UNIT 1 POVERTY ALLEVIATION PROGRAMMES— A RETROSPECT

Structure

1.0 OBJECTIVES

After studying this unit, you should be able to:

- define the concept of rural development and poverty;
- explain the need for poverty alleviation;
- critically examine the strategies adopted by the Government for poverty alleviation from tome to time;
- list out the steps taken by the Government to alleviate poverty through various programmes; and
- explain what impact the various programmes have had on the poor and the rural areas.

1.1 INTRODUCTION

In the post-independence era, India has achieved commendable success on many fronts. In the case of agriculture, being importers at one time, we are now not only net exporters but also one of the largest donors of food in the world. In the field of science and technology, we are on the frontiers of many areas like space, communication and information technology. In spite of all this, our country has the largest number of the poor in the world and therefore rural development and poverty alleviation continues to be one of the major focus areas of the national development policy.

Rural development in India is identified largely with the poverty alleviation policies. Perhaps no country in the world has invested so much time and resources on poverty alleviation and achieved so little as India. Over the 25 year period, 1973-74 to 1999-2000, the poverty ratio, i.e. the percentage of the poor in the total population, has been halved from 55 per cent to 27 per cent. Though it is not a mean achievement given the magnitude and complexity of the problem but the fact remains that our performance vis-à-vis the performance of many other countries, especially China and East and South-East Asian countries, has been far from satisfactory to say the least.

1.2 NEED FOR DEVELOPMENT INTERVENTIONS

It is obvious that the problem of poverty in India is a major challenge and it needs priority in our development policy, if we want to improve the nation and also to compete with the developed nations.

It can be seen from Tables 1 and 2 that poverty in rural and urban areas is more or less similar, but in terms of numbers, the poor in rural India are nearly three times the urban population. About three-fourths of the total population of the country is rural and therefore majority of the poor are in the villages. It is why Gandhi Ji repeatedly said that ***"India lives in villages and the development of the nation cannot be achieved without the development of the villages".***

The real fruits of independence and democracy, in fact, cannot be enjoyed by the people unless they are freed from the clutches of poverty. Initially, it was thought that when the process of development started, the 'trickle down' effect would take care of the problem of poverty. This process did achieve results in countries where industries and the service sector developed faster and overtook the agriculture-based economies, but in countries like India, it did not work due to various reasons, some of the important ones are as follows:

i) India continues to be an agrarian economy, which contributes less than one fourth of the GDP, but employs more than 70 per cent of the rural work force.

ii) Nearly 80 per cent of the farmers have small and marginal holdings (less than two hectares) and most of them practice subsistence agriculture. Besides, a large number of landless people depend on agricultural labour. The majority of these people belong to socially weaker sections, who have little access to the various means of developing agriculture.

iii) A high rate of population growth and a low level of literacy are other important factors which have adversely affected the developmental process.

iv) Slow pace of development in industrial and service sectors and inability of the non-farm sectors to absorb excess labour from the farm sector, is also one of the important causes of poverty in India.

v) Moreover, if there was any trickle down affect, it remained confined to the urban areas only.

In the given situation, it was necessary for the Government to initiate development of rural areas through various types of interventions to suite different types of regions, different social and economic classes of people with varying economic base as well as those without any economic assets. Thus, the Government of India introduced a number of programmes as part of its planned strategy to develop rural India and alleviate poverty.

1.3 POVERTY IN INDIA

Now let us look into the poverty situation in India. The most commonly used method to measure poverty is the ***'Head Count'*** method, which only describes the number of poor people below a certain level of income/expenditure. It does not indicate the severity of poverty and therefore some efforts have been made to measure not only the extent of poverty but also its intensity.

The measurement of poverty in India is based on the consumption and expenditure data collected through National Sample Survey Organization (NSSO). Based on

NSSO data, the population below the poverty line at different time points as estimated by the Planning Commission is provided in Table 1.1. The methodology used by the Planning Commission, however, has some defects. Accordingly, they constituted an Expert Group to provide a more realistic estimate of poverty in the country. The poverty estimates by the Expert Group are provided in Table 1.2.

It is clear that the poverty estimates by the Expert Group are higher than those estimated by the Planning Commission. According to the estimates of the Expert Group, which are accepted by the Government, the overall poverty has declined form 54.9 per cent in 1973-74 to 26.1 by 2000 indicating an average of about one per cent decline per year. The rural poverty has declined from 56.4 per cent in 1973-74 to 27.1 per cent in 2000. The rate of reduction of poverty in rural areas is slightly more than that in urban areas as can be seen from the figures. In fact, urban poverty is also a reflection of rural poverty, as large numbers of the rural poor migrate to urban areas for better wages and thus add to urban poverty.

Table 1.1: Poverty in India

Sector	1983-84	1984-85	1987-88	1989-90	1993-94
Population below poverty line (in Millions)					
1. Rural	221.5	222.2	196.0	168.6	141.1
2. Urban	49.5	50.5	41.7	42.2	27.1
3. Total	271.0	272.7	237.7	210.8	168.2
Poverty Ratio (%)					
1. Rural	40.0	39.9	33.4	28.4	21.7
2. Urban	28.1	27.7	20.1	19.3	11.6
3. Total	37.4	36.9	29.9	25.3	18.9

Source: Rural Statistics - 2002, NIRD, Hyderabad.

Table 1.2: Poverty in India as Measured by the Expert Group

Sector	1973-74	1977-78	1983-84	1987-88	1993-94	1999-2000
Population below poverty line (in Million)						
1. Rural	261.3	264.3	252.0	231.9	244.0	193.2
2. Urban	60.0	64.6	70.9	75.2	76.3	67.0
3. Total	321.3	328.9	322.9	307.1	320.3	260.2
Poverty Ratio (%)						
1. Rural	56.4	53.1	45.7	39.1	37.3	27.1
2. Urban	49.0	45.2	40.8	38.2	32.4	23.6
3. Total	54.9	51.3	44.5	38.9	36.0	26.1

Source: Rural Statistics - 2002, NIRD, Hyderabad.

Check Your Progress I

Note: a) Write your answer in the space provided.

b) Check your answer with the possible answer provided at the end of the unit.

1) What are the various causes of poverty in India?

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1.4 APPROACHES TO POVERTY ALLEVIATION IN INDIA

We will now discuss as to how the problem of poverty was being tackled in the country and what approaches were adopted to achieve the goals of rural development.

Employment generation and poverty alleviation are dependent on one another as increase in employment is a determinant for the reduction in poverty. Employment does not mean engaging in work only, but it also implies gainful income or a remuneration for the work which is able to provide the minimum basic needs of the people for them to live a ***minimum acceptable standard of life***.

1.4.1 Poverty Alleviation Programmes

The rural poor can be divided into three main categories: (i) those with land, (ii) those with skills and (iii) those without land and skills. During the initial stages of rural development through the ***community development program*** (CDP), a holistic approach to develop agriculture, infrastructure and basic facilities in the villages was adopted. It was assumed that as the process of development progresses, it would take care of each and every category of the rural population. During the 1960s, when the CDP was gaining momentum, the country was faced with food crisis and, therefore, the entire rural development effort was directed to the development of agriculture. As a result, we achieved green revolution towards the end of that decade and the country gained self-sufficiency in food production. While this event was most welcome, it was not without side-effects. The farmers with small and marginal holdings did not gain from the green revolution and they remained poor. The benefits of agricultural development did not percolate to the large numbers of agricultural labourers either. Introduction of modern farm technology and use of modern factory made equipment rendered a large proportion of rural artisans jobless. The overall situation was that a visible disparity between the rich and the poor emerged. There were many reasons for this situation. Some of the important ones are as follows:

1) Modern farming being cost intensive, the small and the marginal farmers could not adopt modern farm technologies due to the lack of credit facilities and thus remained poor.

2) The green revolution was confined to agro-climatically rich areas, while the other regions remained backward.

3) Intensive farming did increase the absorption of labour, but it was proportionately too low as compared to the supply of manpower in the labour market due to population explosion.

4) There was no appreciable growth in the non-farm sector to absorb surplus labour from the farm sector.

5) There was no attempt for upgrading the skills of artisans for them to stay in the job market. This resulted in vast unemployment among them.

In order to counter these maladies of the development process, a series of special rural development programs as corrective measures were introduced during the early seventies. The most important among them, which was directly focused on the small and marginal farmers, agricultural labourers and rural artisans, was ***Small Farmers Development Agency*** (SFDA), introduced in 1973-74. In 1974-75, ***Marginal Farmers and Agriculture Labourers*** (MFAL) Agency Program was also introduced to take specific care of the marginal farmers, the rural artisans and the agriculture labourers. The MFAL, which was similar to SFDA, was merged with SFDA in 1976. Though SFDA was supposed to take care of all categories of the rural poor, it mainly concentrated on those with land assets and neglected labourers, causing serious problems of unemployment among them. Unemployment was severe among the assetless and the skill-less poor in the villages.

To provide relief to the rural poor, who mainly depended on daily wages, a ***Crash Employment Programme*** was introduced in 1974-75 in selected districts followed by another wage employment programme called ***Pilot Intensive Rural Employment Programme*** (PIREP). It was introduced during 1975-76 in the blocks which had chronic unemployment problem. These programs emerged with two distinct characteristics: (a) programs for self-employment, mainly focused on those with assets and/or skills; and (b) programs for wage employment targeting those who did not have any source of income other than their physical labour. During 1978-79, SFDA and the beneficiary oriented element of all other programs were merged into one and a new programme for self-employment, called ***Integrated Rural Development Programme*** (IRDP) was introduced in 2000 blocks, initially with a provision to bring 300 blocks under the programme every year. Similarly, all programmes aimed at wage employment were merged and brought together under the Food for Work Programme. In 1980, IRDP was expanded to all the blocks in the country and simultaneously the Food for Work Programme was also reorganized as the ***National Rural Employment Programme*** (NREP) and extended to all the blocks of the country.

In order to upgrade the skills of the rural artisans and also develop skills among those without any skill, a sub-programme of IRDP called ***Training of Rural Youth for Self-Employment*** (TRYSEM) was introduced in 1981. Though the provision of covering 40 per cent of women under IRDP and TRYSEM was already there, a new programme called ***Development of Women and Children in Rural Areas*** (DWCRA) was introduced on a pilot basis in 50 selected districts, again as a sub-programme of IRDP. Towards the end of the eighties, DWCRA covered all the districts of the country. The main purpose of DWCRA was to organize the poor women into groups and help them in self-employment by providing them income generating activities.

In the case of wage employment, it was realized that NREP was not able to provide the minimum guaranteed wage employment to the rural labourers and therefore a programme fully financed by the Ministry of Rural Development, Government of India, called ***Rural Labour Employment Guarantee Programme*** (RLEGP) was launched in 1983 with universal coverage.

The year 1987 was the worst drought year of the century and the small and the marginal farmers suffered most. For relieving them from the vagaries of the monsoon, a programme called Jeevan Dhara (later named ***Million Wells Scheme*** – MWS) with hundred per cent subsidy to the small and the marginal farmers, belonging to Scheduled Castes and Scheduled Tribes mainly, was introduced.

The NREP and RLEGP, with similar objectives, caused overlapping and therefore the Ministry of Rural Development, Government of India, decided to merge these two into one programme in 1989. It was named ***Jawahar Rozgar Yojana*** (JRY) and the Village Panchayats were assigned the task to implement it.

Again, to supplement the wage employment efforts, a new programme called ***Employment Assurance Scheme*** (EAS) was introduced in about 1700 blocks with chronic unemployment problems during 1992-93. Later EAS was extended to cover all the blocks of the country during 1996-97.

During 1991-92, another programme for self-employment with specific focus on rural artisans was introduced. It was called ***Supply of Improved Tool-Kit to Rural Artisans*** (SITRA). In 1994-95, a minor irrigation programme called ***Ganga Kalyan Yojana***

(GKY) was introduced for those small and marginal farmers who were not eligible under MWS. While MWS was a fully subsidized programme, GKY was only partly subsidized. A detailed list of programmes and the events related to rural development in India is provided in *Annexure-I*.

Towards the end of nineties there were six programs for self-employment and two programs of wage employment being implemented by the Ministry of Rural Development (see the boxes).

Box 1

Programmes for Self-Employment (IRDP and its sub-programmes)

i) IRDP (Integrated Rural Development Programme)

ii) TRYSEM (Training of Rural Youth for Self-Employment)

iii) DWCRA (Development of Women and Children in Rural Areas)

iv) MWS (Million Wells Scheme)

v) SITRA (Supply of Improved Tool-Kit for Rural Artisans)

vi) Ganga Kalyan Yojana

Box 2

Wage Employment Programmes

i) JRY (Jawahar Rojgar Yojana)

ii) EAS (Employment Assurance Scheme)

Since the target group for all the self-employment programmes was the same and the procedure of selection of beneficiaries was also more or less the same, the multiplicity of the programmes created a number of problems in their execution. The more troublesome ones were as follows:

1) Due to multiplicity, many influential persons were able to get the benefit of more than one programme at the cost of many poor families.

2) Since considerable amount of subsidy was involved, in some cases hundred percent subsidy (MWS & SITRA), it encouraged the involvement of middlemen and local leaders and even senior politicians in the selection of beneficiaries resulting in considerable number of non-eligible families taking the benefits of these programmes.

3) Lack of proper planning was another cause of low performance.

4) Poor recovery of loans made banks reluctant to advance loans causing significant set-back to these programmes.

5) Marketing of the produce by the beneficiaries was also a major problem which led to the failure of a large number of income generating schemes taken up by the beneficiaries.

Keeping the above factors in mind, the Ministry of Rural Development, Government of India, decided to restructure the self-employment and wage employment programmes. Accordingly, all the six self-employment programmes namely, IRDP, TRYSEM, DWCRA, SITRA, MWS and GKY were merged into a single programme called Swarnjayanti Gram Swarozgar Yojana (SGSY) made operative on the first April, 1999. Also, JRY was redesigned and named Jawahar Gramin Rozgar Yojana (JGSY) on April, 1999. In 2001, however, JGSY and EAS were also merged into a single programme called ***Sampoorna Grameen Rojgar Yojana*** (SGRY).

Check Your Progress II

Note: a) Write your answer in the space provided.

b) Check your answer with the possible answer provided at the end of the unit.

1) What were the main programmes introduced for poverty alleviation?

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1.4.2 Impact of Poverty Alleviation Programmes

In the foregoing details we have discussed the various programmes for rural development and poverty alleviation. Here, let us examine the impact of these programmes on the poverty reduction.

Based on the 55th round of the NSSO estimates, the percentage of people below the poverty line in 1999-2000 has, for the first time fallen below the 30 per cent mark. The Rural poverty ratio was 27.1, the urban 23.6 and the overall poverty ratio for the country was 26.1 by 1999-2000. The rate of decline in poverty was highest during 1993-94 and 1999-2000, as it fell from 36.0 per cent to 26.1 per cent recording an average annual rate of decline to a little above 1.6 per cent (see Table 2). In the field of human development also, there has been favourable trends of improvement. Indicators like health status reflecting in Crude Birth Rate, Crude Death Rate, Infant Mortality Rate (IMR), and Life Expectancy reveal encouraging trends. The literacy status, particularly the female literacy, of the rural people too shows an upward trend. Even in the states like Rajasthan, where gender discrimination is high, the literacy levels show upward trends.

The process of reduction in poverty, however, has not been uniform all over the country. Some states have done exceptionally well, while a few states have not recorded much change in their poverty status. Table 1.3 below provides state-wise percentage of the population below the poverty line. It is clear from the Table that

Table 1.3: State-wise Poverty Ratios (% of population below the poverty line) During 1999-2000

States	Rural	Urban	Combined
1. Andhra Pradesh	11.05	26.63	15.77
2. Arunachal Pradesh	40.04	7.47	33.47
3. Assam	40.04	7.47	36.09
4. Bihar	44.30	32.91	42.60
5. Goa	1.35	7.52	4.40

States	Rural	Urban	Combined
6. Gujarat	13.17	15.59	14.07
7. Haryana	8.27	9.99	8.74
8. Himachal Pradesh	7.94	4.63	7.63
9. Jammu & Kashmir	3.97	1.98	3.48
10. Karnataka	17.38	25.25	20.04
11. Kerala	9.38	20.27	12.72
12. Madhya Pradesh	37.06	38.44	37.43
13. Maharashtra	23.72	26.81	25.02
14. Manipur	40.04	7.47	28.54
15. Meghalaya	40.04	7.47	33.87
16. Mizoram	40.04	7.47	19.47
17. Nagaland	40.04	7.47	32.67
18. Orissa	48.01	42.83	47.15
19. Punjab	6.35	5.75	6.16
20. Rajasthan	13.74	19.85	15.28
21. Sikkim	40.04	7.47	36.55
22. Tamilnadu	20.55	22.11	21.12
23. Tripura	40.04	7.47	34.44
24. Uttar Pradesh	31.22	30.89	31.15
25. West Bengal	31.85	14.86	27.02
26. A & N Islands	20.55	22.11	20.99
27. Chandigarh	5.75	5.75	5.75
28. D & N Haveli	17.57	13.52	17.14
29. Daman & DIU	1.35	7.52	4.44
30. Delhi	0.40	9.42	8.23
31. Lakshadweep	9.38	20.27	15.60
32. Pondicherry	20.55	22.11	21.67
ALL INDIA	27.09	23.62	26.10

Source: Rural Statistics - 2002, NIRD, Hyderabad.

the states and the Union Territories with poverty ratios below 10 are Goa, Haryana, Himachal Pradesh, Jammu & Kashmir, Punjab, Chandigarh, Daman & Diu and Delhi. The states between 10-20 per cent interval are Andhra Pradesh, Gujarat, Kerala, Mizoram, Rajasthan, D & N. Haveli and Lakhshadweep. The states with poverty ratio between 20-30 are Karnataka, Maharashtra, Manipur, Tamilnadu, West Bengal, A & N Islands and Pondicherry. The remaining states, which include most of the North-Eastern states, Orissa, Bihar, Uttar Pradesh and Madhya Pradesh continue to show a poverty ratio above 30 per cent—Orissa (47.15 %) and Bihar (42.60 %) being the poorest states in the country. Some of the reasons for not achieving the desired impact of these programmes are as follows:

1) Implementation of the programmes was not effective.
2) Lack of area specific and integrated planning which was essential to sustain the benefits of the poverty alleviation programmes.
3) Most of the income generating schemes provided to the poor families did not match with their capability and hence the beneficiaries were not able to sustain them.
4) Lack of supporting infrastructure including marketing facilities.
5) Inadequate investment on the beneficiary projects.
6) At some places there was poor participation of the people in these programmes.
7) Corrupt practices in identifying, selecting and funding the beneficiaries have also had adverse effect on the programmes.

