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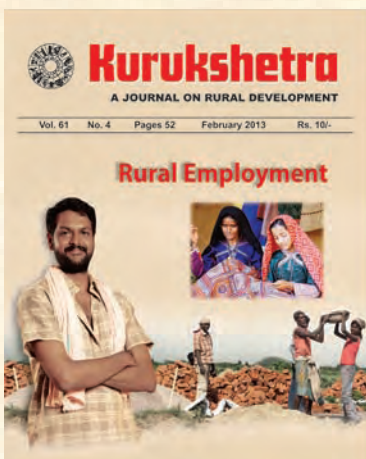
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# INSIDE

**H**igher unemployment and low income in the rural areas results in low purchasing power of the rural people, ultimately affecting their quality of life. The government has launched several schemes to generate employment, especially in the rural areas. According to the data of the National Sample Survey (NSS), Unemployment which was 7.2 per cent in the year 2000, increased to 8.1 per cent in 2010 in comparison to urban unemployment rate which increased from 7.7 to 7.9 per cent during the same period.


The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) launched in 2005 has yielded the best results and is now the largest employment generation scheme in the world. The government is committed to address the issue of employment generation in rural areas, which has been the main thrust behind the promulgation of the scheme.

Social analysts say, ways to improve existing rural jobs and to create additional jobs for more than 100 million need to be found. Employment generation in rural India has emerged a crucial socio-economic issue in India and is a political priority.

In this issue we discuss the potential for creating new jobs in rural areas and how the existing schemes of the government are working on the ground.

Millions of people migrate from rural areas to urban areas in search of jobs. Several rural women migrating from rural areas end up doing domestic jobs and they work in poor conditions. The plight of these domestic workers in India is heart-rending. The number of domestic servants from rural areas is unclear. While the official figure is around 5 million, other studies put the figure at 80 million.

In most of the developing countries, the percentage of unemployment is gradually increasing at a faster rate. In India, about 7 crore people are without employment as per the National Sample Survey Report published in 2012. The Census 2011 (India) estimates that 83 million people continue to live below the poverty line in rural India. The total number of villages in India has increased from 6,38,588 (Census 2001) to 6,40,867 (2011) an increase of 2279 villages.

Finding alternative centers of employment generation in agriculture, and industry needs to be found to feed the hungry in this country. Agriculture is the lifeline of the rural India and there is need to make it more viable and profitable. 



# GOVERNMENT INITIATIVES IN RURAL EMPLOYMENT

Arpita Sharma

*In the past, a number of schemes have provided temporary employment on public works programmes at the government's discretion, but the present-day scenario brings with it legislation and rights-based approach for implementing pro-people development policies in the country.*

Rural employment is inextricably bound with the challenge of meeting the first Millennium Development Goal of reducing by half the proportion of people living on less than a dollar a day. Ways to improve existing rural jobs and to create additional jobs for more than 100 million new workers expected in the decade leading up to 2015, need to be found. Employment generation in rural India has emerged as the most crucial socio-economic issues in India in recent years.

The government had initiated a number of rural development policies, including rural employment generation schemes since the 80's. Different innovative schemes and programmes have been initiated time and again in different five year plans. Some have helped achieve goals, be it short or long-term, whereas others have faced technical and implementation snags. In the past, a number

of schemes have provided temporary employment in public works programmes at the government's discretion, but the present-day scenario brings with it legislation and rights-based approach for implementing pro-people development policies in the country.

The Mahatama Gandhi National Rural Employment Guarantee Scheme (MGNREGS) launched in 2005 has yielded the best results and is now the largest employment generation scheme in the world. The government is committed to address the issue of employment generation in rural areas, which has been the main thrust behind the promulgation of the MGNREGS. This article aims is to discuss the success of employment generation government schemes and scope of employment generation in the organized and unorganized sector.



**Government Approaches towards Rural Employment generation:** In the context of planning in India, the issue of employment has always assumed critical significance as employment generation in rural India has been a recurring theme in India's development plans and a constant pre-occupation with policy makers. Addressing social exclusion, especially providing employment opportunities to disadvantaged groups living in the interior rural parts of the country, has been the major motivating factor for the large-scale employment generation programs and government sponsored vocational training schemes. Economic policies were re-designed for which the mandate was spelt out the Five Year Plans.

It was during the Fifth Five Year Plan that removal of unemployment and poverty alleviation was recognized as one of the principal objectives of economic planning in the country. The seventies, eighties and the nineties saw emergence of special schemes in the rural development sector such as Integrated Rural Development Program (IRDP), National Rural Employment Program (NREP), Rural Landless Employment Guarantee Program (RLEGP), Jawhar Rozgar Yojana (JRY) etc. to tackle the problem of rural unemployment and poverty through expanding livelihood opportunities and creation of durable assets in rural areas. As a result, the seventies and eighties witnessed steady increase in employment generation, though the rate of growth of rural employment continued to somewhat lag behind that of the growth of the labour force all along.

During the Tenth Five-year plan the employment strategies mainly focused on the labour-intensive sectors of the economy. Labour policy, including skill development and social security, remains concentrated in the organized sector which constitutes only a small portion of the total labour force. So further efforts were needed to promote vocational training schemes, entrepreneurial activity, occupational safety and health and social security of workers. The employment generation strategy followed by the Eleventh Five Year Plan has also envisaged reduction. Some government schemes related to rural employment include:

**[1] National Rural Employment Programme (NREP) [1980]:** launched to use unemployed and underemployed workers to build community assets.

**[2] Rural Landless Employment Guarantee (RLEG) [1983]:** launched to provide 100 days of guaranteed employment to one member from each rural, landless household.

**[3] Jawahar Rozgar Yojana (JRY) [1989]:** The programme aims to alleviate poverty through creating supplementary employment opportunities for rural poor during agricultural recess period. Another objective of the scheme was to create social assets such as roads, schools and other infrastructure development. By merging the NREP and RLEP, the Jawahar Rozgar Yojana (JRY) was launched in 1989. For the first time funds for implementation of the programme were directly disbursed to the village institutions. After few years of its initiation - political indifference the irregular fund flow created problems in implementation on the ground grassroot level resulting in a limited impact on rural employment generation.

**[4] Employment Assurance Scheme (EAS) [1993]:** launched to provide employment during the lean agricultural season. The primary objective of the EAS is creation of additional wage employment opportunities during the period of acute shortage of wage employment through manual work for the rural poor living below the poverty line. The EAS also aims at creation of durable community, social and economic assets for sustained employment and development. But in the year 1993, when Employment Assurance Scheme (EAS) was introduced, the centralised fund-disbursement trend was followed, ignoring the essence of bottom-up approach in planning and implementation of rural employment program; as a result EAS showed its limitation on expansion of rural livelihood opportunities. In 2002, JRY and EAS were merged into Sampoorna Grameen Rozgar Yojana (SGRY).

**[5] Jawahar Gram Samridhi Yojana (JGSY) [1999]:** The primary objective of JGSY is to create demand driven community village infrastructure including durable assets at village level and skills to enable the rural poor to increase the opportunities for sustained employment. It also aims to generate supplementary employment for the unemployed poor in the rural areas.

**[6] Swarna Jayanti Gram Swarozgar Yojna [1999]:** Swarnajayanti Gram Swarozgar Yojana was launched

during the year 1999-2000. This Yojana is a holistic package covering all aspects of self employment such as organization of poor into self help groups, training, credit, technology, infrastructure and marketing. The beneficiaries under this scheme are called as “Swarozgaries”. This scheme is a credit-cum-subsidy programme. Subsidy under SGSY is uniform at 30 percent of the project cost subject to a maximum limit of Rs. 7,500/-. In respect of SCs/STs and disabled persons, subsidy has been fixed 50 percent or maximum ceiling of Rs.10,000/- respectively. For groups of Swarozgaries (SHGs), the subsidy is 50 per cent of the project cost, subject to per capita subsidy of Rs.10, 000 or Rs. 1.25 lakh whichever is less. SGSY will particularly focus on the vulnerable groups among the rural poor. This scheme is being implemented by Central and State Governments on 75:25 cost sharing basis.

**[7] Sampoorna Gramin Rozgar Yojana (SGRY) [2001]:** launched, merging EAS and JGSY. The programme aims at providing wage employment. Preference is given to agricultural wage earners, non-agricultural unskilled wage earners, marginal farmers, women, members of Scheduled Castes/ Scheduled Tribes, parents of child labour withdrawn from hazardous occupations, parents of handicapped children or adults with handicapped parents. The programme is implemented through the Panchayati Raj Institutions (PRI s).

**[8] National Food for Work Programme (NFWP) [2004]:** After two years, in 2004, the National Food for Work Programme (NFWP) was launched with an exclusive focus on the 150 identified backward districts. This programme was launched to generate additional supplementary wage employment and create assets. It also aimed to ensure a minimum level of employment and incomes to the poor, give the poor an opportunity to develop their collective strength, improve their economic position, reduce their vulnerability, discourage migration and provide access to health, education and welfare services in the villages.

**[9] National Rural Employment Guarantee Scheme (NREGS ) [2006]** launched to provide 100 days of guaranteed employment to one member from each rural household and create community assets.

**[10] Prime Minister- Rural Employment Generation Programmes [2008]:** The objective of the programme is to generate employment opportunities in rural as well as urban areas through setting up of new self-employment ventures/ projects/micro enterprises. The programme was launched on 15th August 2008 to empower the first generation entrepreneurs to set up micro enterprises. The Scheme is formulated by merging Prime Minister’s Rojgar Yojana (PMRY) and Rural Employment Generation Programme (REGP).

Eligibility conditions of Beneficiaries: [1] Individual above 18 years of age setting up new projects. [2] Institutions registered under Societies Registration Act, Specified institutions, Societies and Charitable Trusts. [3] Self Help Groups which have not availed benefits under any other Scheme [4] Only one person from one family eligible. The ‘family’ includes self and spouse. There is no ceiling on income. [5] The applicant should have passed at least VIII standard for setting up of project above 10 lakh in the manufacturing sector and above 5 lakh in the business / service sector [6] Only new projects for activities excluding the negative list of village industries notified are eligible for assistance under the Scheme. Existing units which have already availed subsidy under any other scheme are not eligible. **[10] MGNREGA [2009]:** Despite decades of planned development and poverty eradication programs at the national and state levels, poverty continues to persist in India. The National Rural Employment Guarantee Act (NREGA) has been a subject of lively debate. The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) aims at enhancing





the livelihood security of people in rural areas by guaranteeing hundred days of wage-employment in a financial year to a rural household who volunteer to do unskilled manual work. The National Rural Employment Guarantee Act was approved by the Indian Parliament in September 2005. This Act started functioning from 2nd Feb. 2006. Initially it was introduced in 200 districts of the country and later extended to another 130 districts in 2007-08. By 1st April 2008, it was further extended to 593 districts covering 4, 49, 40, 870 rural households. NREGA is renamed as 'Mahatma Gandhi National Rural Employment Guarantee Act' on 2-10-2009. The main aim of this Act is to enhance the purchasing power of rural people.

