

CHAPTER - III

THE PERFORMANCE OF EGGS IN MAHARASHTRA



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An effort has been made in this chapter to review the progress of EGS in Maharashtra with a view to analysing its impact on employment at the aggregate level. Moreover, the progress of the scheme is reviewed in respect of classification of EGS works during the period six/seven years. The evaluation reports submitted by the statutory committees have also been reviewed here.

Table No. 3.1 gives the information about yearwise expenditure and employment created through EGS since its beginning to the latest year of 1986-87. The two years period from 1972 to 1974 was on experimental basis. The scope of the scheme became wider from the year 1979-80. The expenditure incurred under the scheme showed an increasing trend from Rs. 109.23 crore in 1979-80 to Rs. 245.00 crore in 1986-87. The Employment effect of EGS scheme was not encouraging. Although the expenditure goes on increasing, the employment becomes flexible and uncertain. For example, The employment creation in 1980-81 was Rs. 17.15 crores mandays and the total expenditure was Rs. 122.12 crores. The Government spent Rs. 175.00 crores in 1983-84 whereas, the employment effect came down to Rs. 16.45 crores of manday's. The similar observation can be made for the remaining period.



The scheme has the statutory recognition and the full political support. There is no problem of funds for this scheme till today. Perhaps this might be the only rural development programme which is getting adequate funds for its execution. In spite of availability of funds, the EGS failed to create employment effect in rural area at the satisfactory level. This might be due to technical, organisational, constraints at the local level.

The employment effect of EGS can be further explained in Table No.3.2 which gives yearwise average labour monthly attendances from 1975-76 to 1982-83.

We observed that year 1980-81 which was drought year had recorded maximum monthly attendance at the average level of 6.84 Lakh of workers. From 1978-79 the monthly labour attendance was between 5.50 to 6 lakh of workers upto 1982-83.

3.1 The Employment impact :

Perhaps EGS is the only scheme of anti-poverty programme which is systematically trying to absorb the weakest section of the society i.e. agricultural labourers and landless people belonging to scheduled caste and Scheduled Tribes community.

It is seen from Table No.3.3, that the EGS has covered almost more than 50% society belonging to scheduled class. The attendance on EGS scheme of labourers belonging the

Backward class was prominent in the districts such as Thane, Nasik, Ahmednagar, Bhandara, and Chandrapur.

Moreover, that the coverage of Bankward class EGS workers to the total workers under EGS was in the range between 42% to more than 44% (see Table No. 3.4). Moreover, the percentage of Female workers to the total workers was in the range between 37% to more than 42%.

3.2 Categories of the EGS Works :

The performance of the EGS can be shown in respect of different categories of works undertaken as given in Table No. 3.5 and 3.6. The total number of works under EGS is classified in to:

- (a) Labour intensive component of minor irrigation works projects and
- (b) Medium Irrigation projects and minor irrigation Tanks.
- (c) Percolation Tanks.
- (d) Soil conservation works.
- (e) Land development works.
- (f) Afforestation and other forest works.
- (g) Road works.
- (h) Other works.

It is clear from Table No. 3.5 that in the categories of irrigation works, percolation Tanks, has the highest number of works sanctioned. The figure shows the percentage of the

works under each categories to the total number of works sanctioned, as well as completed.

As given in the following Table No.3-6, Irrigation contributed the highest percentage of total expenditure of the EGS works (Between 32 to 33 percent). Generally, the Road works had 26 to 27 percent of the total expenditure on EGS works. The Afforestation works had negligible percentage of expenditure under EGS.

3.3 Evaluation :

Now it is generally stated that EGS is the only employment generation programme which is being implemented intensively on a statewide basis for such long duration. Besides, it is unique in so far as its recognition the right of the rural unemployed to get unskilled manual works on demand. Although, the objectives of EGS i.e. employment generation and formation of productive assets are unique in character, according to Mr. S. Bagchee "Providing employment cannot be an aim it self as employment is also important instrument for income distribution".⁴ Therefore, another inherent objective must be removal of poverty. This objective of EGS i.e. removal of poverty is not clearly mentioned in the EGS Act 1977. As result, Mr. Bagchee further criticised that, this negligence of the scheme is not able to provide long term employment programme to the weaker section of the society.

Therefore, while there has been arising demand for employment under the EGS and there is no sign of its abating, on the other hand, the economic rehabilitation of the poor seems a distant goal and difficulties are being experienced in identifying additional productive projects to meet this demand.

