

CHAPTER II

A REVIEW OF CENTRAL GOVERNMENT'S RURAL EMPLOYMENT SCHEMES

INTRODUCTION :

In this chapter an attempt is made to review the various schemes* which are meant to benefit the rural poor who have remained neglected under various development programmes in the past.

During the last three decades several schemes have been initiated for upliftment of weaker sections of the community which broadly included agricultural labour, small and marginal farmers, landless labourers and rural artisans.

In order to relieve unemployment and underemployment in rural areas central government have introduced a number of programmes, in the countryside. Some of these schemes are supposed to ensure continuity of employment and income of the target group.

With an increasing population in India the pressure of population on land has been increased. Agriculture sector has limited capacity to absorb new entrants in the labour market, resulting in low per capita income and extremely high agricultural underemployment in the slack season.

Since plan-period government has introduced various schemes for rural underemployed and disguised employed in agriculture. Some of these schemes are as under :

*Some of these Schemes are

RWP : Rural Work Programme.

SFDA/MFAL : Small Farmers Development Association/Marginal Farmers and Landless Agricultural Labour.

CSRE : Crash Scheme for Rural Employment.

PIREP: Pilot Intensive Rural Employment Programme.

FWP : Food for Work Programme.

NREP : National Rural Employment Programme.

RLEGP: Rural Landless Employment Guarantee Programme.

(A) RURAL WORK PROGRAMME (RWP)

Rural work Programme¹ was initiated in India as early as in 1961 with the basic objectives of the third plan (1961-66) to utilise to the fullest extent possible the manpower resources of the country and to ensure a substantial expansion in employment opportunities.

The rural work programme was designed to provide employment to about 1 lakh persons in terms of 100 days' work for the first year (1961-62) with an outlay of Rs. 150 crores and 2.5 million persons by the end of the Third Plan Period. But the scope of R.W.P. was very limited and employment opportunities created were very insignificant in the Third Plan.

The Programme had failed to achieve the financial and employment objectives. A sum of Rs. 19 crores was allotted against the original target of Rs. 150 crores. Other major reasons for nonachievement of objectives were, limitations of resources and discontinuity in work by the State Government. The State Government did not select proper project for implementation. This resulted in shortage of technical and experienced staff. Lack of co-ordination among concerned technical departments and rising cost of schemes were experienced in this scheme.

(B) SMALL FARMERS DEVELOPMENT ASSOCIATION AND MARGINAL FARMERS AND LANDLESS AGRICULTURAL LABOURERS. (SFDA/MFAL)

The SFDA and MFAL Schemes were sponsored by Central Government and included in the Fourth Five Year Plan (1970-75). This Scheme represents an organised attempt to find out the Institutional

1. Rural work programme is defined as public sector activities under taken with labour intensive techniques with two primary objectives (i) Generating new employment opportunities among low income group (ii) Creating productive assets. (Thomas J.V. and R.M.Hook Creating Rural Employment A Manual for organising R.W.P. Harvard University June 1977. Page No. 22)

Solutions to the problem of rural poor who had remain largely neglected under various development programmes in the Past.

This programme stems from one of the principle recommendation of the All India Rural Credit Review Committee. After examining the result of large scale survey, as well^d_A specific study of the small and marginal farmers in different states, sponsored by the Planning Commission and RBI, the Committee concluded that co-operative extension agencies as well as other government agencies had failed to give specific attention to the problem of small farmers. The Committee, therefore, felt a need for some institutional set-up, such as SFDA/MFAL to help the Farm community, and government brought them into the main stream of national development.

The SFDA/MFAL were introduced gradually on a pilot basis in certain selected areas of the country from 1970-71 onwards. SFDA and MFAL were the autonomous bodies registered under the Registration of Societies act. Both the schemes were financed directly by the Central Government and not accountable to any state or district level authority. They were provided with skeleton staff at the Head-quarters of the project and few assistants.

There were 46 SFDA and 41 MFAL projects in the country during 1970 to 1975. The area of SFDA was the district and it was expected to benefit 50,000 small farmers, while MFAL covered a small area and 20,000 marginal farmers, and agricultural labourers.

(I) OBJECTIVES OF THE SFDA/MFAL :

(1) to identify the eligible participants for the programme and identify their problems and potentials and prepare a scheme for helping them.

