
UNIT 3 WAGE EMPLOYMENT PROGRAMMES

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3.1 AIMS AND OBJECTIVES

After studying this Unit, you should be able to:

- aware of the various wage employment programmes launched in India;
- understand the nature and coverage of wage employment programmes; and
- assess the impact of these programme on the rural poor.

3.2 INTRODUCTION

The agriculture sector, which has been the backbone of the Indian economy, employs more than fifty percent of the workforce directly or indirectly. As more than two-thirds of the Indian population resides in rural areas, there is heavy pressure of population on the agricultural land. Besides, since farming does not engage the workforce throughout the year, it is very pertinent that the small and marginal farmers, landless agricultural workers should be engaged in the work, which supplement their income. Therefore, it is very pertinent that employment opportunities beyond the agricultural sector should

be developed so that the rural poor maximize their income and the effective use of the workforce may be channelized for better development of the country.

3.3 BACKGROUND

Wage employment programmes are considered an important component to eradicate poverty. These programmes generate employment opportunities during the lean agricultural period and during the time of different natural calamities. By creating rural infrastructural facilities, they further promote economic activities. Unemployment leads to poverty and inequality and also towards financial crisis as due to unemployment, people's purchasing power declines. Low agricultural productivity is an important causal factor of poverty. Most rural people are either landless or have very small landholdings, which are not sufficient to sustain the entire family so they have to work for others at very low wages.

3.4 EMPLOYMENT PROGRAMMES IN INDIA

The new rural development strategy emphasized generation of employment opportunities, poverty alleviation, provision of facilities to meet the minimum needs of the rural poor, etc. These programmes could be regarded as important milestone in eradicating poverty and unemployment, besides achieving a high rate of economic growth through the creation and development of infrastructural facilities. Area-oriented and area-cum-beneficiary oriented programmes were meant to create and strengthen infrastructural facilities in the rural areas. Government of India has launched a wide range of developmental programmes post-independence. The objective of these programmes is to provide employment and income to the rural poor. These are as follows:

- Rural Works Programme (RWP)
- Rural Manpower Programme (RMP)
- Crash Scheme for Rural Employment (CSRE)
- Pilot Intensive Rural Employment Project (PIREP)
- Minimum Needs Programme (MNP)
- Twenty Point Programme (TPP)
- Desert Development Programme (DDP)
- Employment Guarantee Scheme (EGS)
- Food for Work Programme (FWP)
- National Rural Employment Programme (NREP)
- Rural Landless Employment Guarantee Programme (RLEGP)
- Jawahar Rozgar Yojana (JRY)

- Employment Assurance Scheme (EAS)
- Jawahar Gram Samridhi Yojana (JGSY)
- Sampoorna Grameen Rozgar Yojana (SGRY)

3.4.1 Rural Works Programme (RWP)

Rural Works Programme (RWP) was started in 1961 and discontinued at the third five-year plan. The programme aimed at providing additional employment opportunities for agricultural workers during the off season. This scheme was launched to employ a higher proportion of unskilled labour with a high labour-material input ratio. RWP scheme was taken up in areas with high population pressure, unemployment, and underemployment. The limitation of this scheme was the lack of proper coordination among technical departments. The funds were not released in time. This programme faced a shortage of technical and expert supporting staff.

3.4.2 Rural Manpower Programme (RMP)

The Rural Manpower Programme (RMP) was launched in 1964 as a centrally sponsored scheme. The RMP scheme was transferred to the state in 1969 to be continued from the State Plan allocations. The Rural Manpower Programme's main objective was to provide additional employment opportunities to agricultural workers during the off-season through labour-intensive community works. The objective was to provide employment for 100 days to at least 2.5 million persons by the end of the 3rd Five Year Plan. Due to the constraint of resources, only small provisions were made available for the programme. This created uncertainties about the continuation and extension of the programme. This programme resulted in the creation of valuable community assets. These community assets were additional areas brought under minor irrigation, soil conservation, afforestation, flood protection, and anti-water logging works and additional mileage of roads constructed.

3.4.3 Crash Scheme for Rural Employment (CSRE)

The scheme was launched in 1971 for three years with approximately INR Fifty crores allocation for each year. This programme was adopted on an experimental basis. CSRE was a non-plan scheme but later on converted as a central sector plan scheme. The objective was generation of employment in all the districts through labour-intensive schemes, and the production of assets of durable nature in consonance with local development plans so that development of the district can be brought out.