Check Your Progress III

Note: a) Write your answer in the space provided.

b) Check your answer with the possible answer provided at the end of the unit.

1) Why did the poverty alleviation programmes not achieve the desired level of success?

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1.5 LET US SUM UP

In this unit we have learnt about the definition, types and the related aspects of poverty in India. Further, a detailed account of policies and the programmes of rural development introduced by the Government of India in the post-independence period has also been provided. India has followed basically two approaches to overcome the problem of poverty: (a) Reliance on 'Trickle Down' or 'Spread Effect' of rapid growth, and (b) Direct Public Intervention. During the first two decades (the 1950s and the 1960s) of the post-independence period, it was noticed that there was no visible impact of *trickle down effect* in rural areas. Realizing this, a series of special programmes were introduced during the 1970s onwards focusing on different regions as well as specific socio–economic groups as direct intervention to alleviate poverty. Accordingly, to meet the challenges of rural poverty, various programmes for rural development and poverty alleviation were introduced in the country from time to time. Some programmes, particularly those aimed at area and infrastructure development, were focused to enhance the capital base in rural areas. The overall impact of all these initiatives has already been discussed in the preceding sections. This section will therefore help you in understanding the rationale and the need for the programmes introduced in the country.

1.6 KEY WORDS

Trickle Down Effect : The effects of development, such as employment spreading wider to benefit more and more people.

Human Poverty : It relates to social aspects like poor housing, illiteracy, lack of health care facilities, safe drinking water, sanitation and other such services which are directly related to living conditions and human develop.

Economic Poverty : It relates to the income of a person or a family and its adequacy to meet minimum food and other requirements.

Poverty Line : This is the monetary value of the average calorie intake of 2400 Calories per person per day used as the poverty line income.

Integrated Area Development : Holistic development of an area covering all aspects of social, economic and infrastructural development.

1.7 REFERENCES AND SUGGESTED READINGS

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1.8 CHECK YOUR PROGRESS – POSSIBLE ANSWERS

Check Your Progress I

1)
- Modern farming being cost intensive, the small and the marginal farmers could not adopt modern farm technologies due to the lack of credit facilities, and thus they remained poor.
- The green revolution was confined to agro-climatically rich areas, while other regions remained backward.
- Intensive farming did increase the absorption of labour, but it was proportionately too low as compared to the supply of manpower in the labour market due to population explosion.
- There was no appreciable growth in the non-farm sector to absorb surplus labour from the farm sector.
- There was no attempt for upgrading the skills of artisans for them to stay in the job market. This resulted in vast unemployment among them.

Check Your Progress II

1) Main programmes introduced for poverty alleviation were as follows:

   a) Programs for Self-Employment (IRDP and its sub-programmes)

      i) IRDP (Integrated Rural Development Programme)

      ii) TRYSEM (Training of Rural Youth for Self-Employment)

      iii) DWCRA (Development of Women and Children in Rural Areas)

      iv) MWS (Million Wells Scheme)

      v) SITRA (Supply of Improved Tool-Kit for Rural Artisans)

      vi) GKY (Ganga Kalyan Yojana)

   b) **Wage Employment Programmes**

      i) JRY (Jawahar Rojgar Yojana)

      ii) EAS (Employment Assurance Scheme)

Check Your Progress III

1) The main reasons for the poor performance of the poverty alleviation programmes were :

   a) While the programmes were well designed, the implementation was not effective.

   b) Lack of area specific and integrated planning which was essential to sustain the benefits of the poverty alleviation programmes.

   c) Most of the income generating schemes provided to the poor families did not match their capabilities and therefore the beneficiaries were not able to sustain them.

   d) Lack of supporting infrastructure including marketing facilities also caused problems for the beneficiaries.

   e) In majority of the cases, the size of investment on the beneficiary projects was not adequate.

   f) In some of the programmes, the participation of the people was very poor.

   g) Corrupt practices in identifying, selecting and funding the beneficiaries have also had adverse effect on the programmes.

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UNIT 2 MINIMUM NEEDS PROGRAMME

Structure

2.0 OBJECTIVES

After studying this unit, we should be able to:

- describe the need for and the concepts of minimum needs and basic needs;
- list out the related policies and strategies;
- explain various components of the MNP;
- explain the objectives and targets of various programmes; and
- assess the progress made in the implementation of MNP.

2.1 INTRODUCTION

In this unit we will look into human aspects of poverty and the various approaches to and programmes for human development.

Poverty in a broader sense is not merely concerned with food, clothes and shelter, but it is also related to the living conditions which directly impinge on the quality of life. Thus, economic and human development are two sides of the same coin and without developing both the components of poverty simultaneously, no effort for poverty alleviation can be sustained. It also takes into account the basic objective of development, i.e. growth with social justice. To realize this objective various programmatic efforts were made beginning with the First Five-year Plan. In the initial phase, it was assumed that accelerated economic growth would automatically flow to all the sections of the people because of the ‘trickle-down effect’. And Community

Development Programmes, Land Reforms, Special Agricultural Development Programmes, Cooperatives, etc., put together were thought to be the best way of accelerating economic growth in rural areas.

A review of these programmes during the Fifth Five-year Plan revealed that while in the field of agricultural production we were able to achieve self sufficiency, there was need to improve social services to improve living conditions in rural areas. Accordingly, to meet specific needs of the rural people in general and the poor in particular, the concept of Minimum Needs was evolved and also the Minimum Needs Programme (MNP) conceived as an important strategy for rural development. In this unit you will read about this concept, its components and the related objectives and targets.

2.2 MINIMUM NEEDS: CONCEPT AND APPROACHES

In this section we will explain the concept of *minimum needs* and also the approaches adopted by the Government to fulfil them.

The assumption was that with economic growth people would be able to improve their social consumption, i.e. they would be able to make use of various social services like better housing, health care, drinking water, sanitation, education, communication, etc. This, however, did not happen during the first two decades of planned development . While the availability of food increased, access to various social services in rural areas, particularly for the poor, did not improve. Many villages did not have schools, health facilities, safe drinking water, roads, etc., which are essential to improve the social consumption of the people.

The concept of Minimum Needs pertained to improving the social consumption with increased incomes of the poor on the one hand, and improving the availability and the quality of social services to the people at affordable costs on the other.

The approach paper for the Fifth Plan (1974-79) stated that the alleviation of poverty required a multi-pronged attack and suggested a separate National Programme for developing social services in relation to basic requirements. It observed “Even with expanded employment opportunities, the poor will not be able to buy for themselves all the essential goods and services which should figure in any reasonable concept of a minimum standard of living. There is a need to supplement the measures for providing greater employment opportunities and resultant increase in income of the poorer sections and investment in social sectors like education, health, nutrition, drinking water, housing, communications and electricity”.

The first step in the formulation of the Minimum Needs Programme (MNP) as stated in the Fifth Five-year Plan (draft) was “to identify the priority areas of social consumption and to lay down for each of these a minimum norm for attainment by the end of the Fifth Plan Period”. Giving the rationale for MNP, it observed that social consumption needs had received low priority particularly in the economically backward states. There was little integration or convergence of services and facilities and budgetary constraints affected these programmes rather adversely. The Fifth Plan therefore proposed MNP “with the objective of establishing a network of basic services and facilities of social consumption in all areas up to nationally accepted norms within a specified time frame. The programme was designed to assist in raising living standards and reducing regional disparities in development”.

2.3 BASIC NEEDS CONCEPT

Earlier we discussed the concept of Minimum Needs. In this section we will discuss the Basic Needs concept and compare it with that of *minimum needs*.

The ILO document on *Employment, Growth and Basic Needs: a One World Problem* (1977) put forward the *basic needs concept* formally at the Tripartite World Conference on Employment, Income Distribution and Social Progress (1976). The document stated that "The definition of a set of basic needs, constituting a minimum standard of living, identification of the poorest groups and provide concrete targets to help them and to measure progress". The satisfaction of basic needs was defined as consisting of following two elements:

- Meeting the minimum requirements of a family for private consumption: food, shelter and clothing are obviously included in this; also, some household equipment and furniture is included; and
- Access to essential services such as safe drinking water, sanitation, public transport, health and education, i.e. items of social consumption.

Other elements emphasized in the document as relevant to the *basic needs* strategy are:

- Participation of the people in decision making;
- Putting satisfaction of the absolute level of basic needs within the broader framework of "fulfillment of basic human rights which are not only ends in themselves but also contribute to the attainment of other goals"; and
- Fuller employment, rapid rate of economic growth, improvement in the quality of employment and in conditions of work, and redistribution on considerations of social justice.

The document also stated that basic needs represent the "minimum objective of society, not the full range of desirable attributes". Further, the basic needs concept is of universal applicability, though the importance and the relative weight of components will vary with the level of development, social and cultural values, etc. One of the implications of the basic needs approach is that a person seeking employment will have an adequately remunerated job with which he can meet the needs of personal consumption and have access to and utilize essential social services.

A merit in the basic needs approach is that it gives primacy to the need for a minimum standard of living for the poor as a central concern of development planning. It therefore contributes to the formulation of a development strategy that aims at reducing poverty and inequality, and at promoting growth of employment (and consequently reduction of unemployment and under-employment) and distributive justice. By stating that basic needs have to be put in the broader framework of human rights, the concept does not confine its scope to material needs only but also extends to non-material needs which, even though abstract and difficult to concretize, are nonetheless very important even for the poor.

Check Your Progress I

Note: a) Write your answer in the space provided.

b) Check your answer with the possible answer provided at the end of the unit.

1) What are Minimum Needs ?

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Some thinkers are of the view that basic human rights should not be confused with basic needs and cannot be included in the list of basic needs. Lee (1977), for instance, has observed that "a right has an autonomous existence, quite independent of whether one has a need for it or not, by virtue of some theory of law. It is also argued that attainment of the goal of basic needs cannot be a justification for denial or violation of basic human rights.

You may want to know the difference between the concept of *basic needs* as given in the document prepared by the ILO and the concept of *minimum needs* as developed in the Five-year Plans. The *basic needs* concept is wider as it covers both personal and social consumption and also the human rights, people's participation, employment, and growth with justice. The concept of *minimum needs* covers only the items of social consumption, as the personal consumption components, employment, growth with justice, and people's participation are covered through other plan strategies and programmes including some which aim specifically at alleviation of poverty and removal of inequalities and regional imbalances.

The concepts of *minimum needs* and *basic needs* are basically the same, though the latter is used in a broader sense, as it includes personal and social consumption as well as some basic aspects of human rights.

2.4 EVOLUTION OF MNP

With the implementation of the Fifth Five-year Plan, the MNP was introduced in 1975-76. The MNP was not a single programme with a single budget but had inter-sectoral components with financial outlays in their respective sectors. Thus, MNP is a set of various programmes planned and implemented by different sectoral departments. It is therefore an integration of services and facilities, objectives, targets and outlays of programmes of various sectoral departments designed primarily for the poor.

2.4.1 Components of MNP

The main components of the MNP are :

1) Provision of facilities for universal elementary education for children up to the age of 14 at the nearest possible places to their homes.
2) Adult education to improve literacy among the persons above the age of 15 years.
3) Development of rural public health facilities. These would include preventive medicine, family planning, nutrition, early detection of morbidity and referral services.
4) Supply of drinking water to problem villages suffering from chronic scarcity of safe sources of water.
5) Provision of all-weather roads to all villages having a population of 1500 persons or more.
6) Provision of housing or developed home sites for the houseless in rural areas.
7) Environmental improvement in slums.
8) Rural electrification.

Though these services were aimed at serving a variety of needs, they were meant to be implemented in an integrated manner. Thus, villages with primary health centres or schools were to be provided with water supply, electricity and link roads. The implication was that there would be detailed decentralized planning and implementation.

The various components of MNP were visualized as "integral parts of a package of facilities" in a given unit area through convergence of services. The plan also suggested the need for flexibility in relation to norms.

Though the programmes included under MNP were already under implementation in the earlier Plans too, they were brought under MNP, as an integrated concept, which was introduced in the Fifth Plan. The Fifth Five-year Plan made a provision of Rs. 2,803 crores for MNP as against an outlay of Rs. 1,056 crores for such programmes during the Fourth Plan indicating that the MNP approach provided a thrust to improve the services under the programme with an assured investment, and to prevent diversion of funds as also to be able to monitor the progress .

Subsequently, some more items were brought under MNP. For example, rural domestic cooking energy, rural sanitation and public distribution system were added to the list. Similarly, the norms specified for different components at the time of launching the programme were also modified from time to time.

There was no separate specific budget for MNP. The different items under MNP were being dealt with by various ministries/departments of the Central and the State Governments which were suppose to allocate specific amounts for the items concerning them. For example, Elementary Education and Adult Education was under the Ministry/ Department of Education; Primary Health under the Health Ministry; Rural Housing, Drinking Water and Sanitation under the Ministry of Rural Development. Rural Electrification was the concern of the Ministry of Power and Energy, Nutrition was under the Ministry of Food, etc. The financial outlays/expenditure in the Seventh Plan and onwards are provided in Table 2.1.

Table 2.1: Budgetary Provision/Expenditure on the Various Components of MNP from the Seventh Plan onwards.

(Amount in Crores)

Components	Seventh Plan (1985-90)	Annual Plan 1990-92	1992-93	1993-94	1994-95	1995-96
1. Elementary education	2985.56	1686.30	1081.11	1190.20	1953.01	2050.01
2. Adult Education	467.56	305.24	157.73	218.91	308.50	330.66
3. Rural Health	971.41	531.42	300.82	331.17	370.00	501.31
4. Centrally sponsored Rural Water Supply	4418.41	1987.54	1304.00	1603.86	1826.80	2420.80
5. Rural Roads	1531.00	845.84	446.41	400.18	462.08	571.08
6. Rural Housing	640.82	238.57	NA	248.19	235.89	305.64
7. Rural Electrification	550.23	229.30	91.78	150.53	157.16	174.90
8. Environment Imp. (urban slums)	238.50	145.45	NA	65.65	65.11	108.33
9. Rural Domestic Energy						
a) Improved Chula	45.29	22.67	17.75	16.52	21.00	15.00
b) Fuel wood Plantation	186.89	82.14	59.63	58.72	52.86	68.00
10. Nutrition	1104.72	430.30	NA	293.68	NA	548.93
11. Rural sanitation	70.36	55.46	67.75	70.12	119.15	158.79
12. Public Distribution system	157.58	50.20	35.73	25.44	33.86	49.32

Source: Rural Statistics – 2000, NIRD, Hyderabad

Check Your Progress II

Note: a) Write your answer in the space provided.

b) Check your answer with the possible answer provided at the end of the unit.

1) What were the funding arrangements for MNP?

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2.5 PROGRESS OF THE DIFFERENT COMPONENTS OF MNP

2.5.1 Elementary Education

One of the important indicators of development in a country is the status of literacy there in that country. At the time of independence, a little more than 16 percent of the population was literate. To increase literacy was therefore an obvious objective for developmental plans. Accordingly, elementary education covering children of 5 – 14 age group was one of the thrust areas of the national development policy. In different Five- year Plans targets were set to move towards hundred percent literacy, but the achievements were not of desired level.

In Block 4 of the course MRD-101, unit 1 pertains to Elementary Education and Total Literacy Campaign (TLC). You must have read in that unit that during the period 1950-51 to 2001, the number of primary schools increased by more than three times, while the number of upper primary schools increased by fifteen times. The enrolment in primary schools has gone up from 19.2 million in 1950-51 to 113.83 million in 2000-01. In spite of all this we have been able to achieve desired breakthrough. A number of new programmes / schemes are being initiated to address this basic needs problem. Important among them is Sarva Shiksha Abhiyan (SSA), which is a major education intervention to achieve education for all.

2.5.2 Adult Education

Besides elementary education, it was necessary to impart literacy to a large number adults who are the backbone of the labour force. Accordingly, the Government of India launched the National Adult Education Programme (NAEP) on 2nd October, 1978. The Seventh Plan fixed the target of achieving 100 per cent coverage of adults in the age group of 15-35 by 1990 through non-formal education. Subsequently, the target date was revised to 1995. To make a concerted effort towards eradicating illiteracy among the adult population, the National Literacy Mission (NLM) was launched in 1987-88. About 96.64 million adults were covered under various literacy programmes by the year 2001. At present, of the 593 districts in the country, 163 are covered under the Total Literacy Mission (TLC), 264 under PLC (including 30 under the Rural Functional Literacy Programme. The main objective of the new initiatives is to achieve a sustainable threshold literacy level of 75 per cent by 2005.