The employment planning requires balancing the aggregate demand and supply of labourers as well as matching expectation with works opportunities. In the case of EGS, the supply of labour is always irrelevant. We have to match the available unskilled labour only with the availability of the projects. So there must be a particular machinery for the periodic assessment of the demand for labour and moreover, the project should be revised accordingly. Thus, lack of the proper assessment of the demand is the weakest link in the planning of EGS. "This Lacunae also affected the formation of the blue-print which now remains the only instrument for the planning under the scheme."⁵ It creates the practical problems at the implementation level. The labour potential created under the scheme was far in excess of the actual labour attendance on the projects. The specific demand for works for several pockets could not meet either because of the lack of suitable projects or the failure to assess the demand because it was not pressed or because of administrative difficulties such as the non-availability sites, land problems etc. Thus there are weaknesses in manpower budgeting procedures of the EGS scheme.

According to some critics, EGS Act 1977 has some inherent difficulties regarding productivity objective of the EGS. The productive works have been defined as "Any works which in the opinion of the State Government will directly or indirectly contribute of the increase in production or the absence of which will inhibit increase of production".⁶

Accordingly productivity concept is very difficult to quantify in actual practice. The productivity depends upon the realisation of the benefits of a particular projects. While considering the third implying objectives of removal of poverty it consists of both short term job creation and long term job creating aspects of EGS. In this connection according to the planning evaluation organisation potentials of the EGS has scattered more to the cultivatores of large holdings than to the requirements of agricultural and landless labourers and smaller cultivator household this is a strange finding. On the other hand, "according to the Dandekar, EGS has made an appreciable impact on the employment problems of the weaker section defined as landless households and 10 per cent of the smallest cultivators."⁷ The Planning Evaluation Organisation (P.E.O.) findings on the pattern of utilisation of the wages earned by weaker household are also of revelance to the poverty amelioration objective. While there was an increase in expenditure in the case of EGS participants, this was significantly more on items of food and clothing. On the other

hand, "only a fraction of the EGS wages was utilised by the workers on items other than this including acquisition of assets and this was only in the case of those who had received employment of longer duration." ⁸ This, therefore, shows that EGS earnings in the construction phase do not lead to a significant creation of assets and therefore, do not in any way, help the rehabilitation of the poorer sections. It may be mentioned in this context that the distribution of foodgrains at subsidised rates under the EGS for some years, did significantly meet the immediate consumption needs of the workers and was thus, an important measure from the poverty amelioration perspective. In fact, Dandekar has shown that whereas the average earnings of a husband and wife team working on the EGS could with the inclusion of the foodgrains component, take care of the nutritional requirements of 1½ dependents, their cash wages could meet the requirement of only 0.5 dependent when this component was removed. We should, therefore, strongly urge a rethinking on this issue and reintroduction of the system of payment of wages partly in kind, which has been dispensed with since 1983 largely on account of administrative difficulties.

The evaluation study of EGS, jointly conducted by the Programme Evaluation Organisation and Government of Maharashtra during 1976-78 brought out that, "the user house holds (those

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whose lands were benefited from the productive assets created by the EGS) 91 per cent belonged to the category of cultivator whereas, only about 7 per cent were agricultural labourers. Disaggregating the cultivator household, it was observed that benefits of EGS assets had gone to a large extent to the medium and big farmers. The small and Marginal Farmers constituted only 21 per cent of the user holder. Nearly, 78 per cent of the user households had reported increase in agricultural production to the extent of 25 per cent. There was also change in the cropping pattern in case of 40 per cent of the households, the EGS had thus, given them both technical and economic exposure to achieving higher production possibilities."9

3.4 Shortcomings :

The planning evaluation organisation has pointed out the following gaps and shortcomings in the implementation of the EGS scheme in Maharashtra.

The other finding of the P.E.O. were as follows :

- (1) It was observed that instructions regarding the size of blue-prints for a district up to Rs. 3 crores had been clearly ignored. It is therefore, suggested that the blue-print should include operative projects backed by "Survey" and "Scrutiny" in regard to Prima-facie Feasibility and desirability for implementation.

