

1.1 INTRODUCTION :

Unemployment is the most important economic problem that confronts us today in our nation. Unemployment means waste of man power. In India nearly 80% of the total population lives in rural areas. But rural area is economically backward. Thus, there is increase in unemployment. Employment Guarantee Scheme provides employment to unskilled labour's like agricultural labour and marginal farmers.

In 1969, a scheme Guaranteeing employment was undertaken on a village basis in selective blocks in Maharashtra. Thereafter in 1972-73 a Fifteen Point Programme for economic development was chalked out which included a scheme of Guaranteed employment to those who want employment in rural areas. A committee was appointed under the Chairmanship of Shri P.N. Bhagwati to assess the extent of unemployment in all its aspects and to suggest remedial measures. The committee submitted its final report in May 1973. On the basis of its the Employment Guarantee Scheme was introduced from December 1974. In April 1975, the government decided to finance the scheme through special fund, and government has made several modifications from time to time for effective implementation of the scheme. In 1977 Government of Maharashtra gave the statutory support to Guarantee of Employment through the Employment Guarantee Act 1977 which was brought into force from 26th January 1979.

The present study is an attempt at evaluating the financial benefits from the Employment Guarantee Scheme to the labourer's who, have been provided the employment under the scheme in Kavathe Mahankal Taluka of Sangli District.

1.2 STATEMENT OF THE HYPOTHESIS :

The present study has been undertaken with view to testing the following hypothesis.

The Employment Guarantee Scheme has resulted in some direct financial benefits for the labourer's, covered under the scheme mainly in the form of rise in their levels of income, and also in the form of availability of Employment opportunities on the larger scale.

This hypothesis is tested in the present study, alongwith the examination of financial performance of the scheme. The major objectives of the present study were as follows :-

1.3 OBJECTIVES OF THE STUDY :

- i) To study the history and development of Employment Guarantee Scheme,
- ii) To study and examine the financial performance of the Employment Guarantee scheme with reference to Kavathe Mahankal Taluka and,
- iii) To find out direct benefits to labour's from the given work under Employment Guarantee Scheme in

Kavathe Mahankal Taluka and understand the impact of the EGS on level of the income of the labourers.

1.4 METHODOLOGY OF STUDY :

The present study was conducted by following a survey method of research under which the following steps were taken.

- i) For evaluating the financial benefits under the Employment Guarantee Scheme, to the labourer's in Kavathe Mahankal Taluka, a sample survey was decided to be conducted.
- ii) For the sample survey a suitable questionnaire was constructed and was administered to the selected respondents. The method of sampling has been described at the appropriate place.
- iii) The historical development of the EGS was traced through the literature available on the subject.
- iv) In order to examine the performance of Employment Guarantee Scheme at the state level data has been collected from the Joint Evaluation Reports on EGS of Maharashtra and other sources.

Thus the use of both, the primary and secondary data, has been made for the purpose of this study.

1.5 SIGNIFICANCE OF THE STUDY :

Employment Guarantee Scheme is expected to provide gainful and productive employment to rural labour's and

increase income of the weaker section. It is also expected to result in the increase in irrigated area and agricultural production. Soil conservation and land reclamation works are also undertaken by the scheme. Thus, the scheme is useful in many ways.

The present study evaluates the financial benefits from the EGS is significant in the context of the present debate on wage employment Vs. the self employment as a strategy for poverty allivation.

1.6 CHAPTER SCHEME :

The chapter scheme of the present study is as under.

- Chapter - I : Introduction and Methodology
- Chapter - II : Genesis of Employment Guarantee Scheme
- Chapter - III : Financing of EGS
- Chapter - IV : Kavathe Mahankal Taluka and Employment Guarantee Scheme
- Chapter - V : Estimation of Benefits from EGS and
- Chapter - VI : Summary and Conclusions