimum wages, leave, and accident/maternity compensation.
- ✓ Section 7–11: Cover financial provisions, annual reports, penalties, and rule-making powers.

Critical Definitions:

1. Agricultural Worker: Hired labourer working in agriculture in exchange for cash or kind.
2. Rural Worker: Artisan or skilled labourer in rural industries.



3. Employer: Anyone employing rural/agricultural labour directly or via contractors.

Analysis of Impacts

- Economic (+): Boosts rural consumption, reduces rural indebtedness, and encourages productivity. Costs: Estimated recurring expense of ₹30,000 crore/year, non-recurring ₹5,000 crore.
- Social: Equity: Uplifts marginalized rural populations. Gender: Strong provisions for maternity, crèches, and nutrition. Health and Education: Long-term human development gains.
- Operational: Challenges: Data collection, maintaining registers, and coordination between the Centre and States. Enforcement: Effective only with robust grievance redressal and inspection systems.

Arguments For and Against

For:

- Human Rights and Equity: Recognizes rural labour dignity and rights.
- Economic Justice: Provides safety nets to economically vulnerable workers.
- Developmental Impact: Improves education, health, and economic participation in rural areas.

Against:

- Fiscal Burden: High recurring costs may strain government budgets.
- Implementation Complexity: Duplication with existing schemes could create confusion.
- Employer Pushback: Increased compliance burden may lead to informalization or underreporting.

Fiscal Implications

- Estimated costs of implementation and enforcement: Initial Corpus: ₹10,000 crore from Centre; state contributions unspecified. Annual Recurring Cost: ~₹30,000 crore. Non-Recurring Expenditure: ~₹5,000 crore.
- Potential revenue changes: Corporate donations, domestic/international funding, social impact bonds.
- Budgetary impacts on government agencies or other entities: High but aligned with the welfare mandate of the state.

Conclusion

The Bill is a bold and much-needed step toward formalizing and protecting India's rural workforce. While ambitious in scope and cost, its benefits in terms of rural stability and equity are significant.

Recommendations

- ❖ Clarify the roles of state governments and timelines for implementation.
- ❖ Establish coordination mechanisms with existing schemes (MGNREGA, Ayushman Bharat, etc.).
- ❖ Design a pilot phase in high-need districts before full rollout.

Appendix

Nimbalkar, R. H. N. (2022). *The Agricultural and Other Rural Workers (Protection and Welfare) Bill, 2022 (Bill No. 167 of 2022)*. Lok Sabha. <https://loksabha.nic.in>

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