2.5.3 Rural Health

Health for all is the basic objective of Primary Health Care and to achieve it target dates and also the norms were fixed and revised many a time. The latest stipulation was to achieve it by 2000 AD. Accordingly, the basic health facilities were expanded further with emphasis on preventive and promotive health care. Under MNP, the revised norms for strengthening the three-tier system of health facilities comprising Health Sub-Centres (HSCs), Primary Health Centres (PHCs) and Community Health Centres (CHCs) are as follows:

i) Establishment of one sub-centre for a population of 5,000 in the plains and 3,000 in the tribal and hilly areas by 1990 (100 per cent coverage).

ii) Establishment of one primary health centre (PHC) for a population of 30,000 in the plains and 20,000 in the tribal and hilly areas by 1990 (100 per cent coverage).

iii) Establishment of one community health centre (CHC) for a population of 1,00,000 or one community development block by 1990 (50 per cent coverage).

As of now, there are 1,37,271 Health Sub-Centres, 22,975 Primary Health Centres and 2,935 Community Health Centres in the country. Besides, there are 5, 435 Family welfare Centres functioning.

2.5.4 Rural Water Supply

Safe drinking water for rural areas was another thrust area of the national policy under the Minimum Needs Programme. Earlier the village was the unit for the provision of this facility. In the process, it was found that while the main village was covered by the water supply project, many hamlets were left uncovered. The 1994 National Habitat Survey for drinking water revealed that there were 14,30,543 rural habitats of which more than 4,00,000 did not have safe drinking water at all. In order to tackle the problem of drinking water in rural areas, the Technology Mission on Drinking Water in Villages and Related Water Management was launched by the Government of India in August 1986 with the following specific objectives:

i) to cover all residual problem villages by 1990;

ii) to supply potable water @ 40 liters per capita per day (lpcd) generally and 70 lpcd in the desert areas of Rajasthan (to include the needs of cattle there);

iii) to evolve cost effective technology mixes to achieve these objectives within the constraints of Plan allocations; and

iv) to take conservation measures for sustained supply of drinking water.

To achieve the above objectives, 50 Mini-Missions and 5 Sub-Missions were launched. Voluntary agencies were also involved in the execution and maintenance of rural water supply schemes and for creating public awareness. After the 73rd Constitution Amendment, the Gram Panchayats were given the responsibility to develop and maintain drinking water facilities in the villages. In line with these developments, Swajal Yojana was introduced initially in 60 districts and now it covers the whole country.

As in April 1999, of the total 14,30,543 rural habitats, 11,63,193 were fully covered under safe drinking water supply, 2,32,887 were partially covered and 34,460 were yet to be covered.

2.5.5 Rural Roads

The Sixth Plan indicated a target of covering all the villages with a population of 1,500 and above and 50 per cent of the villages with populations between 1,000-1,500 with all-weather roads within a time span of ten years ending 1990. While connecting villages with a population of more than 1,000, it was envisaged that villages with less than a population of 1,000 would also be taken up after achieving the first objective, and that at the time of planning road linkages, efforts would be made to connect as many small villages en route as possible.

2.5.6 Rural Electrification

Rural Electrification is not only a means for providing electrical energy to the villages for domestic, agricultural and commercial use, but also a symbol of rural modernization in India. The latest objective of the programme is to achieve hundred percent rural electrification. The priority areas for Rural Electrification under MNP have been identified as follows:

i) All the North-Eastern hill states (Meghalaya, Tripura, Assam, Manipur, Nagaland, Sikkim, Arunachal Pradesh and Mizoram) and the Union Territories;

ii) Districts in other states with less than 65 per cent of electrification, the districts having the least percentage of electrification to be covered first; and

iii) All areas included in the Tribal Sub-Plans.

By the end of 2000, of the 5,87,000 villages in the country , nearly 5,00,000 villages accounting for 86 % were electrified. The percentage of rural household using electricity, however, is only 31 %. In the agriculture sector, so far 12.5 million wells have been energized.

2.5.7 Rural Housing

According to the 1991 census, it was estimated that the shortage of houses in rural areas was 1,37,25,000, accounting for 12.30 percent of the total households. The Eighth Plan therefore fixed the target to achieve houses for all by 2000. Under the Indira Awas Yojana, from 1985-86 to 2001-2002, nearly 78 .65 lakh houses were constructed and distributed to the houseless, particularly the SCs, STs and the very poor families of other social groups at a total cost of Rs. 13,376.94 crores.

2.5.8 Environmental Improvement of Urban Slums

The target population, which is above 17.5 million in strength, has yet to be provided relief under the scheme of Environmental Improvement of Urban Slums. The Seventh Plan fixed a target of covering 9 million slum dwellers with a stipulation of covering all by the Eighth Plan. It was also envisaged that steps would be taken to provide security of tenure to the slum-dwellers so that they might develop a stake in maintaining and improving their habitat. Increased inflow of migrants from rural areas, however, gives rise to new slums and therefore it is very difficult to achieve full coverage of the target population at any given point of time.

2.5.9 Nutrition

Even at present, more than 50 per cent of the new born children are under weight and 55 per cent suffer from malnutrition. There are three approaches for combating nutrient deficiency: (i) Medicinal supplementation, (ii) Food fortification, and (iii) Dietary diversification. Of the three approaches to deal with the problem of nutritional deficiency among children, pregnant and lactating mothers, the third one is both cost effective and sustainable. The nutrition component of MNP comprises the Special Nutrition Programme (SNP) and the Mid-day Meal Programme (MDM). SNP covers pre-school children below 6 years, pregnant women and nursing mothers. The scheme provides supplementary feeding (300 calories with 8-12 grams of protein per child and 500 calories with 20-25 grams of protein per mother) per day for 300 days in a year. The MDM scheme is for school children in the age group of 6-11 years. It offers supplementary food consisting of 300 calories and 8-12 grams of protein per child for 200 days in a year. Steps are also being taken to link SNP and MDM with other inputs like health, water supply, hygiene and sanitation.

At present, 5296 Central Sector and 318 State Sector projects (total 5614) are in operation. Of these, 733 projects are operational in Tribal areas and 310 in urban areas.

2.5.10 Rural Domestic Cooking Energy

The main sources of energy used for cooking in rural areas are non-commercial (firewood, crop waste, animal dung, etc.). Of the total domestic cooking energy needs, 75.5 per cent are met through fire wood and chips and 10.6 per cent by dung cake. Thus, more than 86 per cent of the total demand is met locally. The supply of these sources is rapidly dwindling and the report of the Fuel Wood Committee (1982) states that the availability of cooking energy may soon become a greater constraint than the availability of food itself. Therefore, the two schemes of *rural fuel wood plantation* and the provision of *improved chulhas*, which were in operation in the Sixth Plan, were integrated with and made an additional component of the MNP Programme for Domestic Cooking Energy in 1985-86. During the Ninth Plan period, about 9.7 million improved chulhas and nearly 2.6 lakh hectares were covered under the fuel wood plantation programme.

2.5.11 Rural Sanitation

The Rural Sanitation Programme was also added as one of the components of the Minimum Needs Programme in 1987-88. The Rural Sanitation Programme would supplement the efforts made under the various Central and State Sector Programmes by providing sanitation facilities in rural areas through the construction of rural sanitary latrines for individual households so as to improve the quality of life in these areas.

During the Eighth Plan period (1992-93 to 1996-97), Rs. 497.29 crores were spent and 43,37,609 sanitary latrines were constructed. In the Ninth Plan, during the first three years (1997-98 to 1999-2000), about Rs. 527.6 crores were spent and nearly 4.7 lakh latrines constructed.

2.5.12 Public Distribution System

Food security is one of the main objectives of the Public Distribution System (PDS), and was therefore made one of the important components of the MNP in 1987-88. The PDS is to ensure that essential items of daily use are made available at reasonable prices to the public, particularly to the vulnerable sections of the society both in the urban and the rural areas. Seven essential commodities distributed through PDS are wheat, rice, sugar, imported edible oil, kerosene, soft coke and controlled cloth. All these commodities are procured and supplied by the states for distribution through their networks of fair price shops. As a measure to help the BPL families, the food grains are being sold at subsidized prices. Under the programme called Annapurna, introduced in the year 2000, the old and/or destitute are provided with 10 Kgs of rice or wheat or both free of cost.

Check Your Progress III

Note: a) Write your answer in the space provided.

b) Check your answer with the possible answer provided at the end of the unit.

1) What is our achievement under the Primary Health Care Programme?

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2.6 LET US SUM UP

In this unit, we have learnt the concept of *minimum needs* and how it differs from the concept of *basic needs*. We have also learnt that in our development plans MNP pertains to items of social consumption. The concept of *basic needs* has a wider connotation; it includes items of private consumption also and emphasizes such aspects as fuller employment, distributive justice, human rights, people's participation, etc.

We learnt that the objective of MNP was to integrate services and facilities through nationally accepted norms in a particular area, within a specified time frame, thereby raising living standards and reducing regional disparities. We also learnt how the MNP evolved and how it progressed between the Fifth and the Seventh Five-year Plans. Further, we saw that for some of these components, Central Plan outlays have also been made. We studied the objectives and the targets of MNP to be attained by 1990 and reviewed the extent to which the Programmes have received budgetary support and the targets achieved. We noted that the monitoring system gave more importance to inputs rather than the outputs and followed a schematic system of reporting rather than an integrated view of needs, achievements and shortfalls within a unit area.

2.7 KEY WORDS

Basic Needs : Besides minimum needs, they cover the aspects of equity , social justice and human rights also.

Distributive Justice : It refers to equal opportunities for employment and sources to income, and access to social services by all.

Environment : Natural eco–system or balance between land, water, flora and fauna.

Food Security : To ensure availability of food for all at affordable costs.

Human Development : Improvement in the quality of life.

ILO : International Labour Organization, a sister organization of United Nations.

Minimum Needs : Facilities/services like housing, health and nutrition, elementary education, safe drinking water and sanitation, which are necessary for improving living standards.

Promotive Health : It refers to nutrition, hygiene and sanitation.

2.8 REFERENCES AND SUGGESTED READINGS

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2.9 CHECK YOUR PROGRESS – POSSIBLE ANSWERS

Check Your Progress I

1) All the services and social facilities (such as education, health, nutrition, drinking water, housing, communications, electricity, etc.) the help in supporting a minimum standard of living and also supplement the measures for providing larger employment and incomes to the poorer sections are called *minimum needs*.

Check Your Progress II

1) There was no specific budget for MNP separately. The different items under MNP were being dealt with by various ministries/departments of the Central and the State Governments which were supposed to allocate specific amounts for the items concerning them. For example, Elementary Education and Adult Education were under the Ministry/Department of Education; Primary Health under the Health Ministry; Rural Housing, Drinking Water and Sanitation under the Ministry of Rural Development. Rural Electrification was the concern of the Ministry of Power and Energy, Nutrition under the Ministry of Food, etc.

Check Your Progress III

1) Health for all is the basic objective of Primary Health Care. The latest target date fixed to achieve it was 2000 AD. Accordingly, the basic health facilities were expanded further with emphasis on preventive and promotive health care. Under MNP the revised norms for strengthening the three-tier system of health facilities comprising Health Sub-Centres (HSCs), Primary Health Centres (PHCs) and Community Health Centres (CHCs) are as follows:

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   iii) Establishment of one community health centre (CHC) for a population of 1,00,000 or one community development block by 1990 (50 per cent coverage).

As of now, there are 1,37,271 Health Sub-Centres, 22,975 Primary Health Centres and 2,935 Community Health Centres in the country. Besides, there are 5, 435 Family welfare Centres also functioning.

UNIT 3 INTEGRATED RURAL DEVELOPMENT PROGRAMME (IRDP)

Structure

3.0 OBJECTIVES

After studying this unit, you should be able to:

- describe the Government Policies and Programmes for tackling rural poverty and the changes made from time to time;
- explain the Integrated Rural Development Programme (IRDP) and its Operational Strategy in detail;
- describe the processes involved in the identification of the Families Below the Poverty Line (BPL Families) and the specific arrangements for the weaker sections (SCs /STs/Women) under the programme;
- analyse the impact of the programme; and
- outline the current status of the programme.

3.1 INTRODUCTION

We have read about the first two types of programmes in the two units preceding this one. In this unit we focus on IRDP—a national programme for poverty alleviation directed at specific target groups of beneficiaries. But first, let us have a brief preview of the programmes that preceded IRDP.

In the initial stages of planned development, particularly during the 1950s and the 1960s, it was thought that with accelerated economic growth both in the agricultural and the industrial sectors, the benefits of the growth will reach to all the sections and all the regions of the country through the *spread or trickle down effect*. The Community Development Programme also focused on comprehensive development of the villages hoping that through the development of the rural sector activities and rural infrastructure, all the sections of the rural population would benefit and that would take care of the poverty alleviation also. During 1960s, agricultural development became the focus as the country was facing food shortage, and as a result of intensive agriculture development programmes, particularly in areas with favourable agro–climatic conditions and high potential for agriculture, India achieved green revolution and became self-sufficient in food production.

While the green revolution was the most welcome situation, as dependence on USA and other countries for food got eliminated, it resulted in two types of problem—regional imbalances and income disparities. The regions endowed with high agricultural potential grew faster and the remaining areas remained backward. Similarly, the farmers with sizeable land, irrigation facilities and access to easy credit prospered, while others particularly the small and the marginal farmers and agriculture labourers could not reap the benefits of the green revolution. Also income disparities became visible and alarming. Mechanization of agriculture displaced human labour, particularly the unskilled daily wage earners, though it generated employment for the skilled labour. Overall, however, the total employment has declined in relation to rising labour force due to high growth in population. Thus the Green Revolution did little for generating employment opportunities for the fast expanding labour force.

It was during this period that the concept of 'Growth with Social Justice' or 'growth with redistribution' was being discussed in the developing countries as most of them were facing the problem of mass poverty. It was also felt that apart from the relative inequality in the rural population, there was also an ***absolute level of poverty***. This crystallized into the concept of **poverty line**, which became a useful tool to measure levels of poverty and also design strategies to alleviate rural poverty.

Keeping the foregoing details in view, the draft Fourth Five-year Plan suggested remedial measures to deal with both the regional imbalances and the income disparities. Accordingly, two streams of special rural development programmes, one for minimizing the regional imbalances and the other to reduce income disparities between the various sections of the rural people, were started during the Fourth Plan.

During the Fourth and the Fifth Plans, three kinds of measures characterized the approaches to the alleviation of poverty:

- A national programme of minimum needs;
- Programmes designed to reduce regional disparities and promote development of backward areas; and
- Anti-poverty programmes directed at specific target groups.

Following the recommendations in the All India Credit Review Committee Report (1969), the Fourth Five-year Plan aimed, inter alia, at enabling small and marginal farmers and agricultural labour to derive benefits from the development process. A programme specifically focused on them, called the Small Farmers Development Programme, was launched in 1973. It was expected that generally the size of the holdings of small farmers would be between 1 to 2 hectares in the case of land that could be irrigated, and up to 3 hectares in the case of dry areas. Farmers with less than 1 hectare of land holding were termed *marginal farmers*. Those who received more than 50 per cent of their income from agricultural labour were termed *agricultural labourers*. It was assumed that with the provision of credit, irrigation, price support and marketing, farming operations could be made viable.

Accordingly, special agencies called Small Farmers Development Agencies (SFDAs), registered under the Societies Registration Act, 1860, were set up for the implementation of the programme to assist small and marginal farmers, agricultural labourers and rural artisans. Each agency had a governing body, mainly consisting of representatives of institutional agencies and district administration with the Collector or Deputy Commissioner as the Chairman. The main functions of SFDAs were to:

- identify the target group beneficiaries, i.e., eligible small farmers;
- study and identify their problems;

- formulate suitable schemes for their benefit;
- seek institutional support;
- induce the institutional credit source to provide medium and long term credit;
- provide subsidy to the beneficiaries as follows – (a) small farmers @ 25 % of the project cost; b) others @ 33.33 % of the project cost and (c) for SCs & STs @ 50 % of the project cost; and
- arrange for extension services and supplies.

The objective of these schemes was to help the rural poor in raising their income levels. To achieve this, it was decided to help them to adopt improved agricultural technology, provide greater access to irrigation and other production increasing measures, and diversify their farm economy through subsidiary activities like animal husbandry, dairy farming, horticulture, sericulture, etc. They also sought to enroll the beneficiaries as members of credit cooperatives so that they could obtain credit facilities. Forty-six pilot SFDA projects were started during the Fourth Plan.

After two years of the implementation of SFDA programme, it was noticed that mostly it was the small farmer who was taking advantage of this programme, while the marginal farmers, agriculture labourers and artisans were not adequately covered. Keeping this in view and to meet the specific needs of these groups the scheme of Marginal Farmers and Agricultural Labourers Development Agencies (MFAL) was

Table 3.1: Progress of SFDA Projects since their inception and during the Fourth and the Fifth Plans.

Programme	Up to the end of Fourth Plan	During Fifth Plan (up to March 1978)	1978-79	1979-80 (up to November)	Since inception up to Nov. 1979
1. No. of beneficiaries identified (in millions)	3.93	1.73	1.66	0.22	16.53
2. No. enrolled as members of cooperatives (in millions)	1.96	4.26	0.81	0.09	7.12
3. No. of beneficiaries (in millions)					
i) Minor Irrigation	0.17	0.49	0.14	0.05	0.84
ii) Milch Cattle Programme	0.08	0.30	0.13	0.05	0.56
iii) Poultry (in '000)	0.80	0.80	0.30	0.10	2.00
iv) Other Animal Husbandry Programmes	0.03	0.15	0.05	0.02	0.25
v) Rural Artisans Programme	0.80	0.40	-	-	1.20
vi) Rural Works Programme	0.23	0.06	-	-	0.28
vii) Agricultural Implements	1.13	3.36	1.05	0.35	5.88
4. Loans disbursed (Rs. crores)					
a) Through Cooperatives					
i) Short term	*	*	49.42	20.48	*
ii) Medium term	16.18	58.84	23.07	7.90	106.00
iii) Long term	35.18	70.07	19.65	81.35	133.03
b) Through Commercial Banks					
i) Short term	*	*	55.91	21.00	*
ii) Term Loans	10.65	36.05	66.28	13.38	126.37
5. Amount released (Rs. crores)	46.84	110.91	40.64	11.13	209.53
6. Amount utilized (Rs. crores)	41.71	110.44	44.20	14.30	210.64

Note: Figures may not total exactly due to rounding of figures.