In this scheme, preference was given to those in whose families no adult member was employed. So that at least one person from each family would find employment. The target was to cover 1,000 persons in every district. Due to this process, the resources were thinly spread throughout the country. To facilitate higher absorption of labour, it was suggested that labour ratio in expenditure should be 80:20. Later on, this ratio was modified to 60:40 to

ensure the creation of more tangible assets. Minor irrigation, soil conservation, afforestation, flood control, etc., were usually taken up under the scheme. The outlay was at the rate of Rs. 12.50 lakh for each district. The plan envisaged generation of 2.5 lakh person-days of employment, on an average, in each district.

The employment was provided within a short distance from the villages. In some cases, even in the off-season, very few persons turned up for work. There was no estimate of the employment generated under the Crash Scheme for Rural Employment (CSRE).

In this scheme, wages paid were lower than those approved in some of the states. The outlay on the material was below the norm, which affected the quality of work. About 64 percent of investment was in road construction. These mainly were kutchra roads and were being washed away easily. It was found that under minor irrigation, often kutchra field channels were constructed, which got obliterated soon after. The overall impact of the scheme was negligible.

3.4.4 Pilot Intensive Rural Employment Programme (PIREP)

Pilot Intensive Rural Employment Programme (PIREP) was launched in 1972 and came to an end in 1973. In some states, the works taken up were allowed to continue for some more time. The center selected fifteen districts, and one block from each of these districts was selected by the state government concerned for launching the PIREP.

The objectives were to provide gainful employment on works and projects not requiring high skills in selected areas to progressively cover all those who offer their services for a wage and the use the funds available for the creation of durable assets, preferably those that have a multiplier effect of creating new job opportunities of a continuing nature and will form part of an area development plan.

The ratio of wage and material components was initially fixed as 70:30 but later modified to 60:40. Works are taken up, directly and indirectly, related to agricultural production. However, Pilot Intensive Rural Development Project was an experimental programme more like an action research project. The experience gained there does not seem to have been further utilized to formulate appropriate employment-oriented programmes systematically.

3.4.5 Employment Guarantee Scheme (EGS)

Maharashtra Government introduced the Employment Guarantee Scheme (EGS) in May, 1972 with statutory status from 26-01-1979. EGS was the first scheme of its kind to recognize the 'right to work' enshrined in the constitution. The scheme intends to provide employment guarantees only in rural areas. The guarantee is restricted to the provision of unskilled manual

work and is limited to adults, i.e., men and women over 18 years of age. The participants were to be given no choice of work. They were expected to accept work that may be offered to them. A minimum wage of Rs. 3 per person was guaranteed in the scheme.

Under the scheme, productive works are undertaken, which produces durable community assets. These works are labour-intensive like minor irrigation, water, soil conservation, nail bunding, canal excavation, land development, afforestation, etc. The department should implement the works. At least 60 percent of the works expenditure is incurred on wages to workers.

A study of employment generation based on labour attendance was conducted. Between February and June, the number of labourers attending EGS works tends to be high. It was two to three times the minimum level attained in any month. The lowest number was recorded in the kharif harvest and rabi sowing season. The scheme was mainly meant to provide help to the economically weaker sections of rural society. It is this potential group that would demand employment under the employment guarantee scheme. In the initial phase, very few women workers participated. But during January-March 1979, women formed 43 percent of the labourers employed by the scheme.

The Maharashtra Employment Guarantee Scheme is the first to provide a minimum wage guarantee to rural people. It was a welcome scheme moved by noble intentions. However, several economists have suggested modifications and improvements in the scheme.

3.4.6 Food for Work Programme (FWP)

The Government of India launched Food for Work Programme in April, 1977. It was nationwide to enlarge the employment opportunities to the poorer sections of the community living in the rural areas. The Union Ministry of Rural Reconstruction executed the programme. Till 23rd October 1980, a total of 96 lakh metric tonnes of foodgrains were released. The scheme aimed at directly benefiting the persons in the rural areas who live below the poverty line. The scheme provided them opportunities for employment and raising their incomes and nutritional levels.

The objectives of the programme are

- 1) to generate additional gainful employment to a large number of unemployed and the underemployed persons (both men and women) in the rural areas, which will improve their incomes and consequently their nutritional levels,
- 2) to create durable community assets and generating the rural infrastructure, which will result in higher production and better living standard in the rural areas; and

- 3) the utilization of surplus food grains for the development of human resources.