**[11] Rural Self Employment Training Institutes (RSETI's):** Rural Self Employment Training Institutes (RSETI's) are being established in all the districts (except Kinnaur & L & Spiti) of the State for imparting training to Rural BPL youth in collaboration with lead District Banks. The State Government will provide land, free of cost for these institutions to the concerned lead Banks. Land has been identified in the ten districts and has already been transferred in the name of Rural Development Department in 3 Districts viz Hamirpur, Kangra and Solan. The Cabinet has approved to lease out the land to the concerned banks in respect of these three districts viz Hamirpur, Kangra and Solan. The Deputy Commissioner, Hamirpur, Kangra and Solan have been requested to complete the lease deed with the concerned Lead Bank. The Districts Bilaspur, Chamba, Hamirpur, Shimla and Sirmour have started RSETI'S in rental buildings and the process of setting up of RSETIs in

other districts in rental building is in progress. 522 BPL youths have been trained in Hamirpur district under Mobile Repair, Beauty Parler and Soft Toys and 89 BPL youths have been trained in Shimla district under Beauty Parler, Diary and Photography upto the month of February, 2010.

**[12] Prime Minister's Shram Awards' Scheme [2012].** The objective of the Prime Minister's Shram Awards is to recognize the outstanding contributions made by workmen as defined in the Industrial Dispute Act, 1947 in organizations both in public and private sector and who have distinguished record of performance, devotion to duty of a high order, specific contribution in the field of productivity, proven innovative abilities, presence of mind and exceptional courage and also to the workmen who have made supreme sacrifice of laying down their lives in the conscientious discharge of their duties. The Awards will be presented to the workmen as defined in the Industrial Disputes Act, 1947 and employed in the Departmental Undertakings of the Central and State Governments, Central and State Public Sector Undertakings as also private sector and having minimum of 500 employees on roll and engaged in manufacturing and productive processes and whose performance is assessable. Workmen solely engaged in routine service duties would not be eligible.

**Employment in Informal Sectors:-** About 324 million workers constituting 80 per cent of the total workforce, 406 million, in the country were employed in the unorganized sector as per NSS Survey 2004-05. It plays a vital role in terms of providing employment opportunity to a large segment of the working force in the country and contributes to the national product significantly. The contribution of the unorganized sector to the net domestic product and its share in the total NDP at current prices has been over 60 per cent.

In the Indian context, informal employment could be defined to cover virtually the entire workforce engaged in agricultural production (those working in government farms or tea and coffee plantations are of course excluded), the workforce engaged in unincorporated enterprises carrying out non-agricultural production that are neither registered under Factories Act nor are required



to submit audited accounts under statute and the workforce with informal jobs in formal sector enterprises.

**[1] Casual wage labour:** A person casually engaged in others' farm or non-farm enterprises (both household and non-household) and getting in return wage according to the terms of the daily or periodic work contract is a casual wage labour.

**[2] Regular salaried/wage employee:** The category not only includes persons getting time wage but also persons receiving piece wage or salary and paid apprentices, both full time and part time. Identification of informal employment in formal and informal sector enterprises is not just important for measuring its size but is also required for proper measurement value added.

The schemes launched by the government from time to time have provided relief to the rural population. These programmes never guaranteed employment to every household in the village, but they were just allocation-based programmes. A

typical feature of these schemes is that none of the jobs are permanent in nature; they are all short term casual jobs, usually for a period of hundred days or more. Job opportunities created by these schemes and programs acted just as a supplement to the rural house income and in most of the circumstances they failed to ensure the basic amenities of life for a rural family in sustainable manner. Taking into consideration the limitation of earlier rural employment programs, in recent years the government has taken a historic move by enacting the MGNREGA, which is perhaps the largest employment generating program in the world ensuring a one-step-ahead move towards guaranteeing the right to work in a country with a population over a billion.

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# NEW ARENAS IN RURAL EMPLOYMENT

Dr. Harender Raj Gautam, Dr. M. L. Bhardwaj

*The growth rate of employment has declined from 69 to 55 per cent in agriculture. Consequently, the share of agriculture and allied sectors in the Gross Domestic Product (GDP) has been reduced to 14 per cent.*

In India, 69 per cent of our population lives in the rural areas and majority of people in rural areas depend on agriculture for their livelihood. But, according to the data of the National Sample Survey (NSS), the growth rate of employment has declined from 69 to 55 per cent in agriculture. Consequently, the share of agriculture and allied sectors in the Gross Domestic Product (GDP) has been reduced to 14 per cent.

Unemployment which was 7.2 per cent in the year 2000, increased to 8.1 per cent in 2010 in comparison to urban unemployment rate which increased from 7.7 to 7.9 per cent during the same period. The higher unemployment and low income per capita in the rural areas result in low purchasing

power of the rural people and it also affects the spending on important sectors like health and education. Overall, the youth in the rural areas feel disillusioned to continue with this profession. **As per the data of NSS, 40 per cent of people in the rural areas want to leave agriculture as a profession if they get better option of occupation.** (Put this in a box) This is certainly is not a good sign for food security of our country which is of paramount importance and backbone for our all development initiatives. The aspirations of the people are same in the rural and urban areas which result to migration from rural to urban areas in the hope of better living standards. In 2009-10, according to the NSS survey, average monthly per capita expenditure stood at Rs 1,053.64 in rural areas and Rs 1,984.46 in urban India,





there remained a huge gap between the incomes of the top and bottom segments of the population. It also found that food items accounted for the bulk of the expenditure, with the share of food in total household spending at 57 per cent and 44 per cent in rural and urban areas, respectively. Somehow, economic reforms have bypassed agriculture and rural development prospects. Thus, rural economy and agricultural sector has shown a very low rate of growth.

### Need to Make Farming More Profitable

Agriculture is the lifeline of the rural India and there is need to make it more viable and profitable. There is enormous scope for raising the productivity of Indian agriculture, doubling crop yields and farm incomes, and generating significant growth in demand for farm labour. Rising rural incomes consequent to higher productivity will unleash a multiplier effect in the form of increasing demand for farm and non-farm products and services, thereby stimulating rapid growth of employment opportunities in other sectors. Indian agriculture is constrained by weak linkages between agricultural training and extension, crop production, credit, processing, marketing, and insurance.

- Establishment of village-based Farm Schools to demonstrate and impart advanced technology to farmers on their own lands.
- Establishment of a network of sophisticated soil test laboratories capable of high volume precision analysis of 13 essential plant nutrients coupled with development of expert computer systems to interpret soil test results and recommend individualized packages of cultivation practices for each crop, location and soil profile.
- Establishment of Rural Information Centres to act as a medium for transmission of soil test data and recommended practices, access to current input and market prices, and other essential information for upgrading agriculture.
- Policy and legal measures to encourage contract farming arrangements between agri-business firms and self-help groups in order to increase small farmers' access to advanced technology, quality inputs, bank credit, processing, marketing and crop insurance.
- Measures to strengthen farm credit and insurance programmes, including creation of linkages between crop insurance, crop loans, and farm school training to encourage farmers who seek credit and crop insurance to adopt improved cultivation practices.
- Provision of livestock health cover, setting up of veterinary dispensaries and services including frozen semen banks and liquid nitrogen supply.
- Post-harvest management centres for sorting, grading, standardization, storage and packing. In addition, units for value addition and food processing should also be established in the rural areas.
- Establishment of cold storages and cool chain facilities for perishable agricultural produce.
- Establishment of hatcheries and production of fish finger-lings for aquaculture.
- Establishment of plant protection service centres which can provide services like diagnosis and consultancy for diseases and pests, availability of pesticides and spray equipments.

The Scheme of Agri-Clinic and Agri-Business Centres was launched in 2002 as a follow-up of Finance Minister's budget speech for 2001. The objective of the scheme is to provide fee-based extension and other services to the farming community and also to create self-employment opportunities for agriculture graduates. The agriculture graduates are provided training in agri-business development for two months in over 67 institutions in public/private sector located throughout the country and coordinated by National Institute of Agriculture Extension Management (MANAGE). These institutions also provide hand holding support to the trained graduates for a period of one year. The entire cost of training and hand holding is being borne by the Government of India. Trained graduates are expected to set up Agri-Clinic and Agri-Business Centres with the help of bank finance. The scheme is being implemented with the help of Small Farmers Agri-Business Consortium (SFAC), MANAGE and National Bank for Agriculture and Rural Development (NABARD). The training is open for graduates in agriculture and any subject

allied to agriculture like horticulture, sericulture, veterinary sciences, forestry, dairy, poultry farming, fisheries, etc. Now the facility has been extended to the youth with agriculture diploma of one year after 10+2 examination. MANAGE will publish advertisement for inviting applications for training in leading newspapers of national and regional importance. After the training, these graduates and diploma holders can start different agri-businesses and loan up to Rs. 20 lakh is provided by the NABARD and other nationalized banks out of which around 40 per cent is financial assistance.

### **Need to Strengthen Mahatma Gandhi National Rural Employment Guarantee Act**

The MGNREGA is perhaps the largest and most ambitious social security and public works programme in the world. This scheme has certainly a boon for the rural people in strengthening their economic conditions. Since its inception in 2006, around Rs 1,10,000 crore has gone directly as wage payment to rural households and 1200 crore person-days of employment has been generated. On an average, 5 crore households have been provided employment every year since 2008. The notified wage today varies from a minimum of Rs. 122 in Bihar, Jharkhand to Rs. 191 in Haryana. There is need to increase the days of employment from 100 days in a year to at least 150 days. In addition, more farming activities should be brought in its ambit to benefit the farmers. This will prove synergistic to agriculture growth also. Keeping in view the success of this programme, United Nations Development Programme (UNDP) has signed a memorandum with the Indian Government to support this programme during the Twelfth Five Year Plan (2012-2017).

### **Training Opportunities for Self-employment**

Opportunities of self employment are the best alternative to augment the existing agriculture income of the people in the rural areas. Central Government is taking various initiatives to create such opportunities. The Ministry of Rural Development has established Rural Self-Employment Training Institutes (RESTI) in all the rural districts of the country to create skilled manpower for making people able for such jobs. These institutes are supported, managed

and run by the public/private sector banks. These institutes are providing free, unique and intensive short-term residential training modules to the rural youth. So far, more than 190 RSETIs have been established in different The training programmes under RSETIs are entirely free of cost. On an average each RSETI offers around 30-40 skill development programmes on different areas in a year. All the programmes are of short duration ranging preferably from 1 to 6 weeks. States of the country with active participation of 35 public/private banks, and these institutes have trained more than 1.5 lakh rural youth on various trades. These training modules for the self employment are related to different fields. In agriculture and allied sectors, focus is on activities like Dairy, Poultry, Apiculture, Horticulture, Sericulture, Mushroom cultivation, floriculture, fisheries etc. In **Product Development Programmes, training is focused on** Dress designing for men and women, Rexine utility Articles, Agarbatti manufacturing, Football making, Bags, Bakery Products, Leaf Cup making, Recycled paper manufacturing etc. In **Process related Programmes, people are trained in** Two Wheeler repairs, Radio / TV repairs, Motor rewinding, electrical transformer repairs, irrigation pump-set repairs, tractor and power tiller repairs, cell phone repairs, Beautician Course, Photography & Videography, Screen Printing, Photo Lamination, Domestic Electrical appliances repair, Computer Hardware and DTP. In addition, training is also given in sectors like leather, construction, hospitality and any other sector depending on local requirements. One important feature is that the RSETI conducts only demand driven and need based training programme with an intention to provide self-employment to rural youth. Training programmes are decided by the local RESETI as per the local resource situation and potential demand for the products and services. Soft skill training shall be an integral part in all the training programmes.

Credit linkage of the trainees is one of the important aspects of RSETI training programme. After completion of the training programme, institute sends the list of the candidates to the bank branches and co-ordinate with them for extending financial assistance to the trainees for taking up entrepreneurial activities. The institute also involves successful ex-trainees with bank branches to make

credit available to the trainees. Technology is making huge strides in the recent years. Thus, it becomes a necessity for the entrepreneurs to hone their skills to match up with the latest cutting edge technologies. Realizing this importance, RSETIs conduct various skill upgradation programmes for undertaking micro-enterprise and to enable the existing entrepreneurs to compete in this ever-developing global market due to technological change. These programmes are budgeted for and conducted as refresher programmes for not more than week duration.