* Short term loans are for seasonal agricultural operations. Therefore, cumulative totals are not given.

Source: Annual Report of the Ministry of Rural Reconstruction– 1980, Government of India, New Delhi.

introduced in 1975. The objectives and the process of implementation of MFAL were the same as those of SFDA. MFAL, however, was merged with SFDA in the year 1976-77. Table 3.1 shows the performance of SFDAs since their inception and over the period of the Fourth and the Fifth Five- year Plans.

The Programme Evaluation Organization (PEO) of the Planning Commission undertook a study of twenty one SFDAs and thirteen MFALs in seventeen states. It was published in 1978. The study covered two hundred and ninety six villages, 2.557 beneficiaries and 395 non-beneficiaries. The main findings of the study were:

Some of the shortcomings regarding the working of these agencies were reported to be as follows:

- Proper care was not exercised in the selection of some of the project areas.
- The identification of beneficiaries was not satisfactory. Very little attention was given to agricultural labourers and artisans. More than 9 per cent of the beneficiaries were ineligible.
- Imprecise definitions caused ambiguity. Guidelines were also not very clear.
- Coordination and Review Committees were inactive which affected supervision, coordination and direction.
- Cooperative infrastructure continued to be very weak in most of the project areas. A cumbersome procedure was adopted for grant of loans.
- In most of the projects, there were cases of poor utilization of inputs including loans.
- Awareness and knowledge about the programme among the target groups was low.
- Though the project agencies did a commendable job in achieving the targets, qualitatively most of these were not satisfactory.
- Programmes related to horticulture, minor irrigation, poultry and dairying did not make much headway in the project areas.

Check Your Progress I

Note: a) Write your answer in the space provided.

b) Check your answer with the possible answer provided at the end of the unit.

1) What steps were taken to reduce income disparities between the different sections of farmers?

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3.2 INTEGRATED RURAL DEVELOPMENT PROGRAMME

While SFDA and MFAL were wholly beneficiary oriented programmes, the programmes like the Drought Prone Area Programme (DPAP), the Command Area

Development Agency (CADA) and the Hill Area Development Agency (HADA) also had components (however small) for direct assistance to beneficiaries and these overlapped with those of SFDA and MFAL. Besides, the criterion used for the selection of beneficiaries was exclusively the size of land, while other sources of the family income were ignored, though as per guidelines these were also to be taken into consideration. In addition to these inadequacies, these programmes were mainly focused on land-based activities and the opportunities for employment in other sectors were not considered. In order to overcome these deficiencies it was decided to merge all beneficiary oriented elements of other programmes with SFDA and recast a new programme and integrate that with various other sectors which have considerable potential for self-employment. Consequently, the Integrated Rural Development Programme (IRDP) was launched in 1978 covering 2300 blocks which were already under SFDA, DPAP, CADA and HADA.

The Draft Sixth Plan (1978-83) observed that "Integration covers four principal dimensions: integration of sectoral programmes, spatial integration, integration of social and economic processes and above all the policies with a view to achieving a better fit between growth, reduction in poverty and employment generation. More specifically, it involves a sharp focus on target groups, comprising small and marginal farmers, agricultural labourers and rural artisans, and an extremely location-specific planning in the rural areas".

3.3 MAIN FEATURES OF IRDP

The focus of IRDP was also mainly on the same target group as under SFDA, i.e. small and marginal farmers, agricultural labourers and rural artisans. There was, however, considerable deviation/difference in its operational strategy. The main features of the programme were :

- For the first time the concept of Poverty Line Income was applied for the identification of the beneficiaries and therefore land was no more the criteria for the identification and selection of beneficiaries.
- The Poverty Line Income (for definition see Unit 1) was fixed at Rs. 3500 per year for an average family of five persons. The families with annual incomes below Rs. 3500 were identified as Below Poverty Line (BPL) families and were eligible for benefits under IRDP.
- The identification of beneficiaries was done through the Base Line Survey of Family Income.
- The subsidy rates were the same as used for the SFDA beneficiaries, i.e. 25 % for small farmers, 33.33 % for others and 50 % for SC/ST beneficiaries. In addition, the beneficiaries of any category in a group scheme were also eligible for 50 % subsidy.
- At least 30 percent of the total beneficiaries were supposed to be the SCs and STs. This was later increased to 50 %.
- Women beneficiaries from all categories were supposed to be 33.33 per cent which was later increased to 40 %.
- The self-employment projects would cover all the following areas:
  - Programmes of agricultural development including efficient utilization of land and water resources with the help of technology;
  - Programmes of animal husbandry as a subsidiary occupation directed mainly to the small peasant and agricultural labour households;
  - Programmes of marine fishery including harvesting of natural resources through trawlers, mechanized boats and country boats;

- Programmes of inland water and brackish water fisheries to maximize output of fish per unit of water;
- Programmes of social forestry;
- Programmes of farm forestry through small peasant households;
- Village and cottage industries including handlooms, sericulture and bee-rearing as important occupations for the artisan classes of the rural population;
- Service sector of the rural economy as self-employment for poorer families; and
- Programmes for skill formation and mobility of labour to meet the needs of organised labour for development works.

For the implementation of IRDP it was made essential to formulate Comprehensive Block Plans. These in turn were proposed to be linked to the district and state plans. In all of the above, people were sought to be actively involved. Also, the help of voluntary agencies was sought.

Check Your Progress II

Note: a) Write your answer in the space provided.

b) Check your answer with the possible answer provided at the end of the unit.

1) Describe the main features of IRDP.

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3.4 ADMINISTRATIVE AND ORGANIZATIONAL ASPECTS OF IRDP

3.4.1 Administrative Setup

For the implementation of IRDP, a District Rural Development Agency (DRDA) was established in each district. In fact, the district agencies which had been established earlier for implementing various programmes like SFDA, DPAP, DDP, CADA, HADA, etc., were converted into DRDAs. The Project Director/Officer assisted by five to seven Assistant Project Officers (specializing in various disciplines) and other support staff were posted to manage DRDAs. Also a governing body to oversee the functioning of the DRDA in each district was constituted under the District Collector/ Dy. Commissioner as its chairman and sectoral heads, elected representatives (MPs, MLAs and ZP Chair Persons), representatives of banking institutions and NGOs are its members. DRDAs are societies registered under the Societies Registration Act, 1860.

At the national level, the Ministry of Rural Development is responsible for the execution of the programme and also for making policies, providing guidance and monitoring of the programme. At the state level, the State Level Coordination Committee (SLCC) monitors the programme. At the district level, DRDAs implement the programme through blocks and other sectoral departments.

At the block level, the chief coordinator is the Block Development Officer (BDO). He has to ensure the timely preparation of plans. He/she is assisted by Extension Officers and the Village Level Workers (VLW) at the village level. Apart from official agencies, voluntary agencies and prominent voluntary action groups concerned with socio-economic activities pertaining to rural development may also be associated with the programmes. The funds for voluntary agencies are channelled through the Council for People's Action and Rural Technology (CAPART).

3.4.2 Procedure for Implementation

The step-by-step procedure for the implementation of IRDP is discussed as follows:

i) ***Identification of Beneficiaries:*** The beneficiaries are identified through Base Line Income Surveys of the households, mainly covering the target groups and those whose annual family incomes from all sources put together remains below the poverty line income. This process resulted in lists of BPL (below poverty line) families. Conducting Base Line Income Surveys is the responsibility of DRDAs.

ii) ***The Poverty Line Income:*** It is the minimum value of the annual expenditure of an average family of five persons to meet the cost of daily food that provides 2400 Kilo Calories to every member of the family. The *poverty line income* fixed by the Planning Commission during the Sixth Plan was Rs. 3,500; for the Seventh Plan it was fixed at Rs. 6,400; the Eighth Plan fixed it at Rs. 11,000; and for the Ninth Plan, the poverty line income was calculated state-wise according to the cost of living in the respective states and varied from Rs. 16,000 to Rs. 18,000.

iii) After the list of BPL families is finalized for each village, a priority list of the families is also prepared. Certain categories, like assignees of ceiling surplus land, bonded labour who have been released and handicapped persons who are capable of undertaking economic activities, are given priority in receiving assistance. Once the list has been prepared, it is placed for discussion and approval in a meeting of the *Gram Sabha* called by the BDO.

iv) Initially, the BDO used to select the beneficiaries out of the approved and priority list and after the approval of DRDA, the same was used for assisting the beneficiaries. Later, a noble method was evolved to select beneficiaries and on-the-spot decisions were taken regarding the type of project and loan-cum-subsidy to be provided to them. This method was called *the implementation*. The meeting in which these decisions were taken was also attended by the block and bank officers and occasionally by the members of voluntary action groups.

v) The approved list is displayed in the village *panchayat* and the Block Office. In the selection of beneficiaries, cluster and group activities are preferred as providing infrastructural assistance is easier.

vi) Various projects are chosen but factors like the preference of the family, its skills, aptitude and ability, availability of forward and backward linkages are kept in view. Moreover, the size of the project is determined in relation to the gap between the poverty line and the family's income. Wherever possible, projects with lower cost estimates are preferred.

vii) Any activity having a *favourable incremental capital output ration* (ICOR) may be taken up in the primary, secondary or tertiary sectors. Efforts are made to diversity into industries, services and business activities to reduce the burden on farm sector projects.

viii) Among the selected beneficiaries, SCs & STs should be 50 %, women 40 % and disabled persons 3 %.

ix) Earlier, the assets were generally procured by the DRDA or any other authorized agency, preferably a government agency. Now, the beneficiaries can buy/procure them for and by themselves and provide the proof of purchasing/procuring them to the DRDA and the banks.

x) The assets related to animal husbandry (like animals and birds) provided under the scheme should be insured and the premium of the insurance should be included in the cost of the project.

xi) In 1990, the family credit scheme was introduced to provide a package of activities to more than one member of a family. The size of investment under family credit scheme was up to Rs. 25,000.

xii) In 1995, another component, called the Ganga Kalyan Yojana (GKY), was introduced under IRDP to encourage minor irrigation through deep tube wells.

3.4.3 Funding and Financing

The schemes and activities under the programme are financed through a package of subsidy and institutional credit. Since 1986, quarterly budgeting has been introduced by the Central Government for releasing the funds. According to this system, 15 per cent of allocations shall be utilized in the first quarter of the financial year (i.e. April to June) and 20 per cent of the allocation in the second quarter (cumulatively 35 per cent by the end of September). In case of shortfalls, the allocation is deducted from the second installment. Funds for the programme are released to DRDAs stipulating that the expenditure would be shared equally by the Centre and the State. Allocations for the Union Territories are met entirely by the Centre. The Department of Rural Development, Government of India, releases funds in two installments except for cold snow-bound districts for which funds are given in one installment.

For economic activities, different rates of subsidies are provided to the target groups. The pattern of subsidy is shown in Table 3.2.

Table 3.2: Subsidy Pattern Under IRDP

Category (1)	**Rate of subsidy** (2)	**Prior to 1990** (3)	**Ceiling of Subsidy After1990**
1. **Individual family**			
a) Small farmers	25 per cent	Rs. 3,000 per family in general and Rs. 4,000 in drought prone areas.	Rs. 4,000 per family in general and Rs. 5,000 in DPAP/DDP areas.
b) Marginal farmers, agricultural labourers, non-agricultural labourers and rural artisans	33.33 per cent	Rs. 3,000 per family in general and Rs. 4,000 in drought prone areas.	Rs. 4,000 per family in general and Rs. 5,000 in DPAP/DDP areas.
c) SCs and STs	50 per cent	Rs. 5,000 per family in all rural areas.	Rs. 6,000 per family in all rural areas.
2. **Group Schemes**			
a) Group schemes except Minor irrigation projects	50 per cent of the capital costs	Rs. 3,000 per family in general and Rs. 4,000 in drought prone areas.	Up to Rs. 50,000.
b) Community minor irrigation	50 per cent	No ceiling.	No ceiling.
3. **Rearing of heifers**			
a) Small and marginal farmers	50 per cent	Rs. 3,000 per family.	-
b) Agricultural Labourers	-	Rs. 3,000 per family.	-
c) Tribal families	-	Rs. 3,000 per family.	-

Source: *IRDP and Allied Programmes (A Manual)*, Ministry of Rural Development, 1988, and the revised version of 1992.

The pattern of subsidy outlined in Table 3.2 applies also to the groups of women under the programmes of Development of Women and Children in Rural Areas (DWCRA) and TRYSEM.

The subsidy is linked to credit and given in kind to the beneficiaries (except the working capital component which may be given in cash) for projects which are economically viable. For capital investments up to Rs. 1,000 each credit linkage is not obligatory.

As far as the credit component is concerned, it is usually sought to be ensured that the subsidy-credit ration is 1:2. The main part of the credit component comes from institutional finance. Loans are provided at a 10 per cent concessionary rate of interest. Loan applications are sponsored by the DRDA. On the basis of this, bank managers process applications and sanction loans. One day in the week is kept aside as the day for disbursement of IRDP credit.

General infrastructure support to the activities under the programme is expected to come from the regular sectoral Departments concerned in the states. Initially, 10 per cent of IRDP allocation was allowed for filling up critical gaps in the infrastructure. Now, it has been increased to 20 % in general and 25 % for hilly, tribal and the North-Eastern regions.

On April 1, 1988, a group life insurance scheme, for three years from the commencement of asset distribution, for IRDP beneficiaries (between the ages of 18 and 60 years), was introduced. The cost of insurance cover was provided entirely by the Government.

As we noted, under IRDP, the beneficiaries are provided a package of subsidy and credit. The subsidy element is provided by the government (shared equally by the Central and the State Government concerned). The loan credit is provided by the banking system including Commercial Banks, Cooperative Banks and Regional Rural Banks. While the volume of credit mobilized has been increasing, there has been a decline in the share of cooperative financial institutions. In 1988-89 a total credit of Rs.1232 crores was disbursed of which Rs. 1056 crores came from commercial banks (including Regional Rural Banks) and Rs. 176 crores (16.7 per cent) from cooperatives.

Disbursement of loans and subsidy in cash was introduced as a pilot measure in 22 selected blocks on April 1, 1986, and was extended to 50 blocks on January 1, 1989. The Service Area Approach adopted by the banking system under which a rural and semi-urban branch of a Commercial or Regional Rural Bank is assigned a few villages to serve was introduced on April 1, 1989, to provide better facilities.

Check Your Progress III

Note: a) Write your answer in the space provided.

b) Check your answer with the possible answer provided at the end of the unit.

1) What were the administrative and organizational arrangements for IRDP?

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3.5 PERFORMANCE OF IRDP

Having looked at the conceptual, administrative and financial aspects of IRDP, we will now review its performance in this section. Table 3.3 given below provides the financial and the physical achievements from the Sixth plan to the Eighth Plan and the first two years of the Ninth Plan.

Table 3.3: Performance of IRDP from Sixth Plan to 1998-99

Items	Achievements				
	VI Plan 1980-85	VII Plan 1985-90	Annual Plan 1990-1992	VIII Plan !992-1997	IX Plan 1997-98 & 1998-1999
(1)	(2)	(3)	(4)	(5)	(6)
1. No. of Families assisted (no. in Lakhs)	16.56	18.77	4.99*	108.36	24.89**
2. Subsidy Disbursed (Rs. in Crores)	1661.17	3315.79	1147.38	3974.94	1271.09
3. Credit Mobilization (Rs. in Crores)	3101.61	5372.54	1783.28	7566.31	2977.36
4. Total Investment (Rs. in Crores)	4762.78	8688.83	2930.66	11541.25	4248.45
5. Subsidy – Credit Ratio	1:1.87	1:1.62	1:1.55	1:1.90	1:2.21
6. SC/ST Coverage (% of total beneficiaries)	39.10	44.99	49.46	46.40	45.00
7. Coverage of Women Beneficiaries (% of total beneficiaries)	N A	18.89	32.35	34.33	34.00

*This includes the second dose for old beneficiaries.

** Up to November 1999.

Source: 1) Seventh & Eighth Five Year Plans, Planning Commission, Government of India, New Delhi.

2) Annual reports of the Ministry of Rural development (1986-87/1990-91/1996- 97/1999-2000)

From the above table some important points emerge. For example, the subsidy credit ratio declined from the Sixth Plan to the Seventh Plan and annual Plans of 1990-91 and 1991-92. There are two reasons for this situation : (i) the ratio of SC and ST beneficiaries increased and they are eligible for 50 % subsidy ; and (ii) during the Seventh Plan and the annual plans (1990-92) there was a provision for refinancing/ second dose of assistance to old beneficiaries. In this case, under the provision that no loan was required for a working capital up to Rs. 1,000, most of the old beneficiaries were given only the subsidy part. These two factors have reduced the subsidy–credit ratio considerably. The ratio has, however, increased considerably during the Eighth and the Ninth Plans.

The performance of IRDP was monitored through a series of concurrent evaluations. The first round was conducted in 1985-86, the second in 1987-88, the third in 1989-90 and the fourth and last in 1995-96. In each round, among other things, qualitative aspects and leakage of funds were also assessed. Based on the outcome of the evaluation reports, many amendments were introduced in the programme design and also in the process of implementation. Some of the findings of the latest round of concurrent evaluation (1995-96) are as follows:

i) The percentage of the beneficiaries belonging to Agriculture and Non–agriculture labour was about 42 %.

ii) The adequacy of funds for the schemes was adequate for 69.94 % of the activities and the remaining felt that it was inadequate.

iii) The average income generated from IRDP scheme by the beneficiaries was Rs. 2498 which was about 21 % of their total annual family income.

iv) As for leakages in the programme or loss of funds by way of making payments to Government Officials for seeking favours, 21.97 % said 'yes' and the remaining 'nil'.