(ii) to create infrastructural facilities which may prove conducive for better performance in activities followed by the participants.

(iii) to locate institutional help and induce the Institution (through subsidy) to identified activities.

Both the schemes had not achieved their objectives. Programme Evaluation Organisation (PEO) evaluated the schemes during 1974-75 and they pointed out the following drawbacks.

(i) The impact of the schemes on income of target group was not satisfactory. It was due to inadequate follow up, lack of extension, and infrastructural support.

(ii) Programme relating to Horticulture, Poultry Farming, and sheep-rearing, failed in almost all the project area.

(iii) Owing to the organisational and operational deficiencies, effectiveness had impaired the administrative arrangements at the project level. Similarly, there had been delays in appointment of staff and lack of continuity.

(iv) Programme was not formulated on actual needs and conditions prevailing in the areas.

For effective implementation it was suggested that at the state level for ensuring supervision, co-ordination and direction need to be strengthened.

(C) CRASH SCHEME FOR RURAL EMPLOYMENT (CSRE)

✓ The Crash Scheme for Rural Employment (CSRE) was initiated in the year 1971-72 by the Government of India in all the districts of the country, as a non-plan scheme, and remained in operation till the year 1973-74 with the following objectives.

(i) The direct generation of employment in all the districts of our country to 1000 persons from each district for a period of 300 days in a year through the execution of labour intensive projects.

(ii) To build productive assets of a durable nature in consonance with local development plans.

(I) EXECUTION OF CSRE

CSRE had larger scope than SFDA and MFAL. CSRE was administered by Department of Rural Development at centre and its counterpart at state level. But State Government receives outright grants covering 100% outlay. To eliminate the system of middleman or contractors, their place was taken over by technical agencies to supervise and execute the projects.

(II) SELECTION OF WORK

Selection of work was made in accordance with the guidelines provided by the central government. Selection was made where other programmes like SFDA/MFAL and D.P.A.P. were not in operation, where the percentage of landless labourers and incidences of unemployment were high and which were less developed.

2. In 1975 Programme Evaluation Organization (PEO) Delhi evaluated the scheme and they observed the following difficulties in implementation.

(i) Unwillingness of the villagers to give up land which was required for starting the work, led to causal delay, because government did not provide them compensation for acquisition of land.

(ii) Each State Government had evolved its own system for allocation of the fund to different agencies in different areas.

The time given to State Government for preparation of project was very short.

(iii) Work assigned to each Junior Engineer was very large which resulted in the problem of effective supervision.

(iv) Owing to the similarity in wages dissatisfaction in male - female, old-young and able-bodied persons were found on the work.

In addition to the above the scheme was evaluated by Apte² as well as Agro-Economics - Department of Orissa University, and their findings during their study were as under.

(i) The durability of the projects under the scheme was affected because to the total outlay allocated to each project was small and had reduced a quantum of employment per person compared to target under the scheme.

(ii) The relative share of wages and material component was varied from state to state and work to work.

(iii) S.T./S.C. and Agricultural labourers' participation was large while in total female participation was very less.

(iv) The impact of CSRE on most vulnerable section of village society was strongly positive.

During 1971/72 to 1973/74 The Employment generated under CSRE at All India level and in the State of Maharashtra is given in Table 2.1. below :

2. Apte D.P. Crash scheme for Rural Employment Evaluation of the programmes in Districts of Maharashtra. E.P.W. vol. VII No. 12 March 1973.

TABLE 2.1.

Sr.No.	Items	All India	Maharashtra
1.	Man-days of employment Generated (in lakh)	3,168.12	195.12
2.	Amount spent by the states (Rs. in lakh)	12,538.10	725.38
3.	Man-days of employment created per one lakh Rs.	25,270.00	26,899.00
4.	Amount spent per Man-day (Rs. only)	3.76	3.72
5.	Wages per man per day	2.77	2.60
6.	Material cost per man-day	1.19	1.12

Source :- RBI Bulletin April 1976, CSRE A Review Prepared by M.Y. Khan in the Division of Planning and special studies of Economics Department.