The works could take up under this programme were:

- i) major, medium, and minor irrigation works;
- ii) flood protection, drainage, and anti-water logging works;
- iii) soil and water conservation, land reclamation;
- iv) afforestation and social forestry, roadside plantation, a plantation along canal banks; and on wastelands and the sides of railway lines;
- v) construction of intermediate and main drains, field channels, land leveling in the command area of irrigation projects; construction of roads, including state highways;
- vi) school buildings, panchayat ghars, community centres, and drinking water wells if provision for expenditure on such schemes reflected in the state budget; and
- vii) any other works that will create durable assets for the rural poor, e.g., providing village ponds, etc.

Evaluation of the programme by the Planning Commission has brought to light several of its deficiencies and weaknesses. These include erratic disbursement of food grains as wages, delay in the measurement of earthwork, non-durable nature of the assets created, inadequate technical supervision of works, lack of supervision leading to dilution of technical requirement of the continuation of the project of the programme on a year-to-year basis, lack of attempt on the part of the State Governments to prepare the shelf-of-projects and to make adequate financial provision for financing the material component of works leading to taking up of kutch roads, which were non-durable.

3.4.7 National Rural Employment Programme (NREP)

A new programme known as National Rural Employment Programme (NREP) was launched in October, 1980 in place of the Food for Work Programme. Until March, 1981, FFW/NREP was entirely financed by the Government of India. However, with effect from 1st April, 1981, on a 50:50 sharing basis between the center and the States, the NREP became a centrally-sponsored programme.

The programme has three basic objectives:

- i) To generate gainful employment for the unemployed and underemployed persons in the rural areas.

- ii) The creation of productive community assets for direct and continuing benefits to the poverty affected groups will lead to faster growth of the rural economy and rise in the income levels of the rural poor; and
- iii) To make improvements in the overall quality of life of the people in the rural areas.

The landless labour, women belonging to ST/SC, were given employment preferences in all the works. Under the programme, attempts were to be made to provide reasonable employment. Priority has been assigned to the works of productive nature, mainly benefiting the weaker sections of the community.

There was no upper limit on the cost of works to be taken up under the programme. Works should generally be taken up whose nature, size, and cost are such that they may be implemented at the local level. These works did not involve a high level of technical inputs. The types of works under the programme were social forestry on government and community lands belonging to the Panchayats, road side plantation, plantation along canal banks on waste lands and on the sides of the railway lines, the soil and water conservation works, the minor irrigation works such as the construction of community irrigation wells, construction of intermediary main drains and water logging works, the flood protection, drainage works, the rural water supply works and construction/renovation of village tanks for providing water for human use or cattle, for irrigation for pisciculture, the irrigation wells and field channels on individual holdings of members of SC/ST and allottees of surplus land, the construction of sanitary latrines in rural areas and rural sanitation works like drains/soakage pits near hand-pumps/stand posts, construction of houses for individual members of SC/ST and freed-bonded labourers, construction of rural roads, construction of rural bank buildings, godowns, community work sheds, market yards, and works of a purely social and community nature such as dispensaries, panchayat ghars, community centres. Mainly the works were required to be durable and meet appropriate technical standards. Efforts were made to utilize local materials and low-cost technology.

The maintenance of the assets for which funds and systems were ordinarily not available was the responsibility of the District Rural Development Agency (DRDA). For maintenance of these assets, 10 percent of funds allocated under the National Rural Employment Programme for the district could be utilized. The allocation of resources to the states and union territories was made based on 50 percent weightage given to the number of agricultural labourers and marginal farmers and 30 percent weightage to poverty in each State/Union Territory. The State/Union Territories were required to allocate resources to the districts on the same basis. In case data regarding the incidence of poverty were not available, 50 percent weightage was to be given to the number of persons belonging to the scheduled caste and scheduled tribes. Ten percent of the National Rural Employment Programme resources were earmarked for works of direct and exclusive

benefits to the population belonging to the scheduled castes and scheduled tribes.

Similarly, ten percent of the resources were earmarked for utilization on social forestry works, which has been raised to 20 percent of the annual cash allocation in 1985. In 1986, this earmarked allocation was further increased from 20 percent to 25 percent of which 5 percent of the allocation could be used to promote decentralized nurseries. In August 1987, the Central Government wanted the States affected by severe drought conditions to divert the funds earmarked for social forestry under NREP to soil and water conservation projects.