- (2) There had been revision in cost estimate in 92 out of 1368 plan and scarcity works to the extent of 200 per cent of the original estimates.
- (3) The pace of expenditure on works which were taken up under the EGS was quite slow.
- (4) The Government of Maharashtra should it is suggested, review the existing arrangement for acquisition of land for the EGS works and for early payment compensation to the cultivators. Particularly, to those who had willingly surrendered their land.
- (5) Steps should be taken to prepare the plans in advance as well as to purchase equipment necessary for the implementation of works under the EGS.
- (6) In adequacy of technical staff was also reported as a recurrent reason for temporary stoppage of works.
- (7) The muster roll abstracts obtained in respect of 25 to 87 works female participation varying from 43 per cent to 66 per cent with an average of 57 per cent.
- (8) It was noted that in majority of cases, necessary complementary investment in the form of construction of well, land levelling, application of fertilisers

and other essential inputs had not been made. The result was suboptimal use of the potentials created out of the EGS.

- (9) It was feared that in course of time, physical condition of assets created by means of the EGS would deteriorate for want of maintenance which was the responsibility of departments executing the work of Zilla Parishads. The Zilla Parishads were found to be unwilling to accept the responsibility for maintenance of these works. It is suggested that, the State Government should consider the feasibility of recovering any expenditure incurred on maintenance of irrigation works, including percolation tanks from the cultivators in proportion of their areas benefited from these works.
- (10) The participating households considered "better wages" as the Primary reason for participation in the EGS works whereas for the non-participating house-hold, no other work available, was the foremost reason for participation.

While appreciating the employment effect of the EGS scheme it is clearly stated by the World Bank report 1982, that "over the five years from 1973 to 1978, Maharashtra's rural

unemployment declined by 21 per cent, from 1.4 million persons to 1.1 million despite a 17 per cent increase in the population. Its overall unemployment rate fell by 32 per cent during this period to 5.2 per cent of the workforce, compared with a 4 per cent overall decrease for the whole country. Because agricultural and industrial growth remained sluggish, much of the improvement in Maharashtra's employment can be attributed to EGS.¹⁰

3.5 Review of Committee Reports :

A continuous and concurrent evaluation of the implementation of scheme is being taken by a committee consisting of the members of the legislative Assembly, to study and watch, on a long term basis the implementation of the scheme. Till this date, more than dozen Reports were submitted. We briefly summaries the Findings and Shortcomings and recommendations contained of these committee reports.

The first committee which was appointed under the chairmanship of Mr. Sawant P. K. had the following shortcomings in the implementation of the scheme.¹¹

- (1) There was considerable delay in providing work to employment seekers often it took more than a month to provide another work after the completion of the first work. Implementation of the EGS thus betrayed lack of planing.

- (2) Although, the Secretaries of the Village Panchayats were required to maintain a register of employment seeker nearly one third of village panchayats had not maintained any such registers.
- (3) The collectors did not seem to have adequate knowledge of the nature of works which should receive priority under the EGS.
- (4) Payment of wages for work were enormously delayed. As a result, the workers were left with no other alternative but to borrow money at exorbitant rates from the money-lender.
- (5) The technical aspects involved in the measurement of the output of each worker in respect of "Lead and Lift" were generally not understood properly by the supervisors and others in charge of the work. As a result, the labourers often received less wages than were legitimately, due to them in accordance with the prescribed schedule.
- (6) The officers concerned were reluctant to start EGS works beyond 5 Km of Panchayat Sumiti area as they were required to open camps with necessary facilities for drinking water, fair price shops etc. for such works.

- (7) Since the compensation for land acquired under the EGS was not paid the land owners were generally unwilling to part with their lands for such work.
- (8) The first committee recommended that the special agency exclusively responsible for the implementation of the EGS should be created at both the district and the taluka levels. The task includes keeping records regarding
 - (a) works in progress,
 - (b) works which could be launched as soon as there was a need for employment in the areas and
 - (c) manpower employed or required in future for individual works etc. Besides, it would supervise the records regarding workers in the villages.
- (9) It was observed that, many districts of the EGS was undertaken without proper preparation of the blue-print which could not be prepared due to non-availability of technical staff. The concepts of EGS was not given full thought in the context of the concepts of planning this has created a controversy among academics and planners. As a result there was little co-ordination between the planners the implementing agencies. Moreover,

A detailed systematic survey of the local resources (including human resource) and of the needs and aspirations of the inhabitants is a pre-requisite of a development plan, and such a survey alone could reveal the potential for development and the magnitude of inflow and outflow of commodities in regard to the district.