### Need to Strengthen Vocational Institutes in Rural Areas

Skill development has been the major focus of the Central Government to increase the employment opportunities among the youth and also to cater the demand of skilled labour force in the industry. But, there is need to create such facilities in rural areas to augment the income of the rural people. To give impetus for the skill development, Prime Minister's National Council on Skill Development was constituted in 2008 to pave the way for coordinated Action for Skill Development. National Skill Development Corporation was formed and its aim is to promote skill development by catalyzing

creation of large, quality, for-profit vocational institutions. The National Skill Development Council under the Chairmanship of the Prime Minister has formulated a major scheme for skill development in which 8 crore people will be trained in the next 5 years. In this ambitious scheme, youth will be skilled with short duration training courses of 6 weeks to 6 months. The Central Government is considering the establishment of a National Skill Development Authority so that skill development programmes all over the country can be implemented in a coordinated manner. A Nation-wide scheme of "Submission on Polytechnics" has also been launched. Under this scheme new polytechnics will be set up in every district which is not having the same with the Central funding and over 700 will be set up through Public Private Partnership (PPP) and Private funding. The existing Government Polytechnics will be incentivized to modernize in PPP Mode.

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# RURAL WAGE GUARANTEE IMPLEMENTATION CHALLENGES

Dr. K. K. Tripathy

*There is a positive and direct correlation between timely payment of wages and registration of labour demand. The lower than expected labour demand in various States under MGNREGA is due to inordinate delays in wage payments. Further, timely wage payments depend largely on apt and well-timed measurements of works.*

**T**O achieve growth with equity and social justice, the Government of India (GoI) has been implementing specific poverty removal programmes since the Fifth Five Year Plan (1974-79). This direct attack on poverty was spear-headed by a two-pronged strategy of wage and self-employment programmes. Poverty alleviation and employment-generation programmes have been re-structured and re-designed from time to time to make them more effective. GoI's most recent initiative under the wage employment programmes is the launch of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) on February 2, 2006.

## Wage Guarantee and Livelihoods

The main object of MGNREGA is to provide for the enhancement of livelihood security of the rural households by ensuring a legal right of at least 100

days of unskilled wage employment to willing adult members. As a safety net for the poor, this Act aims at creating a demand-driven village infrastructure, including durable assets, to increase the opportunities for sustained employment. Thus, MGNREGA supplements and broadens rural occupational choices besides regenerating natural resources.

MGNREGA was initially implemented in 200 districts. During the FY 2006-07 it was extended to 330 districts and to all the districts (615) during the FY 2007-08. The Act is now being implemented in 626 districts. Physical performance of the programme indicates that the wage employment generated per household is much below the minimum of 100 person-days. While at the national level, the average annual person-day employment generation during 2006-07 to 2008-09 ranged between 42 (2007-08) and 48 (2008-09) person-days, during 2009-10 to 2011-12, the average employment ranged between 54



(2009-10) and 43 (2011-12) person-days. State-wise employment generated data indicates that during 2009-10 there were 16 States which experienced employment generation below the national average of 54 person-days. During 2010-11 and 2011-12, there were 14 and 12 States which witnessed employment generation lower than the national average of 47 and 43 person-days, respectively.

The MGNREG Act 2005 vested the responsibility of the implementation of the programme with the States. Although MGNREGA focuses on planning for productive absorption of under-employment and surplus labour force in rural areas by providing up to 100 days of direct supplementary wage employment to the rural households, the decline in person-day employment generation has become a matter of concern, discussion and debate. A brief review of select statistics on the progress of MGNREGA since 2008-09 is in Table 1.

It is against this backdrop that this paper attempts to analyze some of the important implementation issues and challenges under MGNREGA. Let us discuss some of the important issues and challenges which require immediate attention to achieve the intended objectives of MGNREGA.

## Demand Registration

Demand for works under MGNREGA are generally accepted by Gram Rozgar Sewaks (GRS) functioning at the GP / Village level on the basis of applications received from the Registered Households. The

process of demand registration is a bit cumbersome for the illiterate and unskilled MGNREGA workers. Often inadequate staff strength at the village/GP level limits the demand registration process and restricts labour demand. While improvement of grass-root level implementation staff is the need of the hour, the States should take help of Interactive Voice Response (IVR) technology not only for registering work demand but also for receipt, examination and redressal of grievances related to registration of demand under MGNREGA.

## Timely Payment of Wages

There is a positive and direct correlation between timely payment of wages and registration of labour demand. The lower than expected labour demand in various States under MGNREGA is due to inordinate delays in wage payments. Further, timely wage payments depend largely on apt and well-timed measurements of works. The States should adhere to a fixed (14 or 15 day) schedule for payment of wages, appointment of business correspondents where the banking outreach is either negligible or absent and rolling out of e-based innovative systems viz. (a) Electronic Muster Management System (e-MMS) (b) Electronic Fund management System (e-FMS). While e-MMS will ensure complete transparency in the implementation of MGNREGA by capturing real time transactions from the worksite and uploading these to the Ministry's Website on a day to day basis, e-FMS will bring in a real time transaction based e-Governance solution by addressing the problem of

**Table 1: MGNREGA Progress: Select Statistics [2008-09 to 2012-13]**

SN	Indicator	2008-09	2009-10	2010-12	2011-12	2012-13*
1	2	3	4	5	6	7
1	Average Person-days per Household (Numbers)	48	54	47	43	34
2	HH demanded employment (no. in lakh)	455.2	528.6	557.6	503.8	411.9
3	Households completed 100 days (no. in lakhs)	65.2	70.83	55.6	38.9	12.6
4	Household availed 100 days employment to demanded (%)	14.3	13.4	9.9	7.7	3.0
5	Women participation rate (%)	48	48	48	48	53
6	Works taken up (lakh nos.)	27.75	46.17	50.99	82.51	70.50
7	Work Completion Rate (%)	43.7	48.9	50.8	22.5	14.5
8	Expenditure (Rs. Crore)	27,250	37,905	39,377	38,034	25,074

\* as on 31.12.2012

Source: Ministry of Rural Development, Government of India

delays in payment of wages and real time capturing of the MGNREGA transactions (e-Muster Rolls and e-Measurement).

## Staff Strength and Capacity Issues

MGNREGA, due to its country-wide outreach and manifold legal and procedural requirements, calls for a mission mode approach in its implementation. The implementing States need to constitute State level MGNREGA Missions supported by a dedicated State level management team. The State Mission should extend support services to the nodal department on technical and administrative issues and guide the districts and *panchayat* institutions in the effective implementation of the programme. The Mission should also have adequate operational flexibility and a facilitative Human Resource (HR) policy to recruit and retain a team of committed experts. Professional team at the state level should consist of specialists in important thematic areas viz. grass-root planning, rights and entitlements, works and their execution, timely wage payment, management of records (technical, administrative and financial), information communication technology (ICT), training and capacity building, information education and communication (IEC), management information system (MIS) and monitoring and evaluation (M&E), social audit and grievance redressal. On similar lines, district and sub-district agencies should plan for constituting a separate expert cell to implement MGNREGA in a mission mode.

## Planning Public Works

MGNREGA envisages fixing priorities of activities while providing a basic employment guarantee in rural areas. It is mandatory under MGNREGA to formulate action plans and perspective plans prior to implementation. As per Schedule-I of MGNREGA, the focus of the Act should be on activities related to water conservation, water harvesting, flood and drought proofing, irrigation, land development and rural road connectivity. During field visits, it is often experienced that farm ponds were being dug under MGNREGA in several places without having a detailed plan of action. Beneficiaries and the executing government officials seem to have no satisfactory answer on the usability of such ponds in dry seasons. Neither such ponds recharge the ground water aquifer, nor is adequate care taken to identify individual/community needs

for such type of intervention. It is, thus, imperative to have a rigorous cost-benefit analysis of any public works initiative.

To have a complete impact of the MGNREGA initiative, an active involvement of national and State level experts like engineers, architects and planners is a must in identifying land masses needing proper management, arriving at topographic specificities, effective flood/drought proofing methods and disaster management measures. Since there is an essential need for an integrated management of flood and drought forecasting services in India, providing an agency of experts in this field under the Act could ensure sustainability of activities and optimisation of the resource utilisation at the grass-root level.

The works taken up under MGNREGA should shift from taking up large ponds, canals, open wells, etc. to an integrated natural resource management mode. Planned and systematic development of land and careful use of rainwater, following watershed principles to sustainably enhance farm productivity and incomes of the poor, should become the central focus of MGNREGA. Works should be taken up on the basis of multi-year plans drawn at the level of natural village or hamlet through a participative process. Such plans should have a built-in provision for convergence of other schemes, such as Rastriya Krishi Vikas Yojana (RKVY)/ Rainfed Areas Development Programme (RADP), National Horticulture Mission (NHM) etc. to enhance productivity and income.

## Asset Quality

Ensuring quality assets through MGNREGA activities has really been a challenge for the implementing States. Though the programme is meant for unskilled labourers in the rural areas, yet, proper planning and technical appraisal of the activities would ensure quality and durable rural infrastructure. The States, thus, need to create a separate asset quality and monitoring cell to guide the project implementing partners to ensure productivity and sustainability of assets created under MGNREGA. State Quality Monitors should be appointed to check the quality of MGNREGA assets and suggest work-wise improvements. Assessment/inspection reports on quality of assets and their utility should be uploaded onto the website so as to disseminate the findings/ recommendations of the quality monitors.



## Convergence Effort

Land and watershed development, water conservation, flood and drought proofing and newly notified agri-related activities promise to contribute greatly to the economic and ecological development of rural areas, particularly in drought-prone and dry land areas. However, before the extension of MGNREGA to the hitherto untreated regions, efforts should be made to determine the priorities of permissible activities designed for creating durable community assets. Thus, the objective of asset creation should take into account local needs and priorities. Further, construction of assets like irrigation, flood protection, water conservation etc., should tap the funds budgeted by sectoral departments of the States concerned. Though the GoI has initiated its effort in converging MGNREGA with other ongoing programmes of Ministry of Rural Development, Ministry of Agriculture, Ministry of Water Resources, Ministry of Environment and Forests, Department of Land resources, there is an emerging need to design and implement policy directives on convergence at the district/block/village level with the all-round co-operation of the district/Block level sectoral line departments.

## People's Participation

MGNREGA envisages an active participation of the three-tier self-government. The implementing mechanism under MGNREGA advocates free participation to democratically discuss local issues and problems, identify the ways and means for their resolution and demand such facilities which could improve the quality of life of the village community at large. This objective will be achieved only when the Panchayat functionaries in consultation with the local people, review the existing infrastructure and the need for their expansion under the Act for making the MGNREGA activities demand-driven. Preparation of action plan/ perspective plan under the Act requires energetic involvement of the various levels of self-governments.

## Social Audit:

As per the notified Mahatma Gandhi NREG Audit of Schemes Rules, 2011, each Gram Panchayat has to conduct at least one social audit every six months. To facilitate the Social Audit process, each State needs to set up an independent Organisation, preferably, an

Autonomous Society to spearhead the Social Audit process of MGNREGS in the State.