(D) PILOT INTENSIVE RURAL EMPLOYMENT PROJECT (PIREP)

The PIREP was an action-cum-research programme for a period of three years, taken up by Government of India through State Government in one block of each State. The works under PIREP were more or less of the same kind as in the EGS. Though rural water supply, housing for weaker sections, and constructions of school buildings for rural areas, were probably additional items of works under PIREP. In Maharashtra Karanja block from Wardha district was selected for PIREP.

The Scheme had following objectives.

- (i) To provide gainful employment on work projects which did not require skill of a high order.
- (ii) to utilise the projects funds for creating durable assets.
- (iii) to explore the possibility of imparting new skills.

PIREP did not satisfy the want of labourers in target group. Selection of works under PIREP was found faulty since the works could not create durable assets.³

(E) FOOD FOR WORK PROGRAMME (FFW)

The FFW Programme was taken up as integral part of the strategy for tackling the problem of unemployment and poverty in rural areas. This programme had generated considerable enthusiasm.

The idea behind the FFW Programme was that an average worker spends a sizable portion of his wages on food. It is therefore good, to pay part of the wages in the form of foodgrains. The FFW Programme was initiated on a pilot basis in December 1974 on one percolation tank at village Sawalghat in Paint tribale development block of Nasik District of Maharashtra. In February 1975, the Programme extended to 125 works in 14 talukas, of all districts in Maharashtra with the help of 'Co-operative For American Relief Everywhere'(CARE).

The FFW was introduced throughout our country in April 1977 as a non-plan scheme for Utilisation of huge reserve food stock (20 million tons) in the country for productive purposes. From 1st April 1979 CAREs assistance has been discontinued. The scheme was, then, implemented with the sole assistance of the central government. Wheat and Rice had been made available to the State Government.

(I) Objectives of the FFW Programme :

- (i) to generate gainful employment - for a large number of males or females.
- (ii) to maintain and create community assets and strengthen the rural infrastructure with a view to enhancing production and improving standard of living.

3. Government of India - Report of the Review Committee on PIREP Delhi 1977. p 60.

(II) Nature of Work :

The Programme had taken up many types of productive works which are beneficial to the community. Works like roads, minor, medium irrigation projects, flood protection, drainage, anti-water loggings, soil and water conservation etc.

(III) Utilisation of Food Grains :

Food grains utilised under this scheme were only for community assets work. However a concession was available for repairs of small/marginal and SC/ST'S private assets.

Food grains provided under this scheme to the State were free of cost and it was supplementary to their budgetary provision for on-going-plan and non-plan schemes implemented by them.

In Maharashtra FFW programme was linked with EGS and the State had expanded their programme and provided employment to much larger number of persons in rural areas.

The FFW Programme was also utilised for interesting pilot project such as social forestry, cross breeding cows, or animal husbandry projects in four states i.e. Gujrat, Orissa, Maharashtra and Uttar Pradesh. These projects were assisted by Bhartiya Agro-Industries Foundation and Mafatlal group. FFW Programme had wide acceptance, hence a larger demand from the State for food grains.

Drawbacks In FFW Programme :

The FFW did not succeed in the State and Union-territory Food grain supplied under this programme was found in the open market. Many State Governments then adopted 'coupon' system. But coupon system also could not help curb the malpractices physical possession of foodgrains was not passed on to the executive agencies.

✓
 (F) NATIONAL RURAL EMPLOYMENT PROGRAMME

The NREP was launched in lieu of Food For Work Programme in order to improve the quality of village life. FFW was restyled as NREP. This Programme is land-mark in rural development. NREP is a kind of a five-year plan and it covers 5004 development blocks of the country. Under NREP rural employment approach had been adopted.

Central Government adopted this programme without any experiments. The target fixed under this programme was to lift 3000 families from every block above poverty line by the end of 6th plan.

NREP envisaged generation of employment opportunities of 300 to 400 million man-days every year.

(I) Objectives of NREP :

(i) to utilise the surplus food grains to provide new employment opportunities to the needy persons in rural areas.

(ii) to raise the purchasing power of the rural poor and raise their nutritional standard.

(iii) to create assets for strengthening rural infrastructure and thereby improve the socio-economic conditions of rural areas.

Under NREP housing, plantation of trees providing drinking water and irrigation schemes were taken up.