- (10) The taluka level committee had no co-ordinated view of the further surveys and investigations needed or in progress, regarding feasible, productive works which may be capable of being given a priority, on local consideration. Planning at the taluka level is a new concept and therefore requires a great deal of careful thought.
- (11) Regarding wage policy, many committee found that the works according agencies were not following the directives of the Government.

TABLE NO. 3.1

Yearwise total Expenditure and Employment Mandays in EGS

Maharashtra

<u>Year</u>	<u>Expenditure incurred Rs. in crore</u>	<u>Mandays of Employment in crore</u>
1972-73	1.88	0.45
1973-74	1.89	0.51
1974-75	13.72	0.81
1975-76	34.61	10.95
1976-77	50.10	13.52
1977-78	51.54	11.53
1978-79	74.17	16.35
1979-80	109.23	20.54
1980-81	122.12	17.15
1981-82	126.17	15.60
1982-83	130.00	12.60
1983-84	175.00	16.45
1984-85	131.82	12.48
1985-86	187.50	16.80
1986-87	245.00	19.14
Total	1454.75	184.88

Source :- Lokraj 1st May 1985.

TABLE NO. 3.2

The Yearwise average labour attendance minimum labour
attendance

Year	Labour attendance in lakh		
	Maximum	Minimum	Monthly Average
1975-76	5.33	1.90	3.31
1976-77	7.16	2.94	4.61
1977-78	6.20	2.32	3.91
1978-79	8.94	3.55	5.45
1979-80	9.56	4.43	6.84
1980-81	9.20	2.96	5.70
1981-82	9.06	2.91	5.20
1982-83	7.28	3.51	4.68

Source :- Lokraj 16th October 1983.

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District	1979	1980	1981	1982	Percentage of attendance of BC workers to total labour attendance	
15) Jalna	-	-	-	809	-	28.14
16) Parbhani	12357	8287	10661	6767	45.1	37.3
17) Beed	10645	6206	7838	6577	28.2	25.5
18) Nanded	14291	12341	8459	10818	47.5	40.0
19) Osmanabad	11494	12305	10299	6409	40.0	50.5
20) Latur	-	-	-	-	-	-
21) Buldhana	9063	13529	9789	6252	54.9	57.3
22) Akola	18574	17871	20729	8306	57.3	60.8
23) Amravati	6482	16968	34814	11679	36.3	100.0
24) Yavatmal	16402	14232	26490	32327	53.6	39.4
25) Wardha	5286	8194	7278	6446	31.5	57.8
26) Nagpur	8160	13619	5504	4447	36.9	40.0
27) Bhandara	44094	92852	38117	17520	49.6	40.2
28) Chandrapur	37089	70447	61363	37752	36.2	74.7
29) Gadchiroli	-	-	-	-	-	-

Source :- Lokraj EGS Number 16th October 1983.

TABLE NO. 3.4

Attendance on EGS workers belonging to Backward classes.

<u>Year</u>	<u>Percentage backward labourers to be the total workers</u>	<u>Percentage of female labourers to the total workers</u>
1978-79	41.9	42.5
1979-80	47.7	41.3
1980-81	44.5	37.3
1981-82	44.2	37.3
1982-83	35.4	37.0

Source :- EGS Number 1983 16, October.

TABLE NO. 3.5

Categorywise number of works sanctioned and No. of works completed in EGS of Maharashtra.

Category	No. of works sanctioned	No. of works completed
Labour intensive component of		
(a) Minor Irrigation Projects.	3243	2364
(b) Medium Irrigation Projects	660	344
Minor Irrigation Tanks	2046	1064
(c) Percolation Tanks	8112	3392
Other minor Irrigation works	3492	2130
(d) Soil conservation works	71672	55170
(e) Land development works	14195	8744
(f) Afforestation works	5979	2160
(g) Road works	14115	4841
(h) Other works	964	475
Total	125078	80684

Source :- Lokraj EGS number 1983 16th October.

Table No. 3.5 :- Categorywise Number of Works Sanctioned & Number of Works Completed in EGS in Maharashtra From 1972-73 To 1982-83.