## Proactive disclosure of information:

To facilitate Social Audit and to enhance transparency, all information about MGNREG scheme including the families benefitted, estimate of works, payments made, etc. should be displayed in all hamlets of GPs by way of wall-paintings and notice boards. A detailed Report on MGNREG schemes giving details of employment provided, households benefitted, wages paid, works undertaken, etc. may be prepared and placed in the Gram Sabha by the GP in the first month of every financial year. This kind of proactive disclosure of information to the people will increase transparency and accountability in MGNREGA implementation.

## Concluding Remarks

The concepts of the Act are novel and innovative though the Act continues to suffer from age-old operational and functional rigidities, like its predecessors. The performance of the MGNREGA has been severely skewed across States. The average person-days employment per household has not improved between 2008-09 and 2011-12. While the problem of delay in the payment of wages to the MGNREGA workers under the Act needs to be urgently addressed, the demand registration processes under the programme at the GP/village level need a complete overhaul to capture latent labour demand in the rural areas.

MGNREGA assures generation of employment opportunity in the rural areas by absorbing casual labourers in the rural labour market. Resolution of important programmatic and institutional issues viz. quality of assets created under MGNREGA, social audit, planning and staffing are the need of the hour. Further, proactive disclosure of programme information and dissemination of core provisions of the Act through print, electronic media and innovative street plays would help not only in ensuring transparency in implementation but also in generating awareness and building capabilities among the rural employable poor households.

*(The author belongs to the Indian Economic Service and his views are personal. E-mail: tripathy123@rediffmail.com)*

# PLIGHT OF WOMEN DOMESTIC WORKERS IN INDIA

Dr. Anupriyo Mallick

*Some observers believe even this higher limit is an underestimate. if true, this would indicate that up to ten per cent of the female population over the age of 12 are employed in domestic service. There has never been a systematic count, although it is the second largest employer of women after agricultural labour.*

**I**n the emerging global economic order, characterized by global cities, new forms of division of labour and change in demographic composition, paid domestic work, mainly supplied by the poorer families, in particular women, tends to substitute unpaid production activities and services within a family such as cooking, cleaning utensils, washing clothes, caring children and old aged and so on. This makes domestic work as a pivotal occupation in determining the linkage between family and the dynamics of open economy. Across the globe, although this linkage is quite vivid, reflected in ever expanding demand from families for domestic worker's service, provision of entitlements to this occupational category varies across countries.

**The plight of domestic workers in India is heart-rending. They are an important category that tends to be de jure or de facto unprotected** No one knows how many women work in domestic service in India. Official figures suggest 5 million. One study assesses the number at 40 million and the International Labour Office reckons it is somewhere between 20 and 80 million. Some observers believe even this higher limit is an underestimate. if true, this would indicate that up to ten per cent of the female population over the age of 12 are employed in domestic service. There has never been a systematic count, although it is the second largest employer of women after agricultural labour. Invisible, unregulated, poorly paid, even a definition of domestic servant proves elusive and contradictory. Most of this subjugated workforce, of an estimated 90 million domestic workers in the country, comes from impoverished regions in states like Jharkhand, West Bengal and Chhattisgarh. It's no surprise that a substantial number of them are trafficked into big cities to spruce up urban homes, smoothen out the harried lives of city-dwellers.

West Bengal alone reported as many as 8,000 missing girls in 2010 and 2011. Hapless girls from the tribal regions are especially in demand. They are simple and innocent and, crucially, without a support structure. So abuse is rarely reported. Often the parents have no idea where the girls have been taken by agencies and, being illiterate, they are open to all sorts of exploitation. A survey in Mumbai two years back found nearly 60,000 girls between 5-14 employed as domestic workers. Now there's a common rationalisation, more so among this very same middle class, that at least these kids are being fed and clothed, that they are lucky to not find themselves in a brothel. But that's no guarantee



that they won't end up being sexually abused by their employers. 1.26 mn children work as domestic helps, 86% are girls and 25% of them under 14—the minimum age prescribed in anti-child labour laws.

## Maidservant Is an Unhappy Word

The term 'maidservant' – widely used in India – is an unhappy one: the word 'maid' implies a girl at puberty; and although an estimated twenty per cent of servants in India are children, the expression 'maid' infantilises those it describes. It implies both virginity and vulnerability; which, combined with her subordinate position, make her potential prey to males in the neighbourhood and in the households where she works. When the 'maidservant' lives with the family, in a small room, on a rooftop, sometimes on a mat in the kitchen, it is not uncommon for wives to connive at their husbands' relationships with her, since this contains marital straying in-house, as it were, and does not risk external scandals.

Those who benefit from domestic labour are liable to delusion. First of all, they tell themselves they are charitably 'giving' work to women who would otherwise be without an income. Many like to think of themselves as benefactors of those they employ, and pass on to them clothing and food from the family. Some pride themselves that they are 'friends' of the maidservant, taking an interest in her children, advising her how to deal with a husband who drinks, sometimes helping out with medical or educational costs. It is not unusual for a woman to say of her maid 'She is like a daughter to me'; it is rare to hear a maidservant describe her employer as a mother.

The philanthropic view of domestic service is misplaced. Employers, however generous – and many are – remain employers. Many maidservants have children of their own, but are summoned from their duty towards them by the superior money-power of those who can compel them to give priority to the minding of their children. When they depart each morning for their place of labour, women

often express anxiety about the children they must leave at home to fend for themselves, look after the house, mind younger siblings and take responsibility for household chores. Some women take their older girls to work with them, since they fear leaving them at home in slum settlements exposes them to the restless male desire which, a universal predator, stalks the community.

When she comes home after a day's work, in perhaps five or six houses, her own work – scarcely less onerous because she lives in a dirty or hazardous environment – is still waiting for her. It is debatable whether the financial reward women receive for domestic service outweighs the risk and damage to their own children through necessary neglect; a large number of children who do not attend school are the children of domestic workers. The prime reasons for their plight are lack of proper labour laws that govern them, indifferent attitude and want of an appropriate forum that can take up their causes.

**Most of this subjugated workforce, of an estimated 90 million domestic workers in the country, comes from impoverished regions in states like Jharkhand, West Bengal and Chhattisgarh.**

## Unpaid Work

In Indian context, the enormity of informal work is quite a discernible phenomenon; approximately 93 per cent of workforce is engaged in paid work in farming and non farming activities, for which they are not entitled to any of social security benefits. Moreover, these

workers tend to receive relatively lower wages than formal workers get. Going by patterns generated from employment data published by National Sample Survey Organization, Government of India, persons with more years of schooling (close to ten years), appear to have higher chances of getting formal work which makes them eligible for entitlements like social security, while persons with less years of schooling may end up in lower echelons of labour market, earning lower wages and that too without social security. Quite importantly, the dichotomy of formal-informal work coexists with glaring low labour force participation of women. Although across age groups, female work participation rate is much lower than male work participation rates, in some occupations female far exceeds male. For instance,



this is quite evident for the occupational category 'domestic work'. As it appears from data, domestic work seems to be a feminine occupation for which significant part of demand for labour comes from the urban sector. Domestic work seems to be the destiny of significantly huge number of women workers in India who seek employment opportunities in urban sector, often rendering an invisible workforce who are not paid well, and deprived of rights to ensure decency in work. Reflecting on indecent working and living condition of women domestic workers, National Commission for Enterprises in the Unorganized Sector (NCEUS, 2007, p. 86) views: "Working in the unregulated domain of a private home, mostly without the protection of national labour legislation, allows for female domestic workers to be maltreated by their employers with impunity. Women are often subjected to long working hours and excessively arduous tasks. They may be strictly confined to their places of work. The domestic workforce is excluded from labour laws that look after important employment-related issues such as conditions of work, wages, social security, provident funds, old age pensions, and maternity leave."

It is important to note that there were active initiatives to mobilize domestic workers in India, paving way for lobbying for rights such as minimum wage. In 1959, New Delhi based All India Domestic Workers Union (AIDWU) called for a one-day solidarity strike which received a thumping response from domestic workers. Interestingly, this initiative attracted legislators' attention; two bills – on minimum wages and the timely payment of wages, maximum working hours, weekly rest and annual leave periods, as well as the establishment of a servant's registry to be maintained by the local police, in deference to employers- were introduced. However, these bills were withdrawn later. Further, the development of organizing workers had a major setback when Supreme Court of India ruled that isolated workers cannot form organized labour, implying that occupational categories like domestic work is not entitled to the status of organized labour (ILO, 2010a). In fact, discrete outcomes of this nature punctured the organic growth in organizing domestic workers, one of the reasons why domestic work remains as an occupation not entitled to rights

such as minimum wage and social security. However, ongoing legislative initiatives such as Unorganized Sector Workers' Social Security Bill, which covers a broad range of security schemes for workers in the informal sector, including domestic workers, is a major break-through with a potential for desirable improvements in working and living condition of domestic workers. While pervasive deficits in working and living conditions remain scary, inducing voices of dissent against lack of volition from the state to assure decent work for domestic workers, India lags behind other nations in extending rights to domestic workers.

### Lack of Social Security

As shown in ILO (2010a), India is yet to provide core entitlements for decent work like maternity benefit. On the other hand, 26 nations, including developed and developing countries provide 12-14 weeks of maternity leave for domestic workers. Moreover, national minimum wage act 1948 excludes domestic workers from its purview. However, states, members of federal union, may fix minimum wage for domestic workers within their territory. Another important deficit is lack of social security to domestic workers in India while there have been noteworthy initiatives by other countries to provide different types of social security to domestic workers – occupational safety and health, workers' compensation for employment injuries, general health care, pension and unemployment insurance. In fact, for women engaged in domestic work, in particular in urban India, even generating subsistence level income entails a complex process of scheduling of activities since they tend to work with multiple employers, who prefer flexible forms of labour contracts like part time engagement of domestic workers. Unfortunately, these workers, incurring the risk of working in indecent conditions, are enmeshed in a system with excess supply of workers; they tend to offer services to relatively well-off households, who are likely to have much better availability of rights and entitlements.

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# PERFORMANCE OF SWARNJAYANTI GRAM SWAROZGAR YOJANA

Dr Gopal Kalkoti and Dr[Ms] Kavita Kalkoti

*The program is aimed at establishing micro enterprises in rural areas based on the ability of the poor and potential of each area.*

Since 1999 the Swarnjayanti Gram Swarozgar Yojana [SGSY] has been implemented as the largest program for the self-employment of the rural poor with a focused objective to bring the assisted BPL families [Swarozgaris] above the Poverty Line by providing them income-generating assets through provision of bank credit and Government subsidy. The program is aimed at establishing micro enterprises in rural areas based on the ability of the poor and potential of each area.

Since SGSY has already completed a decade this paper analyzes the performance of SGSY in all aspects during the decade in general and region-wise for 2009-10 in particular, identifies deficiencies in the working of SHGs and makes suggestions to build capacity of all stakeholders for better planning and implementation so as to achieve the enshrined objective under Government's restructured National Rural Livelihoods Mission, based on experiences of SGSY.

Key components of the SGSY included [i] mobilization of rural poor to enable them to organize into Self-Help-Groups [SHGs] [ii] participatory approach in selection of key economic activities [iii] project approach for each key economic activity [iv] development of activity clusters to ensure backward and forward linkages [v] strengthening SHGs through Revolving Fund Assistance [RFA] [vi] provision of credit linked subsidy to help beneficiaries acquire income generating assets [vii] training of beneficiaries in group dynamics and skill development for managing micro-enterprises [viii] marketing support with focus on market research, upgradation and diversification of products, packaging, creation of marketing facilities [ix] provision of infrastructure development fund to provide missing critical links [x] active role of NGOs in the formation of SHGs and their capacity building [xi] prioritizing vulnerable groups of women, SC/ST, minorities and disabled. The SGSY also earmarked





15% fund for Special Projects for piloting innovative schemes for livelihood generation and taking up placement-linked skill development projects for providing wage employment to rural BPL in Private Sector.