The wages under this programme was to be paid partly in food grains and partly in cash. This was done to improve the nutritional standards of rural low-income families. The modified guidelines came into effect from 1st November 1987. Central Government stipulated that the foodgrains under NREP should not exceed 2.5 Kg per capita per day. Foodgrains portion of the wage was paid to the workers every week and the wages preferably at the worksite. If for any reason, the payment of food-grains component of wages was not possible, the entire wages was required to be paid in cash. The payment of minimum wages was a mandatory obligation by de-notifying an area or employment for the Minimum Wages Act.

The scheme became very popular. However, its slow progress was attributed to organizational bottlenecks, absence of proper planning, and failure to choose an appropriate project mix. Other drawbacks were also detected in the working of NREP. The employment provided under this scheme was for a very short period. Coverage of the programme and the allocations made were both insufficient. Lack of planning was observed to provide continuous employment to the needy rural poor. Adequate monitoring at the micro and macro level was also observed. Lack of response from the rural poor and their involvement in the scheme's execution was also noticed.

3.4.8 Rural Landless Employment Guarantee Programme (RLEGP)

To supplement wage-employment generation, Rural Landless Employment Guarantee Programme (RLEGP) was launched on 15th August, 1983. It was felt that the hardcore of rural poverty, particularly pertaining to the employment opportunities for the landless agricultural labourers need to be tackled in a more specific manner.

The basic objectives of the programme are:

- To improve and expand employment opportunities for rural landless to employ at least one member of every landless labourer household upto 100 days in a year.
- To create durable assets for strengthening the rural infrastructure, which leads to rapid growth.

The central government funded the programme. Preference was given to women, SC, ST, and landless labourers. Fifty percent weightage has been assigned to agricultural labourers, marginal farmers, marginal workers, and 50 percent weightage assigned to poverty incidence. The programme also ensures that a project's wage component should not be less than 50 percent of the total expenditure. Ten percent of the allocations was reserved exclusively for SC and ST.

RLEGP provided short-term employment. It was not effective in providing long-term and continuous employment. These programmes could not lead to any significant increase in the employment of the individual worker. After considering the weaknesses detected in NREP and RLEGP, the Government of India decided to merge these two major employment generation programmes. The new programme after the merger of NREP and RLEGP has come to be known as Jawahar Rozgar Yojana, which started in April, 1989.

3.4.9 Jawahar Rozgar Yojana (JRY)

Jawahar Rozgar Yojana (JRY) was announced on 28th April 1989. This programme, was based on 80:20 contributions by the Centre and States and was implemented in all villages. The programme emphasised generating wage employment in each village panchayat, specifically during lean agriculture season, and creating durable community assets. The total allocation of JRY was Rs.2,600 crore and to employ 931 million man-days.

The programme's objectives were to eradicate poverty in rural areas through employment and raise the standard of living of rural people. The funds are directly channeled to the village panchayats. All the developmental programmes in the villages were undertaken with the grants provided by the Central Government. The programme was to employ at least one member of each low-income family for 50 to 100 days a year in the surrounding places of their residence. The allocations from state to districts were made based on the backwardness index.

Due preference was to be given to SCs/STs, and the freed bonded labourers in providing employment and 30 percent of employment should be reserved for women. Besides, the secondary objectives of the scheme were:

- To strengthen economic infrastructure,
- To create social and community assets,
- To provide continuous support to SC / STs,
- To check the flight of rural masses to urban areas.

At the district level, the responsibility of implementing JRY was DRDA/Zilla Parishad, but it was of the village Panchayat at the village level. Two or more Districts/Gram Panchayats pool the resources to take up work for the concerned District/Panchayat's common benefit. The programme could be executed during the year whenever the need for generating supplementary

employment was required. However, the programme could continue during the busy agricultural period too if needed. Cheques of the grants provided for this programme were to be credited in the savings account of the village panchayat concerned in a nationalised bank or post-office or Cooperative Banks. The money was to be kept under the joint account and withdrawn whenever necessary by the sarpanch of the village panchayat or any other authorized member of the panchayat.