In April 1999, the IRDP was redesigned in a new format by merging the other five programmes (TRYSEM, DWCRA, SITRA, MWS, SITRA) and renamed the Swarnjayanti Gram Swarozgar Yojana (SGSY). The related new guidelines too have already been issued.

3.6 LET US SUM UP

In this unit we discussed IRDP, the national programme for combating rural poverty. We noted that three factors led to such a shift in perception: the realization that benefits of the 'Green Revolution' had not reached all the sections; the emergence of the concept of 'distributive justice in Development Economics' and the unrest and disquiet among the rural poor that took place around that time.

Next we focused on two poverty alleviation programmes undertaken in the Fourth and the Fifth Plans. We read about two agencies that catered to the needs of particular categories of the poor, viz. Small Farmers Development Agencies and Marginal Farmers and Agricultural Labourers Development Agencies.

Following this, we studied IRDP in detail. We discussed the background in which the programme was set up. We also read about the concept of 'integrated rural development', its organizational, administrative and financial aspects. And finally, we assessed its achievements and weaknesses.

3.7 KEY WORDS

Community Development : A programme launched for rural development in 1952.

Concurrent Evaluation : Periodic assessment of the progress of programme achievements.

Credit : Loan from the banks, cooperatives, etc.

Green Revolution : Break through in increasing agricultural production during the late sixties.

Implementation : Execution of a plan.

Project Formulation : Systematic planning for a project or scheme.

Monitoring : Continuous surveillance or supervision.

Noble Method : It means a simple and transparent method.

Regional Imbalances : Developmental disparities between different regions.

Subsidy : Free government grant of money.

Weaker Sections : Socially and economically backward sections of the population, i.e. Scheduled Castes, Tribals and women.

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3.9 CHECK YOUR PROGRESS – POSSIBLE ANSWERS

Check Your Progress I

1) Following the recommendations in the All India Credit Review Committee Report (1969), the Fourth Five-year Plan aimed, inter alia, at enabling small and marginal farmers and agricultural labourers to derive benefits from the development process. Accordingly, a programme specifically focused on them, called the Small Farmers Development Programme, was launched in 1973. It was expected that generally the size of holdings of small farmers would be between 1 to 2 hectares in the case land that could be irrigated, and up to 3 hectares in the case of dry areas. Farmers with less than 1 hectare of land holding were termed marginal farmers. Those who received more than 50 per cent of their income from agricultural labour were termed agricultural labourers. It was assumed that with the provision of credit, irrigation, price support and marketing, farming operations could be made viable.

Check Your Progress II

1)
- For the first time the concept of Poverty Line Income was applied for the identification of prospective beneficiaries and land ceased to be the criterion for the identification and selection of beneficiaries.
- The Poverty Line Income (for definition see Unit 1) was fixed at Rs. 3,500 per year for an average family of five persons.
- The identification of beneficiaries was done through Base Line Survey.
- The subsidy rates were 25 % for small farmers, 33.33 % for others and 50% for SC/ST beneficiaries. In addition, the beneficiaries of any category in a group scheme were also eligible for 50 % subsidy.
- At least 30% of the total beneficiaries were supposed to be the SCs and STs. The provision was later increased to 50 %.
- Women beneficiaries from all categories were supposed to be 33.33%, and the provision was later increased to 40 %.

Check Your Progress III

1)
- For the implementation of IRDP, a District Rural Development Agency (DRDA) was established in each district.
- A governing body to oversee the functioning of DRDA in each district was constituted under the District Collector / Dy. Commissioner as its chairperson.
- At the national level, the Ministry of Rural Development is responsible for the execution of the programme and also for making policies, providing guidance and monitoring of the programme. At the State Level, the State Level Coordination Committee (SLCC) monitors the programme.
- At the Block level, the chief coordinator is the Block Development Officer (BDO). The BDO is assisted by Extension Officers and the Village Level Workers (VLW) at the village level.

UNIT 4 TRYSEM AND DWCRA

Structure

4.0 OBJECTIVES

After studying this unit, you should be able to:

- describe the main features of TRYSEM and DWCRA;
- explain their planning and implementation processes; and
- outline the performance and impact of these programmes.

4.1 INTRODUCTION

Women and the youth constitute a significant proportion of the productive work force of the country. IRDP is essentially a self-employment programme. Therefore it is logistically reasonable to focus on the youth, both men and women in the age group of 15 – 35, and equip them with necessary skills and entrepreneurship capabilities. Keeping this in view, along with IRDP, as its special component, TRYSEM was introduced in 1979. Similarly, in the case of women, though IRDP was supposed to cover 40 per cent of the total beneficiaries, it was felt that if they were organized in groups, they would be more effective in income generating self-employment enterprises. It is on this premise that DWCRA was launched in 1983.

4.2 TRYSEM: THE PROGRAMME AND ITS FUNCTIONING

Let us now have a look at the objectives of TRYSEM, its strategy, the organizational framework and the linkages.

4.2.1 Origin and Objectives of TRYSEM

The rural unemployed youth are categorized into four groups: (i) Literate and Skilled, (ii) Literate and Unskilled, (iii) Illiterate but Skilled and (iv) Illiterate and Unskilled. While the fourth category was mainly dependent on wage employment, the other three groups could be provided with skills that would help them not only in starting their own micro enterprises but also in creating employment for many others and thus help in solving the problem of increasing unemployment among the youth in the country. Keeping this in view, TRYSEM was launched in 1979 as a component of IRDP.

Under this programme a target of 40 youth, both men and women, in each block, every year, were to be selected and trained in skills and entrepreneurship development to enable them to become self-employed. Apart from providing self-employment opportunities, TRYSEM also sought to meet another goal. It was hoped that by providing access to income generating activities in the rural areas, the influx of rural youth to urban areas could be curbed. Moreover, local needs could also be met with local resources, thereby giving a fillip to rural development.

The objectives of TRYSEM are to provide the rural youth (18-35 years of age), from the families below the poverty line, with training and technical skills to enable them to take up self-employment (wage employment was added in 1982-83) in agriculture, industry, services and business activities. Training in this context is perceived not only in terms of the provision of physical skills, but also in terms of desirable change in attitude, enhancement of motivation and skills in human relations, etc. Self-employment, in the context of TRYSEM, is defined as gainful employment on a full-time basis which results in an income sufficient for the family of the youth to cross the poverty line. Situations of employment in which the means of production are owned, hired or taken on lease are taken to be self-employment situations.

When TRYSEM was launched in 1979, IRDP was in operation in about 2,300 blocks in the country. As the problem of the rural youth was thought to be pressing, TRYSEM was introduced in all the 5,000 blocks in the country. The blocks which were under the IRDP operations had funds allotted from IRDP allocations, while the non-IRDP blocks had separate funds allocated to them. In 1980, IRDP was extended to all the blocks in the country and TRYSEM became the “self-employment for youth” component of IRDP. Separate funds for TRYSEM were allocated since the beginning of the financial year 1981-82.

4.2.2 Strategy of TRYSEM

The youth identified for the programme are to be put through a period of training, either in a training institution or under a master craftsman. The duration of the training is flexible depending upon types of courses (generally speaking, it should not exceed six months). TRYSEM trainees are given a stipend and a tool kit. On the successful completion of training they become eligible to receive a subsidy/credit/ income generating asset under IRDP. The cost of training is met out of the funds set aside for infrastructure, etc. under IRDP. Every TRYSEM trainee is thus a potential IRDP beneficiary. TRYSEM is currently putting emphasis on industries and services. A programme for developing entrepreneurship among TRYSEM trainees is being conducted separately.

The objectives of TRYSEM include wage employment (since 1982-83) in the case of project linkages. Such projects, selected by the State Level Coordination Committee (SLCC), were required to fulfil the following conditions:

- Projects were to be integrated ones.
- Beneficiaries were to be from IRDP target groups.

- At least 50 per cent of the youth were to be trained for self-employment, either for secondary or tertiary sector activities.
- Training of all beneficiaries was to be funded out of TRYSEM funds.
- Wage employment training was to be in the secondary and tertiary sectors.

4.2.3 Organizational Framework

The Block Development Officer (BDO) has the responsibility to select the eligible youth belonging to the target groups with the help of Village Level Workers (VLWs). The BDO invites applications and scrutinizes them. The identification of vocations is done by the District Rural Development Agency (DRDA) in consultation with the district level officers of different departments, keeping in view their sectoral plans. Emphasis is placed on producer activities and the marketability of the product also is kept in mind. After the short listing of vocations, the DRDA prepares a resource inventory of training facilities like polytechnics, Khadi and Village Industries (KVIs), Krishi Vigyan Kendras, Nehru Yuvak Kendras, etc. Additionally, services of a master craftsman may be utilized for training on a very limited scale (not more than three trainees per master craftsman at any point of time).

Once the list of potential beneficiaries is drawn, a committee (with members from training institutions of the area, bankers, Khadi and Village Industries Training Institutes, Panchayati Raj Institutions and others whom the committee may wish to include) presided over by the BDO finalizes the selection keeping in mind the following points:

i) An attempt should be made to select the members of the poorest families first.

ii) Priority should be given to members of Scheduled Castes and Scheduled Tribes.

iii) At least one-third of the candidates should be women.

iv) Some consideration should be given to persons who have completed the twelve-month course under the National Adult Education Programme.

No educational qualifications have been prescribed for the trainees. The syllabus, which has to be approved by the DRDA, is expected to include training in operational skills as well as managerial skills.

Thus, DRDA is responsible for the implementation of TRYSEM. The Assistant Project Officer (Industries) and Extension Officers (Industries) are responsible for the execution of TRYSEM in addition to their normal duties. At the state level, there is a sub-committee of the State Level Coordination Committee (SLCC) working exclusively for TRYSEM. An official of the rank of Project Director of DRDA functions at State Headquarters on behalf of the IRDP monitoring cell. At the apex level, i.e. at the level of the Centre, the Central Committee on IRDP and related programmes provides policy guidelines and also monitors the implementation of approved activities. This committee is presided over by the Department of Rural Development.

Check Your Progress I

Note: a) Write your answer in the space provided.

b) Check your answer with the possible answer provided at the end of the unit.

1) What is TRYSEM ?

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4.2.4 Backward and Forward Linkages

Once the selected youth complete their training, they are to be provided self-employment opportunities like the basic support system and infrastructural facilities. It is here that backward and forward linkages assume importance. Backward linkages basically comprise inputs and infrastructural support to the trainees, whereas forward linkages relate mainly to the demand for and marketing of the products produced by them. For the trainees, the DRDA is responsible for coordinating or providing these linkages. For this, it has to maintain contacts with institutions that can provide such linkages. Such functional public undertakings are selected as can provide infrastructural support and also supply inputs. Funds earmarked for infrastructure development under IRDP may be utilized for developing such institutions. Moreover, District Cooperative Marketing Societies (DCMS) also provide marketing support for IRDP goods. In addition, local haats (bazaars) and regulated agricultural markets have a useful role to play in the marketing of their products.

The infrastructure for training itself is provided by networks of organizations at the national and sub-state levels. These include the National Institute of Rural Development (NIRD) at Hyderabad and its regional centre at Guwahati, the State Institutes of Rural Development, the Extension Training Centres (ETCs), and other institutions of Management Development and Rural Management. These institutions basically focus on training the trainers who in turn train the TRYSEM candidates as well as assist in various areas of rural development.

4.2.5 Performance of TRYSEM

As you have studied, TRYSEM was set up to train the rural youth from poor families for realizing self-employment opportunities. Hence, in order to analyse the performance of TRYSEM, we must focus on two issues. The first is the extent to which the targets set in terms of the number of youth to be trained, the financial allocation to be made, etc. were realized. The second is the ease or flexibility with which the trained youth have been able to gain access to self-employment opportunities. Moreover, while looking at the various aspects of self-employment, we must also see whether self-employment has helped in ameliorating the conditions of poverty in the families concerned.

Tables 4.1 and 4.2 provide financial expenditure and physical achievements of TRYSEM for different *plan periods*. Now, you can compare the achievements of the programme during the different *plan periods*. It may be mentioned here that it was possible to realize the desired results from the programme in any of the *plan periods*. As can be seen, the youth who got self-employed after the training were less than 50 per cent of the original number. About 10 to 20 percent of the trained youth were able to get wage employment and the remaining continue to be unemployed even after training.

Table 4.1: Financial Support under TRYSEM

S. No	Period	Recurring Expenses (Rs. In Lakhs)	Infrastructure Assistance to Training Institutions (Central Share)
1.	Sixth Plan	387.90	5754.50*
2.	Seventh Plan	12884.71	2435.35*
3.	1990-91	3260.93	441.00*
	1991-92	4879.31	400.00*
4.	Eighth Plan 1992-93	4703.96@	600.00*
	1993-94	8944.67@	795.55*
	1994-95	7403.25@	899.42*
	1995-96	7331.26@	1396.31*

@: Denotes Central and State releases.

* Central Releases

Source: Annual Report 1996-97, Ministry of Rural Areas and Employment.

Table 4.2 : Number of Youth Trained and Employed

(in Lakhs)

S. No	Period	No. of Youth to be Trained	No.of Youth Trained	No. of Youth Employed		
				Self	Wage	Total
1.	Sixth Plan	10.9	10.14	4.78	1.02	5.80
2.	Seventh Plan	NA	9.97	4.64	1.31	5.95
3.	Annual Plan 1990-91	4.25	2.36	1.23	0.41	1.65
	1991-92	4.25	3.07	1.19	0.47	1.67
4.	Eighth Plan 1992-93	3.00	2.75	0.99	0.42	1.41
	1993-94	3.50	3.03	1.07	0.43	1.51
	1994-95	3.18	2.81	0.86	0.44	1.31
	1995-96 *	-	2.91	0.98	0.48	1.46

*: Provisional

-: Targets not fixed

Source: Annual Report 1996-97, Ministry of Rural Areas and Employment.

Having looked at the performance of TRYSEM, let us assess its functioning and see whether there are shortcomings and if there is room for further improvement. First, we may dwell for a moment on the achievements of TRYSEM as a programme. It has had some success as a means of tackling the problem of unemployment and under-employment in rural areas. Moreover, in its training format, it has been fairly successful in providing both technical skills and managerial and entrepreneurial abilities. It has also made large scale use of master craftsmen and other trainers in informal settings. In fact, its stress on vocational training has prompted some to propose that rural education in general should be reoriented to include some elements of training as provided by TRYSEM.

There are, however, shortcomings in the operation of TRYSEM. Some of them are given below:

- Implementation is generally uneven.
- Although the programme imparted training, it has not, in some cases, instilled the candidates with the confidence necessary to take up self-employment ventures.
- The training offered lacked appropriate technology in the package provided.
- There are deficiencies in training arrangements and also in the syllabuses prescribed by various training institutions.
- In the selection of trades, self-employment possibilities and their financial viability were not considered right in the beginning.
- Assistance in the provision of raw materials and marketing has been poorer than expected.
- Every district did not have training centres for TRYSEM.
- In a large number of cases, the assistance provided to TRYSEM trainees from IRDP for projects had no link with the training they had received.

Check Your Progress II

Note: a) Write your answer in the space provided.

b) Check your answer with the possible answer provided at the end of the unit.

1) Explain to what extent did TRYSEM achieve its objectives?

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4.3 DEVELOPMENT OF WOMEN AND CHILDREN IN RURAL AREAS (DWCRA)

In the preceding unit you studied details about IRDP, the main poverty alleviation programme in the country. As we discussed in that unit, after the first few years our planners realized that women did not reap as much benefit out of IRDP as they were expected to. Besides, women have some unique problems in taking up self-employment activities. These are: (i) women have the responsibility of managing household chores which keep them engaged for a considerable time every day, (ii) women with infants around them find it difficult to leave them unattended and (iii) most of the poor women being illiterate lack even the minimum entrepreneurship capabilities and therefore it is necessary to organize them into groups so that, supported by cooperative group effort, they may perform better. Hence, it was felt necessary to devise a special programme which could overcome the above mentioned problems of the poor women and children in rural areas. Accordingly, DWCRA was introduced in 50 districts on a pilot basis in the year 1983. Steadily, more and more districts were brought under DWCRA and by 1990-91 its coverage was extended to all the districts in the country. Initially, it was also a component of IRDP. In 1990, however, it was made an independent programme by itself.

4.3.1 Objectives and Strategy of DWCRA

The basic objective of DWCRA is to provide rural women with productive income-generating assets and credit, and also enhance their skills. Further, it seeks to provide an effective organizational support structure so that, to be more effectively, the women involved may receive assistance in the production of goods and services. The target group of DWCRA is the same as that of IRDP and TRYSEM. The basic deviation from IRDP, however, lies in the fact that under DWCRA, it is not individual families which receive assistance but the group. The DWCRA scheme envisages the formation of groups, each consisting of 15 to 20 women. It is expected that the women would come together for activities which are mutually beneficial to them. The financial assistance which is available for a group is as follows:

a) Rs. 15,000 in the form of a one-time grant, as a rotating fund contributed in equal shares by the Government of India, the State Government concerned and UNICEF, which may be used as:
   - Working capital to procure raw materials, and for marketing purposes.
   - Honorarium to the group organizer (it should not exceed Rs. 50 per month for a period of one year).
   - Infrastructural support for income generating activities.
   - Funding for childcare facilities by establishing Anganwadies in all the villages where DWCRA groups are organised.

b) Travelling allowance at the rate of Rs. 2000 per year for one year for the group organizers.

Although DWCRA is basically a programme to generate productive assets, it is not confined to providing economic benefits. It includes supportive services like mother and child care, adult education, immunization, etc. To this end, coordination is maintained with various other departments such as Education, Health and Family Welfare, and Women and Child Development.