## Performance

Starting with forming 2,92,426 SHGs in 1999-00, number of SHGs formed during 1-4-1999 to 31-1-2010 reached to 36,78,746, which included 68.3 per cent women SHGs as against mandated 50 per cent. Number of SHGs passed Grade-I and II accounted for 65% and 30.5% respectively of total SHGs formed reflecting slow progress. Total number of Swarozgaris assisted with credit and subsidy, was 1,32,85,688 taking up economic activities that comprised average 10 members of each SHG, individual Swarozgaris and those covered under special projects. Proportion of women Swarozgaris [57.6%] was higher than mandated 40% whereas SCs, STs, minorities and disabled was less than mandated 50%, 50%, 15% and 3% respectively. Share of SHGs passed Grade-II [74.4%] in total SHGs taking up economic activities was low.

Fund utilization [74.9%] of available funds and 88.1% of allocated funds was low. Fund utilization for revolving fund assistance, infrastructure development, and marketing so critical to facilitate members of SHGs and individuals to take up viable economic activities and enhance credit absorption

capacity was poor as compared to targets and utilization of subsidy. Fund utilization for training was less than 5% in five years as against mandated 10%. Only in 2007-08 and 2008-09 it was more than 9%, which phenomenally shot up in 2009-10 resulting in overall utilization of 149.09%. This was attributed to organizing large number of training programs for trainers and training 21,11,960 SHGs and individuals, acknowledging the need for training field functionaries in the concept of promotion, nurturing and quality of working of SHGs, entrepreneurship development and marketing intelligence. Additional Rs.15 crore was earmarked in 2009-10..Extension Training Centers at the district level were specifically involved in the training of trainers and were continued.

## Credit

Total credit disbursed to SHGs and individuals between 1 April 1999 and 31 January 2010 amounted to Rs.2427.37 crore. Targets for credit disbursement in the initial three years were ambitious, which were reduced in following five years and then revised upwards. Accordingly, achievements as percentage to targets improved from 2003-04. However, overall achievement [60.4%] of target was poor. SHGs had a share of 60.2% in credit and 61.5% in subsidy disbursement. Total investment [credit & subsidy] assisting 1,32,85,688 Swarozgaris amounted to Rs.30,914.20 crore, of which credit component

**Table 1: Performance of SGSY during 1-4-1999 to 31-1-2010 [Rs.Crore]**

Project Components	1999-2010	Project Components	1999-2010	Project Components	1999-2010
Total SHGs formed	36,78,746	Under Special Projects	4,55,618[03.4]	Total funds available	20,137.83
Women SHGs	25,13,152[68.3]	Total Swarozgaris	1,32,85,688	Funds allocated	17,133.79
SHGs passed Gr-I	24,09,061	Women Swarozgaris	76,56,956[57.6]	Funds utilized	15,095.69
SHGs passed Gr-II	11,24,136	SC Swarozgaris	43,06,990[32.4]	Subsidy	65.88%
SHGs taking up Economic activities	8,36,216 [74.4]*	ST Swarozgaris	19,45,89[14.6]	Infrastructure Development fund	16.24%
No. of Swarozgaris		Minorities Swarozgaris	6,07,728[09.5]	Revolving fund.	10.31%
Members of SHGs	87,39,536[65.8]	Disabled Swarozgaris	1,96,725[01.48]	Training	149.09%
No. of Individuals	40,90,534[30.8]			Marketing & others	01.88%

*Figures in parentheses indicate % share in the total & with \* indicate % of SHGs passed Grade-*

accounted for 67.35%. Per Swarozgharis investment progressively improved from Rs.17,113 in 1999-00 to Rs.30,181 in 2009-10, assisting 9,33,868 and 11,64,898 Swarozgaris respectively, with average investment of Rs.23,269 per Swarozgharis.

## Special Projects

The SGSY provided for 15% of allocated funds for Special Projects objective of which was to bring specific number of BPL youths above the poverty line through placement linked skill development & innovative projects. An innovative intervention was initiated through demand based skill development training projects to enhance the employability of rural BPL youths leading to their placement. These projects emphasized identifying demand-driven skill sets in consultation with the industry and potential employers around the project area and imparting training to rural BPL youths leading to their placement on completion of training courses. Considering the potential of this strategy, the initiative had been up-scaled and 63 such projects had been sanctioned for up-scaling the initiative on a national level for covering about 7.53 lakh rural youths. Out of 1,09,000 of youths trained so far in these projects, more than 75,000 had found employment through successful placement at or above minimum wages bringing them above poverty line. Since inception of the SGSY upto 31 January 2010 as many as 308 Special Projects involving total investment of Rs.276133.63 lakh had been approved.

## Region-wise Performance

During 2009-10, region-wise performance under SGSY was assessed for 10 months ended 31 January 2010 for which data are available. By and large performance analysis up to 31 January 2010 during the financial year 2009-10 provides better understanding [i] since it excludes fag end rush to achieve targets and utilize allocated funds [ii] Implementing agencies having experience of not less than a decade are expected to show reasonably good progress through better learning, planning and coordination. Number of SHGs [1,17,144] formed in Southern region during 10 months in 2009-10 was little higher than annual average [1,13,680] of two months less in 11 years,

whereas in all other regions the number was low and significantly less [26%] in Northern region. Share of women SHGs was significantly higher [77.2%] in 2009-10 than average [68.32%] during 1999-2010. During 2009-10 it was significantly higher in Southern, Western & Easter regions as compared with other regions, though more than 50% as mandated except in Central region. Training was accorded top priority during 2009-10 in all regions by utilizing 1577.99% of allocated funds to train 21,11,960 SHGs & individuals. Further, training focused on SHGs [93.5%]. Share of SHGs passed Grade-II in the total SHGs formed during 2009-10 in all regions was quite low with overall average of 29.5%. Total number of SHGs including those passed Grade-II provided with economic activities during the year was significantly higher in Easter region & moderately higher in other regions but significantly less in Northern region. However, proportion of SHGs passed Grade-II in total SHGs provided with economic activities in Eastern region was 63.7% reflecting poor performance.

## Major Banking institutions

Among three major banking institutions, commercial banks accounted for 59.5% credit disbursements in the total followed by RRBs [32.1%] whereas cooperative banks had marginal share of 7.9%. Among six regions commercial banks had the highest share of 73.5% in Western region and the lowest [53.4%] in North-East region. RRBs accounted for between 40.8% in Central region and 13.2% in Western region, whereas cooperative banks' share was 15.6% in Northern region and 1.6% in Eastern region.

## Loan Proposals

During 2009-10, banks received 5,01,901 loan proposals of which 56.0% were approved, 42.8% were pending and 2.2% were rejected. The Southern region had 77.4% loan proposals approved followed by Central [66.9%] and North-East [61.6%] region. North-East region had insignificant rejection percentage [0.1%] as against North region [9.1%]. Pending proposals ranged between 22.2% in Southern region and 52.7% in Western region. The significant proportion of loan proposals pending with banks for decision in all regions and that of rejections in Northern and Western region reflects,

among others, poor quality of preparation of loan proposals, lag end rush, ineffective coordination and lack of bank's commitment.

## Swarozgaris Assisted

Central region assisted 3,27,768 [28.1%] Swarozgaris, followed by Southern [23.3%] and eastern region [22.8%] as against 5.1% assisted in Northern region. Among Swarozgaris, members of SHGs received focused attention accounting for 82.2%. North-East [94.7%] and Eastern region [92.1%] performed significantly better than others. Share of women, SCs, STs, minorities and disabled in the total varied considerably among regions. Southern region assisted the highest proportion of women, SCs and disabled Swarozgaris whereas North-East region assisted STs and minorities the most. All regions assisted women Swarozgaris more than mandated requirement of 40%, whereas none of the regions assisted SCs, STs, minority-communities and disabled Swarozgaris [except Southern region assisting SCs Swarozgaris] as mandated. While proportion of Swarozgaris belonging to SCs, STs, minorities and disabled would largely depend upon their population in each block/district, there are three, five, five and three States respectively having assisted more than mandated proportion of Swarozgaris of these four categories and there were three States having assisted women Swarozgaris less than mandated.

## Sector-wise

Of the total SHGs and individual Swarozgaris assisted, Primary Sector covered 63.35% ranging from 76.86% in Western region to 51.98% in Southern region, followed by Secondary Sector [20.24%] between 32.24% in North-East and 8.54% in Western region and Tertiary Sector [16.41%] between 19.70% in Eastern region and 3.98% in North-East region. The Southern region had relatively balanced coverage of three sectors. Within primary sector, milch animals had significant concentration in four regions as compared to Southern and Eastern regions. Same was the pattern for disbursement of credit & subsidy. Institutional infrastructure available at district and State level since long has not attempted to exploit the potential of rural industries, village craftsmen, business and services existing in most villages. Intensive pressure on agriculture could not yield expected objectives under SGSY.

## Fund Utilization

Total expenditure incurred during 2009-10 was 66.1% of the total allocated funds showing poor utilization of funds in all regions except North-East [117.9%]. Eastern and Southern regions utilized higher proportion of Revolving Funds than other regions. Only Eastern region utilized infrastructure

**Table 2 : Region-wise Members of SHGs & Number of Swarozgaris Assisted During 2009-10**

Region	Members of SHGs & Individuals covered under				Numbers of Disadvantaged Groups				
	SHGs	Individuals	Spl.Projects	Total	SC	ST	Minorities	Women	Disabled
Southern	220787 [81.4]	16948 [06.3]	33417 [12.3]	271152 [100]	143395 [52.9]	28237 [10.4]	24882 [09.2]	248007 [91.5]	11827 [04.4]
Northern	44248 [74.4]	10885 [18.3]	4335 [07.3]	59468 [100]	26349 [44.3]	8991 [15.1]	3832 [06.4]	39245 [66.0]	595 [01.0]
Western	86247 [72.2]	22125 [18.5]	11058 [09.3]	119430 [100]	24617 [20.6]	25041 [21.0]	11014 [09.2]	89377 [74.8]	2520 [02.1]
Central	246884 [75.3]	71819 [21.9]	9065 [02.8]	327768 [100]	127728 [39.0]	29847 [09.1]	33811 [10.3]	136413 [41.6]	4590 [01.4]
Eastern	244253 [92.1]	16135 [06.1]	4848 [01.8]	265236 [100]	76334 [28.8]	51168 [19.3]	26704 [10.1]	200768 [75.7]	2426 [00.9]
North-East	115350 [94.7]	5573 [04.6]	921 [00.7]	121844 [100]	11551 [09.5]	34685 [28.5]	29471 [24.2]	70908 [58.2]	1055 [00.9]
Total	957769 [82.2]	143485 [12.3]	63644 [05.5]	1164898 [100]	409974 [35.2]	177969 [15.3]	129714 [11.1]	784718 [67.4]	23013 [02.0]

Figures in parentheses indicate % share in the total.



development funds [19.4%] little less than mandated 20%, followed by Northern region [18.8%]. Only North-East, Southern and Eastern regions could utilize training funds more than mandated 10%. All regions utilized insignificant amount for marketing and other purposes.