The Jawahar Rozgar Yojana differed from its predecessor rural wage employment programme in several respects, like, allocation of central assistance entirely based on the incidence of rural poverty; sharing the outlay of JRY by the Government of India to the extent of 80 percent; larger annual outlay on the programme,

Of the total funds allotted, 5 percent was to be spent on administrative expenses and 10 percent on assets' maintenance. The remaining amount was to be distributed as 35 percent on the economically productive assets, 25 percent on social forestry, 15 percent on million wells scheme, and 25 percent on other works, including roads and buildings. The wage component was kept 50 percent, and the rest on materials, administration, and maintenance. Wages was to be paid partly in cash and partly in kind, food grains (rice, wheat). The ratio of the distribution of food grains shall not exceed 1.5 kg per man a day. The food grain component of wages was, as far as possible, to be given on the site itself. The central assistance was provided to the states based on the proportion of rural poor in a particular state/UT to the country's total rural poor.

- Twenty percent weightage for the proportion of agricultural labourers of the total workers in the rural areas.
- Sixty percent weightage to the proportion of rural SCs and STs population in relation to the total rural population.
- Twenty percent weightage to the inverse of agricultural productivity.
- However, these criteria were changed. The main implications of the change in criteria for allocation of funds was:
- Districts with low agricultural productivity now got higher JRY allocations.
- Weightage for SCs and STs population was decreased from 60 percent to 50 percent.
- No weightage was given for percentages of agricultural labourers in the district.

The distribution criteria of resources to Village Panchayats were the basis of the population of the Village Panchayat. The gram panchayat was assigned a

crucial role in the implementation of JRY to cover all the rural areas and ensure people's active participation.

The type of works undertaken in phase-2, included construction of all-weather roads, minor irrigation works, soil conservation works, water harvesting, wasteland development, farm forestry, and drought-proofing. In phase-3, special and innovative projects are taken up in rural areas to prevent labour migration, enhance women's employment, draught-proofing, and watershed development resulting in sustained development. Stress has been laid on simplification of the procedure of works. Village Panchayats could execute work based on approved cost norms and designs.

The evaluation of the programme reveals that the JRY could not generate adequate employment per person. Therefore, it was not very successful in having any meaningful increase in the earnings of the beneficiaries. According to a concurrent evaluation carried out by the Ministry of Rural Development during June, 1993-May, 1994, roughly 11 days of employment was generated per person. At this level, the programme could not have made any significant impact on the beneficiaries' income levels. The programme was not successful in creating enough employment in the rural areas to remove unemployment/underemployment. The projects selected had no relationship to the local needs or the agricultural development strategy. Neither the location of such works nor their timing was in accordance with the extant guidelines. Needless projects were taken up to avoid lapse of funds.

The villagers perceived this programme as an asset-building programme rather than as a wage-employment programme. Hence the entire focus was on the creation of assets. The works undertaken involved high material costs and were not particularly labour intensive. Instances of violation of the material-labour norm prescribed under the programme were very common. In many areas, these norms themselves were considered unrealistic, given the high cost of the material.

In many States, projects were executed by contractors who sometimes hired outside labourers at lower wages. They also used trucks and tractors instead of more labour-intensive approaches. Instances, where projects were shown to have been executed in a scheduled caste locality while carried out in upper-class areas, were also noticed. Women have complained that employment was provided only for the Pradhan's supporters or workers willing to sign higher wages than what was received. This programme employed only 17 percent of rural women. A large number of works could not be completed in time due to paucity of funds. Many instances of differential payment of wages to male and female workers came to light.

Two positive aspects of the programme stand out:

- i) The programme did succeed in creating durable community assets in rural areas. Although this was also not without problems like poor

quality, inappropriate assets, etc., the villagers generally appeared to have liked the idea of building up rural infrastructure, especially when the assets were directly relevant to the community.

- ii) The programme led to the empowerment of panchayats as the funds were placed at their disposal and power to get the works executed.

It was good training for panchayats in planning and execution of local works and financial management. Due to growing awareness among people about JRY and other programmes and pressure on elected representatives, panchayats were likely to implement them more efficiently than bureaucrats. Fear of being voted out was an important factor to make panchayat leaders more responsive to people's needs.

3.4.10 Employment Assurance Scheme (EAS)

The Employment Assurance Scheme was introduced on 2nd October 1993, in 1778 identified backward blocks situated in drought-prone, desert, tribal, and hilly areas where the revamped public distribution system was in operation. Till March 1995, the scheme covered 2252 blocks. The scheme was implemented in the country's 5448 rural blocks by 1997-98.