4.3.2 Administrative and Organizational Aspects of DWCRA

DWCRA has an administrative structure for carrying out operations related to the programme. At the state level, a woman of the rank of Deputy Secretary to the State

Government is in charge of the programme. At the district level, a woman officer may be appointed as an Assistant Project Officer (APO, Women's Development) to assist the Project Officer of the District Rural Development Agency (DRDA). You have already studied the functioning of DRDA in an earlier unit on Rural Administrative Structure in Block 3, MRD-101. At the block level, on the Community Development pattern, the norm is to provide a team comprising one woman BDO (Mukhya Sevika), two women VLWs (Gram Sevikas) and one Gram Sevika per DWCRA Block. It is to be ensured that the Project Officer of DRDA remains the coordinating officer at the district level and the BDO at the block level.

The task of planning, implementing and monitoring of DWCRA has been entrusted to DRDA, as DWCRA was a part of IRDP. The staff provided for DWCRA were an APO, a Mukhya Sevika and Gram Sevikas who were expected to spend adequate time with the target groups, which you have read about in the previous sub-section. They must explain the nature and purpose of the group to the women concerned, help them analyse their situation so that solutions can be considered, give ideas, information and assistance regarding possible income generating activities which the group can undertake, and provide encouragement, guidance and support.

4.3.3 Funding Support System for DWCRA

The main financial assistance is provided by the Central Government. The Central Government releases the Central share of Rs. 5,000 per group and travelling allowance for the group organizers directly to the DRDAs. It also releases the share of UNICEF equivalent to Rs. 5,000. Equipment and input costs subject to a ceiling of Rs. 50,000 per centre and cost of staff are also provided. The State Governments in turn release their shares in the grant and travelling allowance to groups and group organizers respectively.

The groups utilize the grants for various purposes. They use it to build up infrastructural support and marketing facilities, purchase of raw materials, etc. and the grant by UNICEF is used to purchase training kits, equipment for childcare facilities, etc. If no childcare programme is available, some childcare facilities could be provided so that children are not neglected when their mothers go to work. For the DWCRA groups that are registered under the Registration of Societies Act, 1860, there is a provision for a multi-purpose centre in the blocks covered under DWCRA so that women can use them for training and economic activities.

4.3.4 Training for the Members of DWCRA

Since the overriding concern of DWCRA is to improve the socio-economic conditions of women and children in rural areas, it is important to train women so that they are able to make better use of the skills acquired to enhance their productivity. Under DWCRA, training is provided by various agencies at different levels. The organizer of each group helps the women to derive maximum benefits from the training they receive. Moreover, Gram Sevikas, Mukhya Sevikas and APOs help in identifying viable activities and projects for the group. Activities could include tailoring, knitting, bamboo basket making, fishing, poultry, pottery, soap making, candle making, etc. Training for imparting skills to DWCRA beneficiaries is also expected from TRYSEM. In this case, however, some problems arise as TRYSEM caters only to a certain age group. Training of officials and trainers who would, in turn, train the women in various groups, is carried out by the National Institute of Rural Development (NIRD), Hyderabad.

4.4 PERFORMANCE OF DWCRA

To evaluate and assess the functioning of a special programme like DWCRA, it is important to review its broad objectives. These include increase in women's participation in rural development and a rise in their earnings; helping women to develop new skills; providing them with better access to credit; and helping them in marketing their products. With these objectives in view, let us take a look at the performance of DWCRA.

From Tables 4.3 and 4.4, it is clear that investment on DWCRA increased considerably year after year and so the number of the groups and the members of DWCRA programme. One of the reasons for this rapid increase was that every year new districts were added to the programme and by 1993-94 all the districts were covered under it.

DWCRA suffers from some basic deficiencies and problems which act as constraints in the functioning of the programme. These include shortage of functionaries at every level, lack of infrastructural facilities and credit, problems in the selection of projects, lack of clarity regarding the role of the groups, and low motivation of the members of the groups.

The Report of the National Commission on Self Employed Women and Women in the Informal Sector (1988) mentions that in some states, like West Bengal, DWCRA has been fairly successful in aiding women to produce products of good quality. In Punjab the Women's Economic Development Corporation has been linked to DWCRA and has therefore been successful in providing markets for the products through government contracts. Some problems, however, do persist. The organizing capabilities of women have not gone up in any great measure, as managerial skills do not form an important part of the total training imparted. Moreover, the poorest of the poor among the women do not derive the greatest of benefits. It is usually the less poor among the poor women who get to form the groups. One of the provisions under the programme is that DWCRA members can avail themselves of loan and subsidy under IRDP. The unit of the beneficiaries under IRDP, as you read in the preceding unit, is the family. Here, women face certain problems. Although women head a large number of households, particularly where men may have migrated to the cities, they find it difficult to gain access to credit. Moreover, in many cases women are denied credit simply because some male member in the family had defaulted on an earlier loan. Apart from this, even delivery structures which provide inputs, essential supplies, etc. very often do not recognize women as heads of the households.

Table 4.3: DWCRA— Physical and Financial Performance – 1993-94 to 1996-97

S. No.	**Sector**	**1993-94**	**1994-95**	**1995-96**	**1996-97***
1.	No. of Groups (Thousands)				
	i) Target	11.00	13.40	30.00	30.00
	ii) Achievement	15.5	37.96	35.58	37.63
2.	Women Membership (Thousands)	286.52	592.00	697.09	514.22
3.	Central Assistance Released (Rs. Lakhs)	2365.00	3100.00	6365.00	3380.97
4.	Expenditure Incurred (Rs. Lakhs)	1918.63	5419.91	5731.84	4570.41

*: Up to January 1997.

Source: Data from the Ministry of Rural Areas and Employment.

Table 4.4: DWCRA - Achievement during the Plan Periods

S. No		Target: No. of Groups	Achievement: No. of groups	No. of Women Beneficiaries	Funds Released (Rs. in Lakhs)
1.	Sixth Plan	6035	3308	52170	298.53
2.	Seventh Plan				
	1985-86	5000	6008	101056	630.70
	1986-87	7500	5545	96132	786.33
	1987-88	7500	4959	83589	607.29
	1988-89	7500	5968	98636	738.21
	1989-90	7500	5551	90294	901.00
3.	1990-91	7500	7139	109557	898.00
	1991-92	7500	8043	141132	1225.00
4.	Eighth Plan				
	1992-93	7500	9029	128744	1548.70
	1993-94	11000	15483	268100	1266.48
	1994-95	13400	37964	592026	3100.00
	1995-96	30000	35372	661156	6300.00
	1996-97 *	30000	36319	495137	2907.06

*: Up to January, 1997.

Source: Annual Report 1996-97, The Ministry of Rural Areas and Employment.

Check Your Progress III

Note: a) Write your answer in the space provided.

b) Check your answer with the possible answer provided at the end of the unit.

1) Why was a separate programme for women introduced?

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4.5 LET US SUM UP

In this unit we have discussed two components of IRDP, namely TRYSEM and DWCRA. We saw how they came into being to meet the felt needs and cater to certain specific groups among the poor, viz. the youth and women and children.

Discussing TRYSEM, we learnt about the objectives and the strategies of the programme. We read about the method of its functioning and its administrative structure. Also, we assessed the its performance and listed some of its weaknesses.

Next, we discussed the special programme for women and children in rural areas. The target of DWCRA are the rural poor as in the case of IRDP, but the unit of its beneficiaries is a group consisting of 15-20 women, unlike in the IRDP where the unit is a family. We discussed the funding mechanism for DWCRA, its functioning, and its organizational support structure. In the end we evaluated the performance of DWCRA and discussed some of its shortcomings.

4.6 KEY WORDS

Rural Youth	:	Rural men and women in the age group of 15 – 35 years.
Anganwadi	:	A mix of crèche and preparatory school for rural children between six months and six years of age.
Gram Sevika	:	Woman Village Level Worker.
Revolving Fund	:	It is an initial financial support from the Government to a DWCRA Group to start some economic activities.
Group Scheme	:	A scheme or project in which more than five members are involved.
Entrepreneurship	:	Ability to manage a scheme/project or income generating venture.
Micro Credit	:	Small loans ranging from Rs. 500 to 10,000.

4.7 REFERENCES AND SUGGESTED READINGS

National Commission on Self-Employed Women and Women in the Informal Sector. Shramshakti, New Delhi.

IRDP and TRYSEM and DWCRA: A Manual, 1988, Department of Rural Development, Ministry of Agriculture, Government of India, New Delhi.

Annual Report (1988-89), 1989, Ministry of Rural Development, Government of India, New Delhi.

Annual Report (1989-90), 1990, Department of Rural Development, Ministry of Agriculture, Government of India, New Delhi.

Rural Statistics, 1990,1995,2001, NIRD, Hyderabad.

4.8 CHECK YOUR PROGRESS – POSSIBLE ANSWERS

Check Your Progress I

1) Training of the Rural Youth for Self Employment (TRYSEM), as the name of the programme suggests, was to provide the rural youth (18-35 years) from the families below the poverty line with training and technical skills to enable them to take up self-employment (wage employment was added in 1982-83) in agriculture, industry, services and business activities. Under this programme, every year from each block, 40 youths, both men and women, were selected and trained in skills and entrepreneurship to enable them to become self-employed. Apart from providing self-employment opportunities, TRYSEM also sought to meet the objective of stopping the migration of rural youth to urban areas. The youth identified for the programme were trained either in a training institution or under a master craftsman.

Check Your Progress II

1) Going through the statistics related to financial expenditure and physical achievements of TRYSEM for different plan periods, it can be seen easily that it was not possible to realize desired results from the programme in any of the plan periods. The youth who were self-employed after the training were less

than 50 % of the original number. About 10 to 20 per cent of the trained youth were able to get wage employment and the remaining continued to be unemployed even after training.

Check Your Progress III

1) In spite of 40 % coverage of women under IRDP, it was found that they were not able to take advantage of the programme. Women have some unique problems in taking up self-employment activities. These are: (i) women have the responsibility of managing the household chores which keep them engaged for a considerable time of the day, (ii) women with infants find it difficult to leave them unattended and (iii) most of the poor women being illiterate lack even the minimum entrepreneurship capabilities and therefore it is necessary to organize them into groups, as while in a group they can perform better with the collective help and encouragement available in the group. Hence, it was felt necessary to devise a special programme for the rural women and children in order to overcome the above mentioned problems. Accordingly, DWCRA was introduced in 50 districts on a pilot basis in the year 1983. Steadily, more and more districts were brought under it and by 1990-91 its coverage was extended to all the districts in the country.

UNIT 5 JAWAHAR ROZGAR YOJANA

Structure

5.0 OBJECTIVES

After studying this unit, you should be able to :

- explain the characteristics of the rural poor;
- differentiate between self and wage employment;
- comment on wage employment as a strategy for poverty alleviation;
- describe rural infrastructure and community asset formation under the wage employment programmes; and
- explain as to how these programmes can help in arresting rural—urban migration.

5.1 INTRODUCTION

India is basically an agrarian economy, as more than two third of the rural population is directly dependent on agriculture. The distribution of the land, however, is skewed. Nearly 78 per cent of the cultivators are small and marginal (possessing less than 2 hectors of land each) farmers. Of these 31.15 per cent have less than 0.2 ha of land and 11.25 per cent are almost landless (Agriculture census 1990-91). The main source of employment for most of these people is agriculture labour. Agriculture wages are also available only during agricultural activities, which is 90 to 120 days in a year. During the lean season, most of these people are either underemployed or even unemployed. Our growing population is adding to the labour force at quite a high rate, and to create jobs for an ever increasing working population is a very difficult task.

The rural unemployed can be divided into four categories: (i) literate skilled, (ii) literate unskilled, (iii) Illiterate skilled and (iv) illiterate unskilled. Majority of the rural unemployed belong to the fourth category and these people survive with only their physical labour. Poverty is therefore more concentrated among the people of this category. Keeping these factors in view and to provide employment to these people, the Government of India, for the first time, introduced a Crash Rural Employment Programme (CREP) in 1969 on a pilot basis in some selected districts and later expanded it to a few more districts, where the agriculture labour population was comparatively high. Again in 1973-74, a Pilot Rural Employment Programme (PIREP) was launched in areas presumed to be critically affected by the problem of unemployment .

Though the problem of underemployment among small and marginal farmers and artisans has existed all along, it is most acute among the agriculture labour which is growing in size day by day. It is for this reason that the wage employment programmes have become an essential part of the poverty alleviation programmes.

5.2 BACKGROUND OF THE WAGE EMPLOYMENT PROGRAMMES

It has already been discussed earlier that during the Fourth Five-year Plan wage-employment programmes were introduced on a trial basis to help agriculture labour to get employment during the lean season. The two programmes under implementation during the Fourth and the Fifth Five-year Plans were CREP and PIREP covering nearly 2000 blocks, which were identified as having concentrations of agricultural labourers with acute problems of unemployment and underemployment. In the year 1978-79, these two programmes were merged and a new programme called Food For Work (FFW) was launched. During that period, the food stocks of the country were plentiful and it was though that by providing food-grains as part of the wages, it would not only provide food at a cheaper rate to the wage earners, but also solve the problem of financial resources needed for the wage employment and at the same time make the best use of the available food stocks in the country.

In the year 1980, FFW was redesigned and renamed the National Rural Employment Programme (NREP) and extended to all the districts and blocks in the country. The NREP has twin objectives.

i) to generate wage employment for the needy rural labour who cannot be covered under self-employment programmes; and

ii) to create rural infrastructure and durable community assets which would in the long run help in economic development of the rural areas.

With the expansion of the coverage of the NREP, the resources for generating wage employment at the village level were found to be inadequate and therefore it was not possible to provide adequate wage employment to the wage seekers in the rural area. It was observed that NREP was not able to cover even 50 per cent of the villages in the country. In order to supplement the coverage of NREP and also to ensure wage employment for a minimum of 100 days in a year for at least one person from each family of agriculture labourers, another programme called the Rural Labour Employment Guarantee Programme (RLEGP) was introduced during the year 1983. RLEGP was a Centrally sponsored programme with 80 per cent share from the Central Government and 20 percent from the states.

The evaluation of these programme, however, revealed that even after 7-8 years of implementation, their coverage was just around 55 per cent. It was also pointed out that the objective of providing assured 100 days' employment to at least one person of an agriculture labour family could not be met. One of the main drawbacks of these two programmes was that there was practically no participation of the village people either in identifying projects or in the planning and implementation of the works under NREP and RIEGP. Another objective of these programmes was to provide wage employment to the labourers closer to their villages. This objective either could not be met as the projects were identified by the block or district authorities at locations which were far from the villages of the employment seekers.

In order to realize the benefits of the wage employment programmes it was felt necessary to involve village people, especially through the village panchayats, and to cover all the villages, NREP and RLEGP were merged and a new programme Jawahar Rozgar Yojana (JRY) was launched in 1989.

Check Your Progress I

Note: a) Write your answer in the space provided.

b) Check your answer with the possible answer provided at the end of the unit.

1) Why are the wage employment programmes necessary? Which programmes were implemented for wage employment before the introduction of JRY?

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5.3 OBJECTIVES OF JRY

Jawahar Rojgar Yojana was started with a view to expand the coverage of wage employment opportunities to all villages and to achieve the objective of providing employment to all wage seekers in close proximity to their villages. Accordingly, the responsibility to implement the programme was given to the Gram Panchayats.

The primary objective of JRY was to generate additional gainful employment for the unemployed and the underemployed in rural areas.

The secondary objectives of JRY were: (a) to create productive community assets for direct and continuing benefits to the poor and strengthening rural economic and social infrastructure which would lead to rapid growth of rural economy and as a result improve the income levels of the poor and (b) to bring about improvements in the overall quality of life in rural areas.

5.4 SALIENT FEATURES OF JRY

5.4.1 Main Features of JRY

We know that JRY came into being after the merger of NREP and RLEGP, the two wage employment programmes, and its objective is also the same, but there are some differences in the process of its planning and implementation. The main features of the programme are as follows:

- Expenditure for the programme was shared by the Centre and states on 80:20 basis.

- DRDA/Zilla Parishad were made responsible for implementation at the district level and gram panchayats at the village level. The funds were directly released to the DRDA/ZP.
- Six per cent of the total JRY funds were earmarked for Indira Awas Yojana (IAY). Of the remaining, 20% were to be retained at the district level (DRDA/ZP) for inter-block/ inter-district projects and 80% to be distributed to gram panchayats.
- The works were to be executed by the village people and employment of contractors was totally banned as in the case of NREP and RLEGP.
- Preference was given to SCs and STs.
- Employment opportunities for women were reserved up to 30 per cent.
- Food-grains as part of the wages could be provided at subsidized rates.
- Non-wage component or material component was not allowed to exceed 50% of the total project cost.
- Up to a maximum of 5% of the annual allocation was allowed to meet administrative expenditure and 1/5 of it could be spent on training of the officials/ non-officials involved in the implementation of JRY.
- Up to 10% of the total allocation of DRDA/ZP and gram panchayats was meant for maintenance of the assets created under earlier programmes (NREP/RLEGP) and JRY.