(II) Criteria for Allocation :

The Criteria for allocation of funds to the State Government was adopted as follows.

1) 75% of funds was allocated as per the strength of agricultural labour and marginal farmers.

2) 25% of the fund was made as per Poverty in the State.

The above criteria were in respect of poor States with maximum strength of agricultural labour.

(G) RURAL LANDLESS EMPLOYMENT GUARANTEE PROGRAMME (RLEGP)

The RLEGP was announced by Late Prime Minister Smt. Indira Gandhi on 15th August 1983 in her Independence day speech in order to expand the employment opportunities in rural areas.

The RLEGP was presented to the Government of India on the 19th August 1983 as a step towards fulfilment of the objectives of Sixth Plan, namely, reducing rural unemployment and poverty.

Under RLEGP Rs. 100 crores were proposed during 1983-84 and 500 crores for 1984-85. This was expected to generate additional 60 million man-days and 300 million mandays employment during 1983-84 and 1984-85 respectively. The RLEGP is fully financed by the Central Government.

(I) Objectives of RLEGP :

The chief objective was to provide a guarantee of employment upto 100 days for at least one member of each rural landless household.

(II) Salient Features of RLEGP :

(1) Target Group :- Preference was given to the landless families one man from each landless family. Works were provided initially, for 100 days in a year. After considering the success of the programme scope will be increased thereafter.

(2) Allocation of Funds :- The basis for allocation of funds to states was adopted as per following :

(i) 75% weightage was given to the number of agricultural labourers and marginal farmers in state and union-territory.

(ii) 25% weightage was given to poverty in each State and Union Territory.

(3) Release of Funds :- Funds released against specific projects drawn up by the State Government was subject to approval by the Central Committee. Special attention was paid to the projects where there was concentration of unemployed landless labour.

(4) Nature of Scheme :- It was proposed to take up work forming a part of the 20-point Programme. Such works are construction of rural link roads, fields, channels, land development schemes, social forestry, soil and water conservation and minor irrigation.

(5) Wages and Material Component Ratio :- In order to achieve the twin objectives the Scheme has adopted the following ratio. The cost of wages would be 50 and material component including administrative and other cost would be 50.

COMMENTS:

In order to generate employment in rural areas the various programmes were introduced by the Central Government but the programmes did not succeed in removing rural unemployment and under-employment. The common drawbacks of all programmes are highlighted below :-

(i) In any programme it is essential that a proper study of concerned problems be made in advance and then measures adopted; but in case of any employment Scheme of the Central Government efforts were not made to organise the rural army of unemployed in the appropriate supply camps.

(ii) In every scheme it is observed that central government had decided to achieve the short run objectives and they had fixed certain financial targets rather than physical targets of employment. This resulted in

continuous increase of unemployed persons in rural area of country.

(iii) The various schemes started in different plan-periods had received only countrywide publicity during the inception, but schemes did not make any effective dent in unemployment.

(iv) Every scheme had ~~short~~ a short life and it was temporary and each new scheme was the same model of past schemes. Only news names were given and effecting changes in target groups.

(v) The objectives of every scheme were more or less the scheme.

(vi) The coverage of the schemes was very less, which resulted in no change in the position of rural unemployed labour force in country, except in Maharashtra. The unemployment in Maharashtra has declined due to the long duration of each Scheme and vast and proper coverage under the State's EGS Programme.

(vii) Barring the Government of Maharashtra no other State Government had provided the guaranteed and permanent employment programme. It resulted in larger dependence of ~~the~~ State Govt. on the Centre and the migration of rural labour force to urban areas and created the problems of urbanisation, so the every State should adopt its own programme of curbing unemployment, otherwise the problem of urbanisation will be more severe.

(viii) None of the schemes of the Central Government had provided the various facilities, which are included in the Employment Scheme of Maharashtra.

(ix) Because of State Governments' negligence, improper selection of the projects, inadequate machinery, dis-co-ordination, employment schemes failed.

What is important is that permanent avenues of employment should be created by every State Government and all unemployed should be covered and to all the payment in cash as well as in certain goods should be provided. Such goods are clothing, soap edible oil, educational books, to their childrens. Definitely it will create indirect employment in rural areas.