The prime objective of the scheme was to provide gainful employment in manual work during lean agricultural seasons to all able-bodied adults in rural areas, who needed work but could not find it. The creation of economic infrastructure and community assets for sustained employment and development was the EAS's secondary objective. The goal was to assure 100 days of guaranteed manual employment at statutory minimum wages to each wage employment seeker in rural areas, subject to a maximum of two beneficiaries from each family. Work under an employment assurance scheme was labour-intensive, which could create durable community assets. The programme was individual beneficiary oriented. Horticulture development was permitted on the land of low-income families.

The implementation guidelines provide for identifying and preparing a shelf of projects and a detailed action plan prepared by the DRDA in consultation with the block level officers. The fund was spent on the creation of useful socio-economic infrastructure and community assets. As per guidelines for implementation, the village panchayats are required to maintain a record of persons seeking employment. They are also required to coordinate and monitor the works. The applicants who registered themselves for employment under the EAS are to be issued family cards. Days and dates of employment were entered into the job-card. The EAS is a Centrally Sponsored and expenditure shared between central and state governments on the ratio of 80:20. The Central share is directly released to the DRDA of the concerned district. States' matching share was required to be released within a fortnight of the center's share receipt. It was demand based scheme with no fixed annual funds. The implicating agent provided work during the lean

season if a group of 15 BPL families makes a requisition. Suppose the work is not available under plan works or normal local works activities of Panchayats. In that case, additional projects must be activated from the lists of works inventoried under the annual action plan. The collector is the implementing authority for the district. EAS carries a budget provision of Rs. One thousand crores is an additive element of JRY provision.

The programme was expected to attract only unskilled people below the poverty line because it only offers minimum wages. A universal coverage triggered increased demand for funds from States beyond their available budgetary resources. From 1st April 1999, the scheme involved specific allocations to each state based on poverty. As experience showed, employment provided under EAS was meager. The Third Report of 1995 of the Comptroller and Auditor General stated that on average, each person was provided 18 days and 16 days of employment in 1994 and 1995, respectively.

The estimated proportion of registered job seekers who got any employment was 25 percent in sample villages and the average number of days of employment per person per year was less than 53 as per official records. However, the beneficiaries' information reveals that 69 percent of them got less than 30 days of employment and another 17 percent between 30 days and 50 days. The overall average for the sample States works out to 31 days.

According to a comprehensive evaluation by the Programme Evaluation Organisation (PEO) of the Planning Commission in 14 States, EAS was being executed through contractors in most states to violate central guidelines. The norm of 60:40 for wage and material was not maintained. The gram panchayats were not maintaining genuine muster rolls. Family cards have not been issued. The system of registration of job seekers with gram panchayats was not in vogue. Central allocation had been made based on the minimum requirement, but most of the blocks did not receive the allocation.

3.4.11 Jawahar Gram Samridhi Yojana (JGSY)

Jawahar Rozgar Yojana (JRY) has been restructured with effect from 1st April 1999 and has been renamed Jawahar Gram Samridhi Yojana (JGSY). JGSY was a wage employment programme and launched to develop rural infrastructure at the village level in a planned manner. The major aim of JGSY was to create village infrastructure to enable the poor people to increase sustained employment opportunities in rural areas. The secondary aim was to generate supplementary employment for the unemployed poor in rural areas. The JGSY was designed to overcome the seasonality of wage employment and positively impact the prevailing wage rates in the rural sector. It contributes to improving the quality of life of the rural poor by providing supplementary source income through wage employment and social and community assets.

The yojana was targeted to benefit people living below the poverty line in rural areas. The preference was given to SC and ST and freed bonded labour. Thirty percent of employment was reserved for women. Also, 22.5 percent of funds have to be spent on individual beneficiary schemes for SC and ST's direct benefits. Priority was given to work-like infrastructure for SC and ST habitations, infrastructure support, community infrastructure for health and education, and other social, economic, and physical infrastructure.