5.4.2 Earmarking of Funds

The allocation of funds from the Government of India to the states for the programme were as follows:

a) 6% of the total district allocation for IAY.

b) 20 % of the total for MWS.

c) 5% of the total district allocation for administrative expenses.

d) Of the remaining funds – 20% for DRDA/ZP and 80% to the Gram Panchayats.

e) Funds to be utilized for various types of scheme were as follows:

i)	Economically productive assets	- 35%
ii)	Social infrastructure works	- 25%
iii)	Individual beneficiary schemes for SCs/STs including Million Wells Scheme	-15%
iv)	Other works including roads and buildings, etc.	- 25%

5.4.3 Types of Works Allowed under JRY

According to the JRY guidelines, such works are to be taken up as generate wage employment and also result in the creation of community assets and/or village infrastructure. Preference should be given to the following activities:

i) Works that have potential for maximum direct and continuing benefits to the members of poverty groups;

ii) Creation of such assets as are or can be owned by the beneficiary groups, either for direct use or for gains from the sale of the services/facilities created by the assets to ensure continuing incoming to the poverty groups.

iii) Higher priority is to be given to works which are required for infrastructure of poverty alleviation programmes like IRDP, DWACRA, TRYSEM, DDP and

DPAP. In addition, construction of primary school buildings in the villages which have schools without buildings is also to be prioritized.

iv) Works benefiting individuals including (i) SCs/STs, (ii) bonded labourers and (iii) allottees of ceiling surplus land holders, wastelands and government lands;

v) Social forestry on community lands as well as private lands of SCs and STs to generate income for the poor and also to develop ecological balance and environment of the village and surrounding areas.

IAY was separated from JRY in 1995-96 and made a separate programme.

5.4.4 Components of JRY

There are three sub programmes of JRY, as the funds for these are provided from the allocation under JRY. Details about these programmes are provided below:

Indira Awas Yojana (IAY)

This programme was introduced as a component of RLEGP in 1984-85. After its merger with JRY, it became one of its components for which initially 6 % of the total allocation was earmarked. This allocation was enhanced to 10 % of the total allocation under JRY in 1992-93. IAY was initiated to provide housing facilities to the most poor among Scheduled Castes and Scheduled Tribes with hundred percent subsidy. From 1992–93 onwards, poorest of the poor from other categories were also allowed the benefits of IAY.

Million Wells Scheme (MWS)

This programme was introduced during 1988-89 and became a component of JRY in 1989. Under this scheme, open wells for irrigation were provided to the SC/ST beneficiaries free of cost. And 20 % of the total allocation was earmarked for the MWS. In 1992-93 this amount was enhanced to 30 % of the total JRY allocation. MWS was separated from JRY in 1995-96 and made a separate programme.

Operation Black Board: A provision for the construction of classrooms in school buildings was made under JRY in 1990-91 under the programme called Operation Black Board (OBB). Since the material component in the construction of classrooms was higher, the Department of Education provided 40 % of the cost for material and the remaining 60 % was met from the JRY with labour and material component being 40 : 60.

5.5 PLANNING AND IMPLEMENTATION OF JRY

The Gram Panchayats (GPs) are empowered to identify and plan for the projects they decide as most useful for the village. The GPs are also competent to accord approval to the identified projects after they are technically appraised and approved by the technical staff of the Panchayat Samiti. It is, however, necessary to discuss the project or its work plan in the Gram Sabha before it is approved. Care should be taken to safeguard the interest of weaker sections in the village and give priority to the works benefiting SCs, STs , women and other weaker section. The Gram Sabha should be appraised of the programme of the works from time to time.

In order to facilitate the technical scrutiny of the plan of action of the Gram Panchayats, the block/district authorities should prepare and approve standard designs and cost estimates of those items of works which are generally taken up by the GPs. DRDAs/ ZPs were required to prepare a shelf of projects so that it helps in selecting the works are various levels. No work can be taken up unless it forms part of the annual action plan, completion of the incomplete works to be given priority over new ones. DRDA/ZP should not take such works which cannot be completed within two years.

5.6 ACHIEVEMENTS OF THE PROGRAMME

5.6.1 Financial and Physical Progress

From the inception of JRY (1989) till 1998-1999, the total availability of funds was Rs.36,826.32 crores against which Rs.28,892.71 crores could be utilized (Table-5. 1).

Table 5.1: Investment on JRY

(Rs. in Crores)

Sl. No.	Year	Total funds available	Funds Utilized	% utilization
1	1989-90 to 1991-92	9576.37	7709.83	80.51
2	1992-93	3594.63	2709.59	75.38
3	1993-94	4767.63	3878.71	81.36
4	1994-95	5418.22	4268.33	78.78
5	1995-96	5791.90	4466.91	77.12
6	1996-97	2583.38	2163.98	83.12
7	1997-98	2872.03	2451.65	82.82
8	1998-99	2222.16	1243.71	55.97
	Total	**36826.32**	**28892.71**	**78.45**

While the financial achievement from 1989 to 1999 was 78.45 per cent, the achievement of the targets to generate man days wages was 97.64 per cent, which is quite satisfactory. Table - 5.2 shows the targets and achievements in term of the generated man days wages.

Table 5.2: Man days generated under JRY

(Lakh man days)

S. No.	Year	Target	Achievement	Percentage Achievement
1	1989-90 to 1991- 92	25402.64	25481.47	100.31
2	1992-93	7537.95	7821.02	103.76
3	1993-94	10383.26	10258.40	98.80
4	1994-95	9865.45	9517.07	96.47
5	1995-96	8480.05	8958.25	105.64
6	1996-97	4141.37	4006.32	93.24
7	1997-98	3864.90	3960.79	102.48
8	1998-99	3966.57	1902.80	47.97
	Total	**73642.19**	**71906.12**	**97.64**

Assets created under the programme from 1990 to 1995-96 are detailed in Table-5.3. In 1996, the Indira Awaas Yojana (IAY) and Million Wells Scheme (MWS) were separated from the JRY and made independent programmes. Hence, a comprehensive list of assets created under JRY up to 1996 only is available.

Table 5.3: Assets created under JRY from 1990 to 1995-96

Sector	Unit	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96
1. Area covered under social forestry	Lakh Ha.	2.44	0.16	0.64	0.70	0.75	0.43
2. Trees Planted	Crores	20.66	7.22	15.12	28.01	24.73	7.41
3. Works benefiting SCs & STs	Lakh No	3.79	2.21	5.31	5.48	3.11	0.37
4. Area benefited through minor irrigation	Lakh Ha.	0.36	0.22	0.21	0.43	0.29	0.19
5. Area benefited through soil conservation works	Lakh Ha.	0.16	0.07	0.14	0.16	0.08	0.03
6. Rural Roads	Lakh Km	1.30	0.33	1.23	1.17	0.79	0.30
7. Other works	Lakh No.	1.97	0.57	2.09	2.00	1.14	0.551.14
8. Indira Awaas Yojana	Lakh No.	1.70	1.20	1.92	3.60	.72	2.16
9. Land Development	Thousand Ha	12.10	5.40	8.50	5.14	6.97	685
10. Mahila Mandal	No	1477	319	1923	2571	2146	20.05
11. Construction of Houses	Thousand No	75.10	21.50	75.00	76.00	37.83	14.75
12. Development of Houses	Thousand No	12.80	4.60	10.22	5.45	4.80	19.77
13. Sanitary Latrines	Thousand No	32.30	6.20	15.27	25.58	25.07	36.59
14. Drinking water Well/Ponds	Thousand No	73.90	18.00	80.35	91.01	61.37	1.57
15. Village Tanks	Thousand No	10.70	2.70	10.72	7.47	14.14	2.35
16. Balwadies / Panchayat Ghars	Thousand No	11.40	2.00	9.32	10.69	6.74	N A
17. Wells constructed under MWS	Thousand No	56.40	110.55	180.99	149.41	158.54	

5.6.2 Impact of the Programme

The Ministry of Rural Development (MoRD) instituted concurrent evaluation of JRY in 1993-94 covering 470 districts, 933 blocks and 4700 Gram Panchayats. The findings of the evaluation in brief are as follows:

a) Among the positive aspects highlighted by the concurrent evaluation one was that nearly 82.16 per cent of the available funds were spent on community projects. Construction of link roads was the highest priority. Average wages paid to the labourers were more or less close to the minimum wages presented by the state governments. The wage component was more than 52 per cent. The wages were paid either on daily basis or weekly basis. Muster rolls of the total assets created were maintained and 76 per cent of the assets were found to be good/satisfactory. The share of SCs and STs was satisfactory.

b) On the negative side, the evaluation revealed that more than 50 per cent of elected panchayat leaders were not imparted any training for the implementation of JRY works. The share of women in employment generation was less than the prescribed 30 per cent. Nearly half of the total works could not be completed on account of the shortages of funds. There were some discrepancies in the payment of wages to male and female workers. The use of locally available material in various works undertaken by panchayats were not satisfactory.

5.7 THE SECOND AND THE THIRD STREAMS OF JRY

In the year 1992-93, the ***Second Stream of JRY*** was introduced in 120 backward districts which had concentration of the unemployed and the underemployed. The type of works under the second stream of JRY included construction of all-weather roads, minor irrigation works, soil conservation, water harvesting structures, watershed development, farm forestry, drought proofing works, etc. The priority was for the labour intensive works and also the creation of assets leading to sustainable development of the area. In 1998-99, the Second Stream of JRY was merged with EAS.

The third stream of JRY called Innovation JRY was introduced during the same period aiming at the prevention of migration of labour and for providing employment to women through special projects. The funds for it were managed by keeping apart 10 per cent of the total allocation by the Ministry of Rural Development. Under this, innovative or specific projects, which could not be taken up under normal JRY or the second stream JRY, could be taken up in difficult or backward areas benefiting specific groups of poor people. Such projects were to be prepared by the DRDAs/ ZPs or even by the NGOs and submitted to the MoRD, Government of India, directly for approval. The special features of the Innovative JRY were as follows :

j) The projects should contain innovative elements, specially in terms of the convergence of programmes and participation of people at the ground level.

ii) The projects should aim at benefiting special groups of people or areas that were being bypassed by ongoing rural development programmes.

iii) Such projects as could be taken up through normal JRY should not be included under this programme.

iv) The projects should have a tight-knit management structure.

v) The total cost of the project should not exceed Rs. 3 Crores.

vi) Release of funds would be made on an annual basis. The second and the subsequent installments were to be released after satisfactory implementation of annual plans.

vii) Recurring costs such as new staff and maintenance should not be admitted in the project.

viii) The project should not involve contractors for the execution of works.

ix) Project should contain well planned strategy based on a thorough assessment of the geographical factors and local resources to tackle specific problems and needs of the area and the people.

After the expansion of EAS to cover all the blocks of the country during 1996–1997, the second and the third stream of JRY were merged with the Employment Assurance Scheme (EAS).

5.8 IMPACT OF JRY

Since the inception of JRY till March 1999, nearly Rs. 35,508 crores were spent and 73,640 lakh man-days of wage employment were created. Evaluation studies of the programme revealed that employment generated was too inadequate to bring about any meaningful increase in the earnings of the poor wage earners. The Concurrent Evaluation conducted by the Ministry of Rural Development during June 1993 – May 1994 shows that against the target of a minimum of 100 man-days of wage employment per family per year, only 11 man-days were created. This shows that one of the major objectives of the programme, i.e. to generate employment for the rural wage earners and for the unemployed/underemployed could not be achieved.

There are many reasons for the poor performance of the programme in terms of employment generation. Some of these are: (i) the resources were too thinly spread to maximize coverage of the area and the beneficiaries, (ii) selection of the works was neither labour intensive nor did they have much relevance to the area or local needs, and (iii) the programme was perceived to be for building assets. It was also expected that by interventions in the labour market through employment generating programmes, the market wages would show an upward trend, but this did not happen either.

Notwithstanding the deficiencies of the programme as cited above, two positive results were achieved by the programme. First, the programme did succeed in creating durable community assets like School Buildings, Panchayat Ghars, Community Halls, and other such infrastructure in the villages, though some of these assets were of poor quality and in certain cases inappropriate. Secondly, the programme was executed by the Gram Panchayats, a fact that has created a sense of empowerment among local governments, besides providing sound training to the panchayat leaders in planning and managing the development of the villages. Due to growing awareness among the people about such programmes, and pressure on elected representatives, the panchayat leaders are likely to implement the programme more efficiently than the government machinery. For the fear of being voted out, the panchayat leaders are expected to be more responsive to people's needs.

5.9 CURRENT STATUS OF JRY

The JRY which emerged from the merger of NREP and RLEGP in 1989 was renamed Jawahar Gram Samriddhi Yojana (JGSY) in 1999. Also, as the objectives and the operational strategies of JGSY and EAS were similar and overlapping, these two programmes were merged into one programme in 2001 with a new name— Sampoorna Gramin Rozgar Yojana (SGRY) . While the operational methodology of the programme continues to be the same as that of the earlier programmes, one of the important features of the programme is to give equal importance to the development of rural infrastructure.

Check Your Progress II

Note: a) Write your answer in the space provided.

b) Check your answer with the possible answer provided at the end of the unit.

1) Describe the objectives, funding pattern and the implementation process of JRY.

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5.10 LET US SUM UP

Jawahar Rozgar Yojana (JRY) was essentially a carry forward of the earlier wage employment programmes like the Crash Rural Employment Programme (CREP), the Pilot Rural Employment Programme (PIREP) and the Food For Work (FFW) programme of the 1970s and NREP, RLEGP of the 1980s. Initially most of these wage employment programmes were implemented in isolation and had no practical links with any other rural development programme. Later on, however, NREP and RLEGP were linked to various MNP activities like social formats for producing fuel wood and fodder, rural roads, rural housing, etc. Subsequently, the process of wage employment under JRY took a concrete shape to support various poverty alleviation programmes mainly to provide activity and group specific infrastructure and assets to support the income generating activities of the beneficiaries under various other programmes. Indira Awas Yojana for providing fully subsidized dwelling units to the SCs/STs and the very poor of the other categories, irrigation wells under *million wells schemes* and projects aiming at continuing flow of income for the poor under IJRY were the specific features of JRY, besides generating wage employment for millions of poor people in the country. The programme also helped in the construction of community assets like Panchayat Ghars, Common Work sheds, Schools and Anganwadi buildings, etc. Now, JRY and EAS have been amalgamated into a single programme called Sampoorna Gramin Rojgar Yojana (SGRY), which has been designed to support the development of infrastructure for basic services and natural and community resources to provide more opportunities for rural livelihoods and also generate more wage employment.

5.11 KEY WORDS

Wage Employment : Employment on daily wages.

Community Assets : Assets like Community Halls, Village Roads, Village Markets, etc. which are used by all the village people.

Rural Infrastructure : Roads, Electrification of villages and pump sets, Hospitals, Schools, Drinking Water facilities, Market Yards, etc.

Man-days : Measurement of employment in terms of ‘work done by an average adult for one day (8 Hours)’ as a unit.

Minimum Wages : A minimum daily rate prescribed by the government as wages for an adult worker per day.

5.12 REFERENCES AND SUGGESTED READINGS

Fourth and Fifth Plan Documents, Planning Commission, Government of India.

Annual Reports of the Ministry of Rural Development, 1989-90 to 1999-2000, GOI.

Rural Statistics, 1990 to 2001, NIRD, Hyderabad

Rajakutty, S., 2004, “Self and Wage Employment Programmes for Poverty Alleviation in India”, *Journal of Rural Development*, Vol. 23, No. 2 (April – June, 2004).

5.13 CHECK YOUR PROGRESS – POSSIBLE ANSWERS

Check Your Progress I

1) The rural unemployed can be divided into four categories: (i) literate skilled, (ii) literate unskilled, (iii) Illiterate skilled, and (iv) illiterate unskilled. Majority of the rural unemployed belong to the fourth category and these people survive with only their physical labour. Poverty is therefore more concentrated among this category of people. Keeping these factors in view, wage employment is seen as the only alternative for such people.

   The government of India introduced a Crash Rural Employment Programme (CREP) for the first time in 1969. Again in 1973-74, the Pilot Rural Employment Programme (PIREP) was introduced in areas presumed to be critically affected by the problem of unemployment. In the year 1978-79, these two programmes were merged and a new programme called Food For Work (FFW) was launched. In the year 1980, FFW was redesigned and called National Rural Employment Programme (NREP), which covered all the districts and the blocks in the country.

Check Your Progress II

1) The primary objective of JRY was to generate additional gainful employment for the unemployed and the underemployed in rural areas. The secondary objective of JRY was: (a) to create productive community assets which would provide direct and continuing benefits to the poor and to strengthen rural economic and social infrastructure which would lead to rapid growth of rural economy and as a result improve the income levels of the poor; and (b) to improve the overall quality of life in rural areas. The allocation of funds was as follows:

   a) 6% of the total district allocation for IAY.

   b) 20 % of the total for MWS.

   c) 5% of the total district allocation for administrative expenses.

   d) Of the remaining funds – 20% for DRDA/ZP and 80% for the gram panchayats.

   e) Funds to be utilized for various types of scheme were as follows:

      i) Economically productive assets - 35%

      ii) Social infrastructure works - 25%

      iii) Individual beneficiary schemes for SC/ST Including the Million Wells Scheme - 15%

      iv) other works including roads and buildings, etc. - 25%

The programme is implemented by the Panchayati Raj Institutions. The Gram Panchayats (GPs) are empowered to identify and plan for the projects they decide as most useful for the village. The GPs are also competent to accord approval to the projects they identify, after they are technically appraised and approved by the technical staff of the Panchayat Samitis. It is, however, necessary to discuss the project or its work plan in the Gram Sabha before it is approved.

UNIT 6 EMPLOYMENT ASSURANCE SCHEME (EAS)

Structure

6.0 OBJECTIVES

After studying this unit, you should be in a position to :

- describe the need for wage employment programmes;
- identify the people and areas for which such programmes are very useful;
- critically examine the operational aspects of the programme;
- explain the funding pattern of the programme; and
- list and describe the types of works taken under the programme.