## Deficiencies

Major deficiencies observed, among others, were [i] weaknesses in the planning and implementation process, formation, nurturing and working of SHGs [ii] subsidy acted as a tempting factor rather than enabling one to acquire income generating assets through bank credit resulting in unsatisfactory loan repayment as compared to SHG-Bank-Linkage Program [iii] estimated income was not generated because of lack of effective coordination and systematic monitoring of SGSY implementation [iv] heavy concentration on agriculture and that too

milch animals [v] inadequate use of funds earmarked for capacity building and skill development training, infrastructure development and marketing support. Deficiencies were observed in varying degrees in all States but were more pronounced in States of North-East region, Uttar Pradesh, Uttarakhand, Himachal Pradesh, Rajasthan, Madhya Pradesh, Chhatisgarh, Bihar, Jharkhand, Orissa and West Bengal in particular.,

## Integrated Rural Development Program

On 2 October 1978 Government had launched Integrated Rural Development Program aimed at alleviating rural poverty by providing self-employment opportunities to the rural poor through capital subsidy and bank credit to help them acquire productive assets to cross the poverty line on a sustainable basis. The District Rural Development Agencies were specifically

**Table 3 Region & Sector-wise % Share of No. of SHGs & Individual Swarozgaris provided with Credit & Subsidy [2009-10]**

Sector	Southern	Northern	Western	Central	Eastern	North-East	Total
Irrigation	03.67 [03.96]	02.16 [02.49]	04.65 [07.90]	07.12 [09.33]	06.42 [07.50]	07.66 [05.56]	05.66 [07.03]
Milch cattle	35.52 [33.74]	66.27 [65.43]	63.74 [54.10]	55.67 [54.53]	35.42 [34.94]	41.17 [42.36]	46.88 [46.27]
Others	12.87 [10.48]	05.11 [05.77]	08.48 [07.79]	06.78 [06.28]	15.24 [12.56]	16.34 [11.44]	10.80 [08.83]
<b>Primary Sector</b>	<b>51.98 [48.18]</b>	<b>73.55 [73.69]</b>	<b>76.86 [69.79]</b>	<b>69.57 [70.14]</b>	<b>57.08 [55.01]</b>	<b>65.17 [59.35]</b>	<b>63.35 [62.14]</b>
Village Ind.	08.96 [08.59]	02.31 [02.11]	03.82 [03.49]	07.06 [07.70]	13.72 [12.49]	04.53 [05.14]	08.23 [07.88]
Handicrafts	02.86 [03.42]	05.05 [03.76]	01.47 [01.04]	02.01 [01.78]	02.47 [02.44]	01.96 [03.33]	02.40 [02.39]
Handlooms	04.85 [04.58]	02.07 [01.80]	00.15 [00.11]	00.79 [00.69]	01.35 [01.39]	16.32 [17.30]	02.85 [02.78]
Others	12.37 [14.64]	00.95 [07.00]	03.10 [02.39]	04.10 [03.70]	05.68 [04.22]	08.26 [07.25]	06.76 [06.39]
<b>Secondary Sector</b>	<b>29.04 [31.23]</b>	<b>17.38 [14.67]</b>	<b>08.54 [07.04]</b>	<b>13.97 [14.10]</b>	<b>23.22 [20.54]</b>	<b>32.24 [33.02]</b>	<b>20.24 [19.44]</b>
<b>Tertiary Sector</b>	<b>16.35 [20.59]</b>	<b>09.07 [11.64]</b>	<b>14.59 [23.17]</b>	<b>16.46 [15.75]</b>	<b>19.70 [24.44]</b>	<b>03.98 [07.61]</b>	<b>16.41 [18.42]</b>
Grand total	100 [100]	100 [100]	100 [100]	100 [100]	100 [100]	100 [100]	100 [100]
Number*	236696	47888	109384	318151	218231	62586	992936
Credit+Subsidy	68642.48	24209.89	32223.54	127972.70	67135.94	32320.22	352484.77

Figures in parentheses indicate % share of credit & subsidy in total

established for implementing IRDP. Between 1980-81 and November 1999, about 535.22 lakh beneficiaries [including 44.7% SC/ST & 25.4% women] were provided Rs.11796.01 crore capital subsidy and Rs.21336.63 crore bank credit. However, implementation of IRDP till November 1999 and SGSY since April 1999 could not alleviate rural poverty as expected, as according to NSS round [2004-05], 41.8% rural population had monthly per capita expenditure of Rs.447, which some economists considered *Below Starvation Line* instead BPL. Besides, according to Multidimensional Poverty Index [MPI] worked out by UNDP & Oxford University, July 2010, about 645 million people [55%] in India are poor. As against 410 million MPI poor in 26 of the poorest African countries, eight Indian States [Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Orissa, Rajasthan, Uttar Pradesh and West Bengal] have 421 million MPI poor. The MPI reveals a vivid spectrum of challenges facing the poorest households. MPI considers 10 sharp indicators, namely Education [child enrolment and years of schooling]; Health [child mortality and nutrition] and Standard of living [electricity, drinking water, sanitation, cooking fuel, flooring and assets]. A global report on poverty eradication of the U.N. Secretary-General [2010] shows that economic growth is evident for the progress in China in reducing extreme poverty and raising living standards, whereas India is expected to be home to more than 300 million in poverty out of 900 million predicted to be in extreme poverty in 2015.

## National Rural Livelihood Mission

Government has acknowledged the enormity of the magnitude of the unfinished task. Out of the estimated 70 million rural BPL households [2010 projections of BPL households], as high as 45 million [64.3%] households still need to be organized into SHGs and even the existing SHGs need further strengthening and greater financial and technical support. Against this background, the SGSY is approved for restructuring as the National Rural Livelihood Mission [NRLM] and is proposed to be implemented in a mission mode across the country. The NRLM Mission Statement aims ‘*To reduce poverty by enabling the poor households to access gainful self-employment and skilled wage employment opportunities, resulting in appreciable improvement in their livelihoods on a sustainable*

*basis, through building strong grassroots institutions of the poor*’. Mandate of the NRLM is to reach out to all the poor families, link them to sustainable livelihoods opportunities and nurture them till they come out of poverty and enjoy a decent quality of life.

## Limited Success

Field experience suggests that despite Government’s concern to lift people above poverty line by conceptualizing programs, viz. IRDP, followed by modified SGSY, the programs met with limited success. Consequent upon this, the Government has decided to modify SGSY as NRLM. To make program achieve the expected objectives, the significant need is to delink the provision of capital subsidy from bank credit. In fact, it is high time not to link capital subsidy with bank credit under any Government sponsored program. Besides, any program to alleviate rural poverty should sharply focus on the need for initiating measures and integrating the planning and implementation of NRLM with ongoing programs of health, education, drinking water, sanitation, housing, fuel, transport and communication [instead NRLM being implemented in isolation] so as to create direct impact on the quality of life of rural households in terms of human development index. The measures, among others, include

- Role, responsibilities and functions of Village Panchayats, Block Development Officers, District Rural Development Agencies, District Industries Centers, Banks, NABARD, RSETIs, and Development Boards involved in the implementation of NRLM need to be well defined so as to ensure that BPL Swarozgaris manage their assets efficiently and earn sufficient to come out of poverty within three years.
- Potential Linked Plans being formulated annually by NABARD for each district should serve as a resource document for preparing village, Block and District level NRLM plans incorporating formation of SHGs, their needs for training for skill development and capacity building, utilization of funds to support infrastructure development, technology and market and make economic activities bankable.

- The initiative of RSETIs should sharply focus on capacity building of SHGs to enable them to [i] mobilize thrift from group members, lend internally, recover on time, develop rules and procedure for mobilizing savings and lending, maintenance of books of accounts and records, accessing Revolving Fund Assistance to augment the group corpus that can help them ease liquidity problem to meet emergency consumption needs and seek cash credit limits from banks up to four times to the amount of RFA.[ii] involve members to identify income generating activities totally based on their occupational skills, local resources, markets and economic viability; obtain bank credit and Government subsidy on time and use them to generate expected level of income, repay credit on time and improve their standard of living.[iii] share among SHGs within a Block/District their experience of success and failures to continuously improve the project planning and implementation.[iv] take full advantage of new technology to improve quality of products, enhance business opportunities, and explore markets for their products. [v] fully utilize the allocated and available funds for Revolving Fund Assistance, infrastructure development, marketing initiatives, training for skill development and forming SHGs Federations to create enabling environment and enhance credit absorption capacity that can impact on program outcomes[vi] prepare quality loan proposals.
  - Banks having considerable experience in formulating, implementing and monitoring the Service Area Credit Plans since April 1989 should be in a better position to incorporate bankable economic activities covering more secondary and tertiary sectors rather than primary sector. Financial literacy and Credit counseling must be an integral part of NRLM to educate BPL Swarozgaris
  - The NRLM should benefit from [i] a number of District Rural Industries Projects promoted by NABARD covering progressively 106 districts since 1993-94 that provide valuable insight in exploring and exploiting the unfathomable potential of rural industries and [ii] several schemes of NABARD to promote and support rural non-farm sector including schemes for women.
  - Resourceful and experienced Institutions, such as District Industries Centers, Khadi& Village Industries, Handicrafts, Handlooms, Sericulture and Coir Boards working since long have a significant role to enhance product quality and link activities with marketing.
  - Performance of NRLM must be systematically and in detail monitored quarterly at Block, District and State level to improve quality of planning and implementation and ensure achieving end objectives. Performance at Block level should be monitored village-wise and bank-wise, at District level block-wise and bank-wise and State level district-wise and bank-wise. Academic institutions operating in a district or State must be involved to evaluate the impact of NRLM including repayment of bank credit on a yearly basis
  - Progress including deficiencies in implementation along with recovery of credit as revealed in quarterly monitoring and yearly impact evaluation must be released in local print and electronic media quarterly to seek feedback and improve program quality. Website of Ministry of Rural Development should make available full details including recovery of bank credit.
  - SGSY needs comprehensive impact evaluation and the Twelfth Five Year Plan must focus implementing the proposed National Rural Livelihood Mission on lines of SHG-Bank-Linkage Program being promoted by NABARD with Banks, delinking subsidy with credit.
  - NIRD's quarterly newsletter "RESTIs" must publish failure stories suggesting improvements
- [Dr G K Kalkoti is Vice-Principal, Associate Professor & Head Dept. of Business and Dr. Kavita G. Kalkoti. Assistant-Professor, Dept of Commerce, Nagindas Khandwala College Mumbai, respectively.]***



# STRATEGIES FOR EMPLOYMENT GENERATION IN RURAL INDIA-A CRITICAL EVALUATION

Dr H.D. Dwaraka Nath

*In India about 7 crore people are without employment as per the National Sample Survey Report published in 2012. The Census 2011 (India) estimates that 83 million people continue to live below the poverty line in rural India. The total number of villages in India has increased from 6,38,588(Census 2001) to 6,40,867 (2011) an increase of 2279 villages.*

One of the major problems facing our country today is the continued migration of people from rural to urban areas which is essentially a reflection of the lack of opportunities in the villages. Unemployment and poverty continues to plague the Indian economy despite almost half a century of planned development, the magnitude as well as the percentage of unemployment and under employment has been on the rise. However, the achievement in the field of employment generation is far below the target.

In most of the developing countries the percentage of unemployment is gradually

increasing at a faster rate. In India about 7 crore people are without employment as per the National Sample Survey Report published in 2012. The Census 2011 (India) estimates that 83 million people continue to live below the poverty line in rural India. The total number of villages in India has increased from 6,38,588(Census 2001) to 6,40,867 (2011) an increase of 2279 villages.