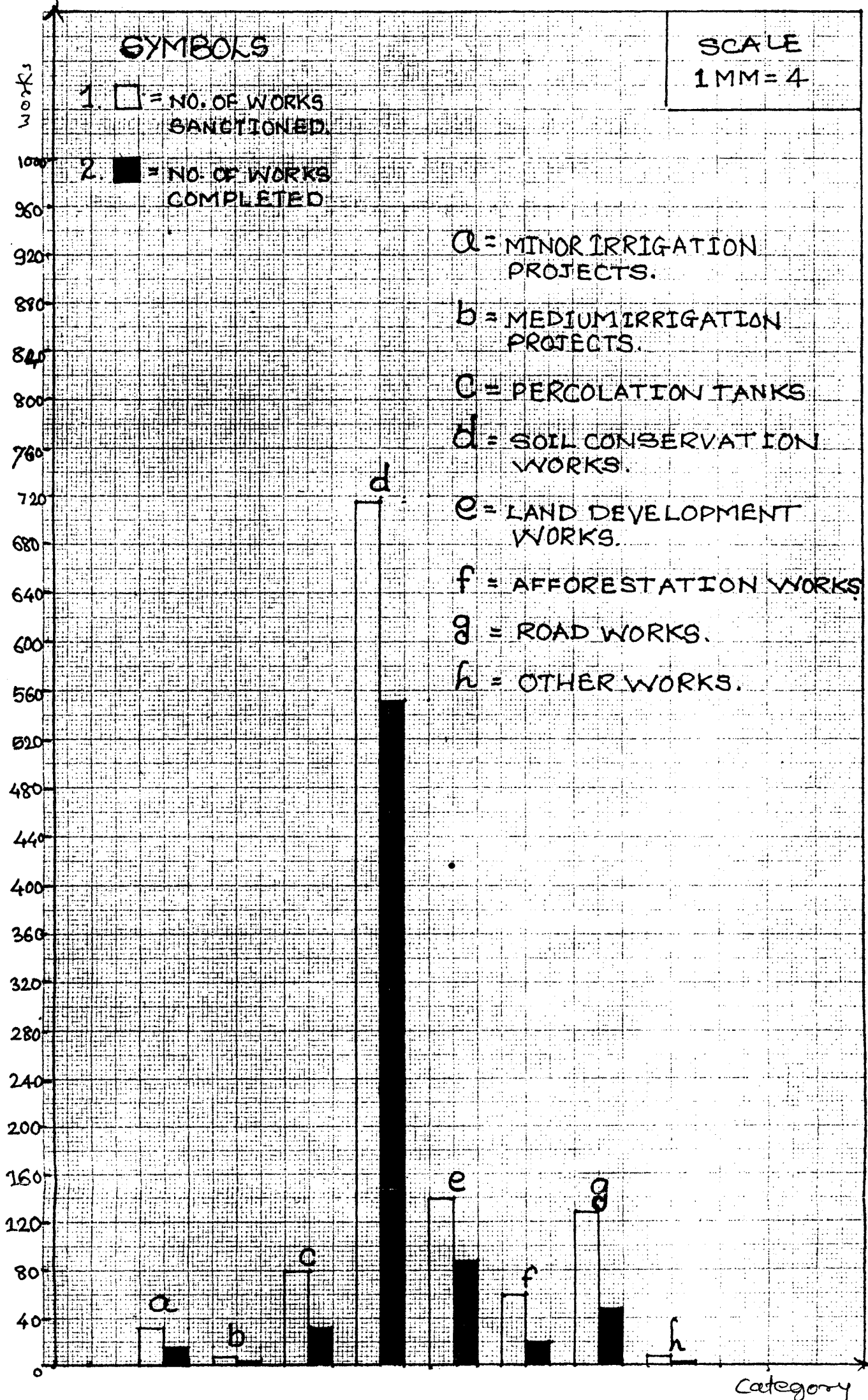


TABLE NO. 3.6

Expenditure under EGS by types of works

Sr. No.	Category of works	Percentage of Expenditure during			
		1979-80	1980-81	1981-82	1982-83
1)	Irrigation works	42.5	42.0	41.5	42.0
2)	Soil conservation and land development	26.0	26.6	23.4	23.0
3)	Afforestation works	3.4	5.1	6.9	6.0
4)	Roads works	27.1	21.3	26.8	27.0
5)	Other works	1.0	2.0	1.04	1.0
Total		100.0	100.0	100.0	100.0

Sources :- EGS number 1983, October 16th.

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