6.1 INTRODUCTION

Though JRY covered all the blocks of the country and the programme was implemented by the Gram Panchayats to ensure that all villages get the benefit of the programme, it was felt that the programme was not able to solve the problems of unemployment and underemployment, particularly in remote, difficult and backward areas where the opportunities of farm employment were very poor and the cost of living was much higher than other places due to poor accessibility and backwardness and also the minimum wages did not help improve their purchasing power as compared to the wage earners of other areas. In order to mitigate the severe poverty in such areas, the Government of India introduced Revamped Public Distribution System (RPDS) in the year 1992-93 to ensure subsidized and adequate supply of food grains to the poor. There were 1778 blocks across 261 districts in the country, identified as difficult and backward areas for RPDS. Subsequently, to intensify the poverty alleviation programme and to enhance the employment opportunities in these blocks, a new programme called ***Employment Assurance Scheme*** (EAS) was launched on 2nd October, 1993, covering all the 1778 blocks under RPDS. These blocks were identified mainly in DPAP, DDP, Hill and Tribal areas.

The main objective of the EAS was also on the lines of JRY, i.e. to provide gainful employment during lean agriculture season in the form of manual works to all able bodied adults who were in need and desirous of working, but unable to find anything to do. The secondary objective was to develop economic infrastructure and community assets and resources for sustained employment and development.

6.2 IMPORTANT FEATURES OF EAS

In order to operationalize the programme to achieve its objectives, initially the main features of the programme design were as follows:

- The scheme was operative in 1778 blocks of the country.
- The funding of the scheme was on an 80:20 basis between the Centre and States.
- The Central share of funding was directly released blockwise to the ZP/DRDAs based on the demand for wage employment and expenditure.
- The scheme was demand driven and therefore there was no fixed budgetary provision for the scheme.
- A maximum of two adults per family were to be provided the wage employment up to 100 days in a year. New works were not to be started if the employment potential was available through plan and non-plan works already in progress in a particular area and the assurance could be fulfilled by utilizing the same.
- The work should be labour intensive as well as result in the creation of durable and productive assets.
- An individual beneficiary project based on the lands of BPL families was allowed for horticulture development.
- The persons who desire for wage employment should get registered with the Village Development Officer or Gram Panchayat which would issue a family card for the purpose.
- When more than 10 workers demand work, new projects could be started.
- The scheme is implemented by the DRDA and other District Officers of various departments, Block Development Officers and the Panchayats at all the three levels, i.e., Zilla Panchayat, Panchayat Samiti and Gram Panchayats.
- The state level Coordination Committee for the Rural Development Programme has the responsibility for overall supervision, guidance and monitoring of EAS.

6.3 PRIORITIES UNDER EAS

The works to be taken up under this programme were similar to those of JRY, but greater emphasis was given to watershed development, waste land development and the development of other community as well as individual productive assets, especially those belonging to the SCs, STs and other poor sections of the village. The priorities for the works under EAS were as follows :

b) Works identified on the basis of the treatment plans for water conservation, land protection, vegetative barriers, forestation, agro-horticulture, silvi - pasture, etc., under watershed development.

  ii) Minor irrigation tanks, percolation tanks, village ponds, canal works, etc.

  iii) Link roads selected on the basis of Master Plans prepared for districts to enhance connectivity of the villages.

iv) Primary school buildings on the pattern of Operation Black Board as implemented under JRY.

v) Buildings for Anganwadies.

6.4 COVERAGE AND EXTENSION OF EAS

EAS was initially started in 1778 blocks which were found to be most backward and difficult and had high concentration of the unemployed and the underemployed. The programme was expanded further to cover additional 409 blocks during 1994-95. These blocks were under DPAP/DDP and Modified Area Development Approach (MADA) having higher concentration of tribal population.

Again in March 1995 EAS was further extended to another 256 blocks (233 flood prone blocks in Uttar Pradesh, Bihar, Assam and 23 blocks of Jammu and Kashmir in view of the special conditions prevailing there). In the subsequent year, i.e. 1996, all the blocks under Intensive JRY (IJRY) were merged with EAS and as a consequence 722 blocks in 120 IJRY districts were brought under EAS.

In the year 1996, the MoRD decided to cover the entire country under EAS in two phases. Of the remaining blocks, 50 % were brought under EAS coverage during 1996-97 and as a result 1123 blocks were added under the programme in the first phase and the remaining 1121 blocks in 1997-98. At the end of the financial year 1996-97, EAS covered all the 5448 rural blocks in the country. The main features of the revised programme were as follows :

- The resources under the programme were shared by the centre and state governments in the ratio of 75 : 25.
- The central share under the programme would be released directly to the District Rural Development agencies.
- DRDAs were to release 70 % to the Panchayat Samitis and 30 % to the Zilla Parishads, to be utilized in areas affected by endemic labour exodus/ areas under distress.
- Diversion of funds from one district to another and, similarly, form one Panchayat Samiti to another was not permitted.
- The Zilla Parishad was the 'implementation authority' for the funds released to both the Zilla Parishad and the Panchayat Samiti.
- The Zilla Parishad was supposed to prepare an Annual Action Plan every year.
- All works under EAS were to be executed departmentally only by the respective implementing agencies and in no case any contractor was to be engaged for the execution of the works under the programme.
- All works started under EAS should be labour intensive with wage–material ratio of 60 : 40.
- Priority was to be accorded to the works of soil and moisture conservation, minor irrigation, rejuvenation of drinking water sources and augmentation of ground water, traditional water harvesting structures, works related to watershed schemes (not watershed development), formation of rural roads (linking villages with other villages and block head quarters) and roads linking the villages with agricultural fields, drainage works, forestry, etc.
- Zilla Parishads / Panchayat Samitis were permitted to spend up to a maximum of 15 % on maintenance of assets created under the scheme.
- The Zilla Parishad was to maintain the Employment Register for the entire district.

- Minimum equal wages fixed by the State Government should be paid in cash under the programme, both for skilled and unskilled labour.

The following construction works were not allowed under EAS:

- Buildings for religious purposes.
- Monuments, memorials, statues, idols, arc-gates or welcome gates.
- Big Bridges.
- Government office buildings, panchayat buildings and compound walls.
- Buildings for Higher Secondary Schools and Colleges.

Check Your Progress I

Note: a) Write your answer in the space provided.

b) Check your answer with the possible answer provided at the end of the unit.

1) Why was EAS necessary and what was its coverage when the programme was introduced?

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6.5 FUNDING PATTERN AND IMPLEMENTATION OF EAS

6.5.1 Funding Pattern of EAS

In the beginning of the programme when it covered selected blocks, there were no physical and financial targets as the programme was demand driven and therefore there was considerable flexibility in the execution of works and funding them. This trend continued till 1996, when it was decided to cover all the blocks under the programme.

After the extension of the programme to all the rural blocks of the country, however, for purposes of funding, the blocks were classified into A, B and C categories according to their backwardness, difficult conditions and population size. The central and state share of each installment for three respective categories of blocks were as follows:

a) Rs.40 Lakhs Central share and Rs. 10 Lakhs state share for the 'A' category blocks ;

b) Rs.30 Lakhs Central share and Rs. 7.50 Lakhs state share for the 'B' category blocks ; and

c) Rs. 20 Lakhs Central share and Rs. 5 Lakhs state share for the 'C' category blocks.

The latest criterion for categorizing the blocks into these three categories was mainly population as follows :

'A' Blocks with more than 1,96,287 inhabitants;

'B' Blocks with a population between 65,585 and 1,96,286 inhabitants; and

'C' Blocks with less than 65,585 inhabitants.

6.5.2 Registration for Wage Employment

Persons who need and seek employment under the scheme were required to register themselves in the Village Panchayats where they were residing. Every family whose adult members were registered had to be provided with a family card. Employment provided to the members of the family under EAS works or under any other plan or non–plan scheme were to be noted in the family card.

6.5.3 Planning and Implementation

The District collector / Dy. Commissioner was the overall 'implementing authority' for the programme in the district. He/she was responsible for coordinating works and the allocation of funds among the RPDS blocks in the earlier stages of the programme, and later according to the categories of the blocks in the district among various implementing agencies. All implementing agencies were accountable to the DC for proper maintenance of accounts, measurement of physical works completed, details of works and accounts for all works entrusted to them under EAS.

The number of persons registered for wage employment under EAS was 4.12 crores covering all the blocks in the country till November 1998. The details of the financial and the physical achievements under EAS since its inception in 1993 up to November 1996 are outlined in Table – 6.1 below. It may be noted that except in 1998-99 and 2000-2001, the performance in terms of financial investment as a percentage of the available funds was below 75 per cent. One of the major problems in utilizing funds was the lack of projects as similar works were being executed under JRY also.

Table 6.1: Financial and Physical Performance under EAS

(Rs. in Crores)

S. No.	Year	Total Available Funds (Central + State share) including the opening balance (OB)	Total Utilization		Wage days generated (Lakh man-days)
			Amount Spent	% of Availability	
1.	1993-94	548.76	183.75	33.48	494.74
2.	1994-95	1775.26 (365.01)	1235.45	69.59	2739.56
3.	1995-96	2671.45 (539.81)	1720.61	64.41	3465.27
4.	1996-97	3383.34(959.54)	2160.41	63.85	4030.02
5.	1997-98	3425.88 (964.84)	2307.95	67.37	3816.77
6.	1998-99	3357.80 (872.66)	2819.76	83.98	4165.31
7.	1999-2000	2329.53 (581.14)	2182.60	74.99	2786.17
8.	2000-2001	2248.63 (688.74)	1861.10	82.77	2183.92

6.5.4 Watershed Development Under the Programme

As stated earlier, one of the main emphases of the programme was to develop local resources which would not only increase the employment opportunities for the poor but also create productive assets and thereby enhance production in the rural areas. Watershed development was therefore one such programme which was given priority under EAS.

6.5.5 Monitoring and Evaluation

The State Level Coordinating Committee for Rural Development had the overall responsibility for the supervision and monitoring of the programme. The states were also required to constitute district and block level EAS committees wherever the scheme was implemented earlier. Later, when all the districts and blocks were brought under the scheme, the district and block level EAS committees were formed everywhere. At the district level the members of the EAS Committee included district level officers of all the departments concerned, prominent elected representatives, NOGs, etc. The DC was the chairman of the Committee. Similarly, the block level EAS Committee included officers of the implementing agencies at the block level, elected representatives, NGOs and the nominees of the DC. These committees were supposed to meet every month to review the progress of the on going projects, recommend/approve new projects and also the members of the committee were authorized to conduct field inspections of the works, muster rolls, payment of wages, etc., to ensure that the works were completed timely, quality of works was maintained, wages were paid according to the minimum prescribed wages and payments were made in time.

Check Your Progress II

Note: a) Write your answer in the space provided.

b) Check your answer with the possible answer provided at the end of the unit.

1) What was the funding pattern for the EAS.

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6.6 CHANGES IN THE PROGRAMME

During the year 1999, the following changes were introduced in EAS in order to implement the scheme more vigorously. The changes were as follows:

i) Panchayati Raj Institutions at all the three levels have been included as Implementing Agencies.

ii) Registration of wage-seekers could be done at Gram Panchayats and work sites.

iii) The plan of projects would be prepared as per the suggestions of Gram Sabha and Panchayats as well as other sources like line-departments, people's representatives, etc.

iv) To bring transparency in the implementation of the programme, all states were advised to exhibit prominently the details of funds received, works sanctioned, estimated cost of works, quality of material used, number of workers engaged, etc. at the work site or the Gram Panchayat concerned.

v) The implementing agencies were permitted to utilize the services of one person from among the beneficiary groups as an animator/leader/facilitator for the maintenance of muster rolls, payment of wages, monitoring the quality of works, etc. The accounts of the Gram Panchayats were to be open for scrutiny by the Gram Sabha.

vi) To avoid multiplicity of committees, it was decided to merge district and block level EAS committees with the existing vigilance and monitoring committees.

6.7 IMPACT OF THE PROGRAMME

Though EAS was able to generate wage employment and create community assets, it could not achieve the desired objectives. One of the main reasons was that there was lack of planning for the identification and formulation of labour intensive works. In many cases School Buildings or Community Halls were constructed which consumed more funds for material components, but generated less employment. This was also the reason for the poor utilization of funds in many states. In some cases EAS and JRY schemes overlapped each other resulting in wastage of resources and corruption.

Though EAS funds were meant to be utilized as a last resort, things did not happen that way. A universal coverage triggered increased demand for funds from States beyond their available budgetary resources. Till March 31, 1999, the scheme was of a demand-driven nature and the better-off States grabbed a lion's share of funds, while the needy ones were left out. To rectify this, it was decided that with effect from April 1, 1999, the scheme would involve specific allocations to each State based on its level of poverty.

As to EAS impact, a study by the Programme Evaluation Organization (PEO) (2000b) found that the estimated proportion of registered job seekers who actually got any employment was as low as 25 per cent in sample villages. The average number of days of employment per person per year was less than 53 as per the official records. The information gathered from the beneficiaries, however, revealed that 69 per cent of them got less than 30 days of employment, and another 17 per cent between 30 and 50 days: the overall average for the sample states works out to 31 days.

Even in the matter of asset creation, the study found that Central norms had not been followed. For example, none of the sample states had earmarked: a) 40 per cent of funds for watershed development and b) 20 per cent for minor irrigation, link roads and buildings for schools and Anganwadies. Such assets were thought of for their potential for sustained employment generation locally.

Several lacunae had come to notice in the design and implementation of EAS. The first of these was bogus reporting. Field staff reported the figures of achievements in the manner expected of them, i.e. wage component at 60 per cent, proportion of SC/ST as well as women, etc. District Collectors who administered the scheme were under pressure to furnish utilization certificates so that the states could draw the next installment from the Centre. Money was considered to have been spent once it was allotted by district to panchayats, even when no physical expenditure had taken place. Secondly, employment generation programmes created incomes for the rural poor but left no assets behind at the individual level. Once such programmers are withdrawn, the poor would again fall below the poverty line in absence of any family-based assets. Thirdly, development of vital infrastructure like roads, water supply, electricity, schools and the like was neither labour-intensive nor did it result in assets for the use of the poor primarily. Fourthly, employment schemes provided massive funds for the construction of roads and schools. In the process villagers became (temporary) state employees in the departments concerned, and thus a continued in a state of psychological dependence and expectation from the state. Lastly, such programmes encouraged corruption, both at the political and the administrative levels.

Keeping the above in view, the EAS was merged with JRY (JGSY) in the year 2001 and is now called Sampoorna Gramin Rozgar Yojana (SGRY).

Check Your Progress III

Note: a) Write your answer in the space provided.

b) Check your answer with the possible answer provided at the end of the unit.

1) What were the new changes made in the EAS programme?

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6.8 LET US SUM UP

The EAS programme was started to help difficult and backward areas of the country. Due to various reasons, especially for political considerations, however, the programme was progressively extend to all the rural blocks of the county. Thus the intensity with which EAS was started in selected blocks was lost and with the expansion of coverage, thinning of funds was an obvious consequence. More over, the two programs JRY and EAS had the same objectives, types of works as well as implementation processes. Consequently, there was not only overlapping among works, but also considerable wastage and misuse of funds. EAS was merged with JGSY in 2001 and the programme renamed Sampoorna Gramin Rozgar Yojana (SGRY).

6.9 KEY WORDS

Backward Areas	**:**	Areas which are under developed and have poor infrastructure, poor resource endowment and have high concentration of poverty.
Difficult Areas	**:**	Remote, under developed and geographically difficult areas such as hilly, desert and tribal areas.
Revamped Public Distribution System	**:**	A programme under which food grains are provided in all parts of the country at subsidized rates through fair price shops.
Silvi-pasture	**:**	Cultivation of crops for fodder in pasture lands.

6.10 REFERENCES AND SUGGESTED READINGS

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6.11 CHECK YOUR PROGRESS – POSSIBLE ANSWERS

Check Your Progress I

1) In order to mitigate the severe poverty in difficult and backward areas, the Government of India introduced Revamped Public Distribution System(RPDS) to ensure subsided and adequate supply of food-grains to the poor in the year 1992-93. There were 1778 blocks across 261 districts in the country, identified as difficult and backward areas for RPDS. Subsequently, to intensify the poverty alleviation programme and to enhance the employment opportunities in these blocks, on 2nd October, 1993, the Employment Assurance Scheme (EAS) was launched covering all the 1778 blocks under RPDS. These blocks were identified mainly in DPAP, DDP, Hill and Tribal areas.

Check Your Progress II

1) After the extension of the programme to all the rural blocks of the country, for the purpose of funding, the blocks were classified into A, B and C categories accor to their backwardness, difficult conditions and the size of population. The Central and state shares of each installment for the three respective categories of blocks were as follows:

   i) Rs. 40 Lakhs Central share and Rs. 10 Lakhs state share for the 'A' category blocks;

   ii) Rs. 30 Lakhs Central share and Rs. 7.50 Lakhs state share for the 'B' category blocks; and

   iii) Rs. 20 Lakhs Central share and Rs. 5 Lakhs state share for the 'C' category blocks.

Check Your Progress III

1) During the year 1999, the following changes were introduced in EAS in order to implement it more vigorously. The changes were as follows:

   i) Panchayati Raj Institutions at all the three levels have been included as Implementing Agencies.

   ii) Registration of wage-seekers could be done at Gram Panchayats and work sites.

   iii) The plans of projects would be prepared as per the suggestions of Gram Sabha and Panchayats as well as other sources like line-departments, people's representatives, etc.

   iv) To bring transparency in the implementation of the programme, all the states were advised to exhibit prominently the details of funds received, works sanctioned, estimated cost of works, quality of material used, number of workers engaged, etc. at the work site or the Gram Panchayat concerned.

   v) The implementing agencies were permitted to utilize the services of one person from among the beneficiary groups as an animator/leader/facilitator for the maintenance of muster rolls, payment of wages, monitoring the quality of works, etc. The accounts of the Gram Panchayats also were to be open for scrutiny by the Gram Sabha.

   vi) To avoid multiplicity of committees, it was decided to merge district and block level EAS committees with the existing vigilance and monitoring committees.

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Rural Development Programmes

Poverty Alleviation Programmes – A Retrospect

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