This scheme was implemented through Panchayati Raj Institutions. Gram Panchayat utilized a major share of funds at the village level. At the district level, the coordination, guidance, and monitoring were bestowed with the DRDAs/ ZP, Intermediate Panchayats/Village Panchayats in a district in the ratio of 15:15:70. The allocated resources were spent within the geographical boundaries of each unit. Village Panchayats were the authority to prepare the annual action plan and its implementation. Village Panchayats can execute the work up to Rs. 50,000/- without technical, administrative approval but the approval of Gram Sabha was required. Panchayats can suitably relax the 60:40 wage material ratio. Fifteen percent of funds could be spent on the maintenance of assets.

The village panchayats implemented JGSY with the active participation of people. The programme, therefore, empowers the rural people as well as village panchayat. The programme also significantly contributed to creating social, community, and economic infrastructure at the village level. The panchayat has autonomy in the implementation of the programme. They also have freedom from bureaucratic control in approval and technical scrutiny of the works. The programme was effective in creating the development of basic infrastructures at the village level.

3.4.12 Sampoorna Grameen Rozgar Yojana (SGRY)

The Sampoorna Grameen Rozgar Yojana (SGRY) was launched on 25th September 2001 by merging the ongoing schemes of Jawahar Gram Samridhi Yojana (JGSY) and the Employment Assurance Scheme (EAS). The SGRY aims to provide wage employment in rural areas and food security, along with the creation of the asset (community, social and economic assets).

The cost-sharing ratio is 75:25 between the center and the states. In the case of Union territories, the centre would provide entire funds (100 percent).

The programme was meant to provide wage employment to all rural poor who wish to perform manual and unskilled work in and around their village/habitat. Under this scheme, agricultural and non-agricultural unskilled wage earners, marginal farmers, the persons affected due to calamities, women, and members of SCs/STs were given preference.

The Panchayati Raj Institutions were to implement the program. The funds and food grains under the SGRY available for all three tiers of Panchayati Raj Institutions (District, Intermediate, and Village Panchayats). The

resources among a district distributed in the ratio of 50:30:20. 22.5% of the annual allocation earmarked for individual/group beneficiary schemes of SC/ST families living below the Poverty Line (BPL). Minimum fifty percent earmarked for creating need-based village infrastructure in SC/ST habitations/wards. An effort would be made to provide thirty percent of employment opportunities for women under the programme.

3.5 LIMITATIONS OF THE PROGRAMMES

The limitation of these rural employment programs is that most of these programmes are ad-hoc in nature and do not ensure employment continuity to the vast number of unemployed and underemployed people. Consequently, they could not prevent the weaker sections and the rural disadvantaged from pursuing their traditional activities. These programmes only acted as relief measures, not as solutions to unemployment or poverty. However, these programmes were meant to benefit the weaker sections, but, in many cases, they facilitated the rural rich. By effectively intervening in the labour markets, wage-employment programs were expected to exert upward pressure on the market wages. It could not happen because of insufficient employment provided by these programmes. These rural employment programme meant for the weaker sections did not fully contribute to skill formation or skill development.

It is worth mentioning here that rural poor dependent on land were not willing to leave their farmlands to work at a different place in many cases. Since the magnitude of poverty, unemployment, and inequality were still alarming, solutions to these problems were sought to be found in a direct attack on these. It necessitated a shift in the strategy to target groups from target areas. In as much as the target group belong to economically and socially depressed groups and are poor in terms of land and capital, labour-intensive technology appropriate to factor endowments of these groups was found necessary.

The further government of India designed and formulated the National Rural Employment Guarantee Act (NREGA) in 2005 to fight poverty more effectively. NREGA was launched on 2nd February, 2006. On 2nd October 2009, through an amendment, the NREGA has renamed the Mahatma Gandhi National Rural Employment Guarantee Act (Mahatma Gandhi NREGA).

3.6 LET US SUM UP

After the independence, the government has taken various steps towards developing rural areas through various programmes. Wage employment programmes are helpful to generate employment opportunities during the lean period and helpful in eradicating poverty. These programmes further promote economic activities associated with it directly or indirectly. However, no systematic efforts were made to assess the nature and extent of

employment and plan the works to offer continuous employment to the rural poor. Leakages of the fund were quite substantial in each of the programmes. The leakages were primarily caused by contractors' engagement in one form or the other in most of the states. Adequate monitoring both at micro and macro levels, and participation of the beneficiaries in this process remains absent. The rehabilitation of the poor in the mainstream of the economy by increasing its labour absorbing capacity through the creation of durable and productive community assets could have been achieved in a more substantial manner.

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