## World Unemployment Scenario

According to growing unemployment scenario the unemployment is rapidly increasing both in Asian and European countries. In Asia unemployment percentage is increasing by 2 to 5



percent per annum. Among the Asian countries the unemployment growth rate is gradually increasing due to rapid growth of population, China with a population of 134 crore could provide employment to 96 percent of its population, but India with a population of 124 crores hardly provides employment to less than 30 percent of its total population.

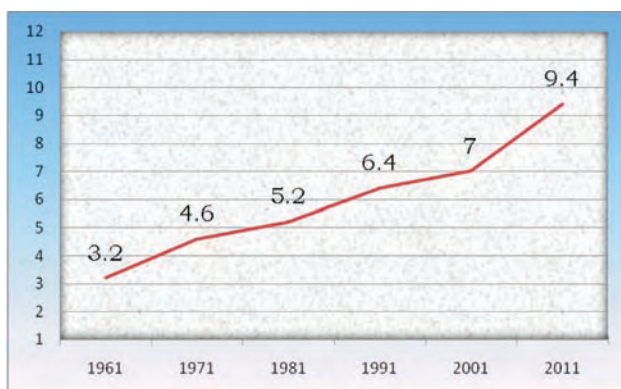
The growing unemployment scenario in the world reveals that in China the unemployment ratio is 4.1 percent, Bangladesh 4.5 percent, Russia 5.2, Spain 18.2, Germany 13.3, Italy 13.6, Japan 5.6, Pakistan 5.6 percent, USA 7.7, England 7.8 and in India the unemployment growth ratio is 9.5 percent. This reveals that the situation in India is worst than that of Bangladesh and Pakistan. Indian economists observed that India has to learn a lesson from China and Japan to improve employment ratio.

### Nss Report In India (2011)

According to National Sample Survey Report 2011, about 2.5 crore vacancies are yet to be filled up by the central and state governments in our country. As per the National Employment Survey Report (2011), the unemployment ratio in India is vastly growing without any solution. The report reveals that out of 100 populations the unemployment ratio in Haryana is 37 percent, Tamil Nadu 39 percent, Karnataka 41 percent, Punjab 50 percent, Gujarat 38 percent, Kerala 58 percent while in Andhra Pradesh ratio is 67 percent.

According to the graph it is a paradoxical truth that due to growing population the

**Picture 1**  
**Unemployment Growth Ratio In India (1961 – 2011)**



unemployment growth ratio is also growing with a rapid speed. In the year 1961 the growth ratio was 3.2 percent in 1971 4.6 percent, 1981 it was 5.2 percent while in 1991 the growth was 6.4 percent, in 2001 – 7.8 and as per the 2011 census the ratio has increased to 9.4 percent in India.

### State Wise Current Population and Unemployment Ratio - 2012

The table given below indicates the state wise growing population and unemployment growth ratio in our country.

Table 1			
S.No.	Stae/Union Territory	Population	% of Unemploy ment
1	UTTAR PRADESH	119581477	72.3
2	MAHARASHTRA	112372972	32.06
3	BIHAR	103804637	29.08
4	WEST BENGAL	91347736	40.07
5	ANDHRA PRADESH	84665533	47.02
6	MADHYA PRADESH	72597565	19.04
7	TAMIL NADU	72138958	51.06
8	RAJASTHAN	6821012	40.07
9	KARNATAKA	61130704	29.07
10	GUJARATH	60383628	23.02
11	ORISSA	41947358	13.05
12	KERALA	33387677	52.03
13	JHARKHAND	32966238	39.07
14	ASSAM	31169272	12.07
15	PUNJAB	27704236	38.02
16	HARYANA	25353081	15.04
17	CHATTISGARH	25540196	32.05
18	JAMMU & KASHMIR	12548926	29.02
19	UTTARAKHAND	10116752	27.05
20	HIMACHAL PRADESH	6856590	26.02
21	TRIPURA	3671032	18.01
22	GOA	1457723	26.04
23	ARUNACHAL PRADESH	1382611	18.09
24	MIZORAM	1091014	16.05
25	SIKKIM	607688	8.02
26	DELHI	16753235	26.08
27	PONDICHERY	1244167	11.03
28	LAKSHADWEEP	64429	3.02
29	AMAN, DEU	247911	20.06
30	DADRANAGAR HAVELI	342853	7.03

Source : National Unemployment Growth Ratio - 2012

The Table given above would indicate state wise unemployment growth ratio. Some states like Bihar has gained nothing either from rural employment or from the urban employment. A few states like Rajasthan, Punjab and Haryana have benefitted in reality from high employment both in rural and urban areas. Few states like Andhra Pradesh, Kerala, West Bengal and Uttar Pradesh which constitute 52.2 percent of the total population account for 50 percent of the total unemployment. While Maharashtra, Rajasthan, Karnataka and Gujarat which constitute 38.60 percent of the total population account for 32 percent of the total unemployment. Few state like Orissa, Punjab, Haryana and Madhya Pradesh and Assam which constitute 20.85 percent of the total population, account for 13 percent of the unemployment. These states are considered to be better off in the field of unemployment generation. Thus it is policies need to be implemented policies need to be implemented with urgency to generate rural employment.

### Growth Rate of Rural Employment

According to NSS data between 1972 to 2012 the growth of rural employment has increased by 2 percent per 9224, but suddenly reduced to 1.75 in the year 1992-93.

While the employment percentage has increased by 2.02 between 1997 – 2002 and 3.2 percent in 2007, while the employment ratio reduced to 2.08 percent in 2012. But the situation is totally different in urban region. The employment ratio increased from 4.31 (in 1972-78) to 5.08 percent in 2012.

The main objective of Employment Guarantee Scheme is to sustain household welfare in the

short run through providing employment and contribute to the development of rural economy in the long run through strengthening the necessary infrastructure. Apart from Maharashtra, few other states also attempted employment guarantee scheme with in their limited resources. Some of them were Land Army Corporation (LAC) in Karnataka (1974) State Rural Employment Programme in Tripura (1981) Village Development Council in Nagaland (1978) etc.

### Employment Generation Programmes

The Government of India was committed to formulate various plan policies on rural employment during the successive Five Year Plans. However, the architects of Fourth Five Year Plan realized the need for balancing the regional imbalances in the field of rural employment and landless agriculture labourers. Thus came into existence the Small Farmers Development Programme (SFDP) to provide better employment opportunities to eradicate poverty, Drought Prone Area Programme (DPAP), Minimum Needs Programme (MNP), etc.

S.No.	Type of Activity	Year started
1	Intensive Agricultural District Programme	1960
2	Intensive Agricultural Area Programme	1964
3	High Yielding Varieties Programme	1966
4	Small Farmers development Agency	1971
5	Drought Prone Area Development	1973
6	Minimum Needs Programme	1974
7	Integrated Rural development Programme	1979

Table 2

Residence	1972-1978	1978-1983	1983-1992	1992-1997	1997-2002	2002-2007	2007-2012
Rural	2.5	1.74	0.95	1.75	2.02	3.02	2.08
Urban	4.31	4.16	3.79	4	4.8	5.02	5.08
SEX RATIO							
Male	2.6	2.15	1.81	2.19	3.2	4.26	5.38
Female	3.23	2.86	1.07	2.21	2.68	3.21	4.03

Source : National Sample Survey of Employment Ratio, New Delhi



8	TRYSEM	1979
9	National Rural development Programme	1980
10	20 Point Economic Programme	1982
11	Rural Land - Less Employment Programme	1983
12	Development of Women & Children in Rural Areas	1983
13	Indira Awas Yojana	1985
14	Jawahar Rojgar Yojana	1989
15	National Rural Employment Generation Guarantee Programme	2005
Source: National Rural Employment Programme, Kadigramodyog, Mumbai		

The five year plans however laid emphasis on a large scale on a Rural Manpower Programme (RMP) in the end of 1960-61 in 32 community development blocks on a pilot basis for utilizing the rural manpower to provide employment for 100 days to at least 2.5 million by the end of the Third Five Year Plan. Although the scheme achieved the immediate objective of providing employment opportunities, the benefits of both in terms of direct employment and assets creation are found to be too widely scattered.

A pilot initiative Rural Employment Programme (REP) was started in November, 1972 in 18 selected blocks for a three year period, to provide additional employment opportunities to unskilled labourers. The project completed its full term of three years and generated 18.16 million man days of employment. Apart from this the Drought Prone Area Programme (DPAP) one of the panned attempts in this direction covering 74 districts in the country. A critical outlay of Rs. 187 crores was provided in the fifth plan against 100 crores in the fourth plan.

During April, 1977 Food for Work Programme (FWP) was started as a non plan scheme to augment the funds of state government by utilizing available stocks of food grains. The basic objective of the programme was to generate

additional gainful employment for unemployed persons in the rural areas and to improve their income. As such a total employment of 979.32 million man days was generated during 1977-80. Thus this scheme became popular in rural areas and was neglected as a major instrument in generating rural employment while the sixth plan launched a nationwide National Rural Development Programme designed to provide gainful employment in rural areas to the extent of 300-400 million man days per annum to provide durable community assets. In addition on 15<sup>th</sup> August, 1983 a new employment provision programme called RLGEF was launched with a view for providing guarantee of employment to at least one member of every landless household up to 100 days in a year by creating the infrastructure of the rural economy. This programme was implemented through District Rural Development Agency (DRDA) setup all over the country.

The sixth plan devised a new strategy called Integrated Rural Development Programme (IRDP) basically an antipoverty programme. The core of IRDP is therefore to provide poor families with income generating assets to enable them to generate incremental surplus to cross the poverty line. The above two programmes merged to give birth to a new programme called Jawahar Rojgar Yojana (JRY). The basic rationale for the lack of employment opportunities in the countryside is one of the reasons for the rural poverty. The IRDP target initially was to cover 15 million beneficiaries at the rate of 600 per block per year with a view to diversifying the occupational structure.

### **Mahatma Gandhi National Rural Employment Generation Act**

The success of the National Rural Employment Guarantee Scheme is said to be one of the big resources that UPA Government returned to power in May 2009. This land mark scheme implemented in 2006 guarantee 100 days of unskilled work to an adult family from rural household during a financial year.

The Act was introduced in 200 districts in the first phase with effect from 2006 and additional 1135 districts covered in the year 2007-08.

The following table shows central financial outlays for MGNREGA from 2008 to 2012.

**Table 3**

S.No.	Year	Amount in crores	% increased
1	2008-09	30000	285.49
2	2009-10	39000	396.02
3	2010-11	40100	354.87
4	2011-12	40000	353.98

Source : Annual Report - Ministry of Rural Development, Government of India

The MGNREGA makes it mandatory for job keepers to have a job card for which the rural people have to apply to the Panchayat. In order to facilitate the rural household the Government of India has issued Job Cards to the rural people. Today by the end of December, 2012 about 28 crore job cards were issued to the rural household families to generate employment.

### Need for New Plan Strategy

The problem of unemployment in rural India can be eradicated only by increasing productivity of dry land agriculture. In this context we need a constitution of greater emphasis on research and development.

Another key element is the strategy for effectively tackling the problems of rural

unemployment in accelerating the tempo of rural industrialization. Rapid growth in the non-agricultural sectors of the planned development has completely failed to make any noticeable impact on the work force.

Development of infrastructural and marketing arrangements for the growth of non-agricultural activities in rural areas is the need of the hour. Greater flexibility in special employment programmes and their integration with sectoral development to ensure their contribution to growth and sustainable employment would help in generating employment opportunities in rural India. The experts are of the opinion that an expanded programme of development and utilization of waste land for crop cultivation and forestry, would help in generating regular employment to the rural masses.

### Conclusion

The planning commission report reveals that the demand labour curve is downward sloping to the right. There is a great need to implement land reforms policy to create rural employment strategy with respect to productivity of dry land farming. The wage employment programmes in India started from the experimentation of pilot projects are now towards a scenario moving which generates employment.

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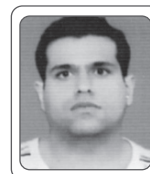
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## **SOCIAL LEGISLATION AND SOCIAL SECURITY**

### **A CASE STUDY OF MGNREGA**

**Dr Raju Narayana Swamy**

*Launching a frontal assault on the citadels of rural unemployment is inextricably bound up with the challenge of meeting the millennium development goal of reducing the proportion of people who live on less than a dollar a day and suffer from hunger. The National Rural Employment Guarantee Act is a revolutionary step for India's rural poor. It marked a paradigm shift by going beyond poverty alleviation and recognizing employment as a legal right. This study tries to analyze the impact of the social legislation, MGNREGA in generating social security in the Indian society, its problems and prospects in implementation and how the various sections of the society have benefited from this legislation. The study was done in three districts viz. Alappuzha, Kasargod and Wayanad in Kerala. From each District, two blocks were selected to conduct the survey. Six Grama panchayats were selected for detailed survey and field visits. Samples of three hundred beneficiaries were selected. The reference period of the study was 2008-2010.*

**I**n a democracy, legislation is intended to bring about social change. This can be either direct or indirect. By adopting the ideal of a socialistic pattern of society, social welfare programmes aim

at establishing a social order which could eradicate exploitation, secure equal opportunities to all citizens and ensure that they share just obligations and enjoy social security. Social legislation in India



tried to remove inequalities and to benefit the whole community rather than a few individuals. Social legislation is different from the ordinary type of legislation in as much as it reflects the legislative policy of establishing social justice on humanistic and egalitarian principles. Its main emphasis is on removing exploitation and bringing about economic, social and political justice.

## Role of state programmes for providing Welfare

The idea that governments have a responsibility to initiate public action to ameliorate the poverty and vulnerability of individual citizens is an old one, yet it is only in the last decade that social protection emerged as an important component of development planning in Asian countries. In the past, the more commonly used terms have been social security and social assistance, or social welfare and social insurance (Ratna M. Sundaram, 2009, p.2). These terms include the concept of protection, but in different ways. Karl Marx applied a rigorous, “scientific” political-economic analysis to the philosophic arguments of those he pejoratively labelled “utopian socialists”. Marx asserted that justice would prevail, when individuals receive what they needed on the basis of their humanity and not merely what they

deserve on the basis of their social class origin or productivity (Marx, 1964).

In the Indian scenario there have been diverse approaches to the question of how to attempt social change. A very accepted approach these days is to phrase it in terms of ‘rights’ (to food, education, information, jobs, etc), and there is great deal of commendable activism on this front, and already some achievements to show, particularly in the landmark legislations on the right to information and right to work in public works projects. This approach can help to raise consciousness among the poor and vulnerable about their entitlements, a sense that they are not mere supplicants to the politicians or bureaucrats (Pranab, Bardhan). Most significant State programmes implemented in India for providing social justice include personal benefit programmes, wage employment programmes, poverty reduction programmes and employment programmes through PRIs. India Government’s Employment Schemes like Jawahar Rozgar Yojana (JRY, 1989), Employment Assurance Programme (EAS, 1993), Sampoorna Grameen Rozgar Yojana (SGRY, 2001) etc try to achieve the aforesaid objectives. The recently introduced Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is a new step in this direction for providing social justice. In a situation where

1. Adult members of rural households may apply for employment if they are willing to do unskilled manual work. At least 100 days work will be provided per household per annum.
2. All adults who have completed 18 years of age are eligible to work.
3. Employment will be provided within 15 days of application.
4. If employment is not provided within 15 days, unemployment allowance will be provided in cash.
5. Men and women will be paid equal wages.
6. Preference will be given to women.
7. One-third of persons to whom work is allotted have to be women.
8. Dispersion of wages should be done on weekly basis and never beyond a fortnight.
9. Wages must be credited directly to bank or post office account.
10. PRI institutions have a principal role in planning and implementation.
11. Each district has to prepare a shelf of projects on the basis of priority asserted by Grama Sabha
12. Contractors and use of labour displacing machinery are prohibited.
13. Work should be ordinarily provided within 5 km of radius of the village, else extra wages are payable.
14. Social audit has to be done by the Grama Sabha and all records of the scheme have to be made available for public scrutiny.

most of the earlier programs have not yielded desired results and brought security to people's life, MGNREGA brought forth with it the following salient features:

Women are half of the whole workforce. As per the national level consolidated figure, during the financial year 2008-09, out of the total workforce, 47 percent were women. During the year 2009-10, the percentage of women involvement got amplified to 49 percent. In Kerala, the share of women work days went up to 88 percent in 2009-10, which was 66 percent in 2006-07. The study of Arun Jacob & Richard Varghese (2006) highlighted the striking feature of women labourers participation in their study on MGNREGA. This was despite the fact that men dominated many of the earlier wage employment programmes, which are implemented from 1980. Major achievements made under MGNREGA during 2009-2011 have been highlighted in the table below.

**Table 1 MGNREGA achievements (all India)**

	2009-2010	2010-2011
<b>Employment provided to households (in crore)</b>	<b>5.25</b>	<b>5.47</b>
<b>Person days (in crore)</b>		
Total	282.83	256.64
Scheduled Castes	86.69 (30.6 %)	78.72 (30.7 %)
Scheduled Tribes	58.19 (20.1 %)	53.25 (20.76 %)
Women	137.39 (48.6 %)	122.94 (47.94 %)
Others	137.95 (48.8 %)	124.47 (48.54 %)
Total works taken up	45.97 lakhs	50.74 lakhs
Works completed	20.84 lakhs	25.89 lakhs
Works in progress	25.12 lakhs	24.95 lakhs

Source: *Annual Report to the People on Employment*, Ministry of Labour and Employment, Govt. of India, 2010. & Ministry of Rural Development, Government of India, 2010-2011.

## Social inclusion through MGNREGA in Kerala

Kerala has a population of 3.33 crore as per the 2011 Census. The labour force in Kerala

consists of those who are engaged in the informal sector (loading, casual work, construction work, brick making, self employment etc), traditional industries (coir, cashew, beedi etc), manufacturing sector, IT industry etc. Out of India's total main workers, 2.6 percent are Keralites. Main and marginal workers of Kerala number 102.91 lakh of whom 16.54 lakh are agricultural labourers and 3.65 lakh work in household industries (Chapter 19, Labour and Employment). Kerala records the highest unemployment rate in the country. The State has embarked upon some innovations in its implementation giving responsibility for implementing public work schemes to the ward-level kudumbasree groups. As a result 66 % of MGNREGP work went to women in Kerala in 2006, strengthening the links between poverty relief, unemployment and women's participation.

## Objectives of the study

The broad objective of the study is to explore the impact of MGNREGA in generating social security in Kerala, its problems and prospects in implementation and how various sections of the society have benefited from this legislation. The major objectives of the study includes: (i) To what extent inclusive growth can be achieved through MGNREG Programmes.

- (ii) To analyse whether social norms prevent women's effective participation in MGNREG Programmes.
- (iii) To assess whether the MGNREG Programmes are effective in building a human resource base in Kerala.

Field works were carried out in six blocks covering six panchayats from three districts (Alapuzha, Wayanad and Kasaragod). Vallikunnam and Muhamma panchayats from Alappuzha, Padinjarathara and Vellamunda panchayats from Wayanad and Peelicode and Madikkai panchayats from Kasargod were selected MGNREGA achievement in Wayanad, Kasaragod and Alappuzha are given in the appendix. 100 respondents, mainly women, were interviewed in each of the three districts through stratified random sampling of the selected Panchayats



(selected with due representation for all sections of the society). The sample was distributed across six panchayats- two from each district. The method used was qualitative. A survey was conducted through detailed questionnaire covering all the objectives of the study.

## Public Participation and Accountability in MGNREGA

One of the striking features of the scheme as evidenced in the data available is the high levels of women's participation in the works. In all the six Panchayats under study from the three districts women were found more involved in the scheme. Some of the highlights of the sample are as follows: In our survey ninety five percent beneficiaries of Alappuzha, ninety six percent in Wayanad and ninety seven percent in Kasaragod turned out to be women. Beneficiaries in the age-group of 20-50 accounted for the largest group-eighty one percent in Alappuzha, seventy four percent in Wayanad and sixty five percent in Kasaragod. For including the Scheduled Tribes in our study we selected 100 respondents belonging to tribal communities in Wayanad. The respondents included Paniyas, Adiyas and Kurichyas. For including the Scheduled Castes we selected 100 respondents belonging to Scheduled Castes communities from Kasaragod. The Alappuzha sample consisted of seven percent Scheduled Castes, thirty five percent from Other Backward Castes and fifty eight percent from the general category. The respondents were mostly married. In Alappuzha of the total 100 samples, ninety nine respondents were married. Similar is the case of Wayanad (98 percent) and Kasaragod (99 Percent). All the respondents from Alappuzha, ninety eight percent from Wayanad and ninety nine percent from Kasaragod belonged to BPL families.

## Implementation process of MGNREGA

The study investigated the implementation process of the MGNREGA. The respondents were asked specific questions concerning entries in job cards, muster roll maintenance, worksite facilities and payment processes. To analyze the transparency safeguards envisaged in the Act,

the following aspects were critically analyzed: (i) Maintenance of Job cards (ii) Maintenance of Muster Rolls (iii) Citizen information board (iv) Payment of wages to workers etc. The study found out that entries in job cards were done by the respondents with the help of Kudumbasree units, Panchayat members and ADS volunteers<sup>2</sup> at the ward level. Sixty five percent of the respondents from Alappuzha, thirty five from Wayanad and seventy five from Kasaragod replied that ADS volunteers had helped them in getting the job cards. Thirty four respondents from Alappuzha, fifty four from Wayanad and twenty five from Kasaragod replied that they took initiative through the Kudumbasree units in getting job cards. One percent from Alappuzha and eleven percent from Wayanad opined that they got help from the Panchayat members in getting the job cards for the project. The analysis clearly shows that both Kudumbasree units and ADS volunteers are helping the people in getting job cards for involving in the project, while the Panchayat authorities have least influence in this.

## Muster rolls at the worksite

The programme attempts to make the process of wage payment (even in cash) as transparent as possible. The measure of transparency was found fairly satisfactory given that muster rolls and related documents were openly available at any time at the work sites we visited. Except a worksite from Madikkai Panchayat in Kasaragod we found muster rolls at all the worksites. There we found the ADS using a rough note book for marking attendance and making wage payments. There are also issues of lack of technical training for the members and hence their incapability to supervise works efficiently. This has repercussions on the calculation of the amount of work completed and hence the wages. ADS were found maintaining muster rolls in all the other worksites that we visited in the three districts. Attendance was also taken strictly. As per the framework of the Act, citizen information boards with the details of the work are to be prominently displayed at each work site to ensure lucidity in the execution of MGNREGA schemes. Eighty two percent of respondents from

Alappuzha said that the citizen information boards are displayed in the work sites. But eighty percent of respondents from Wayanad and seventy three percent of respondents from Kasaragod said worksites are with no such boards. From our field experience also we came to understand that most of the work sites in Wayanad and Kasaragod had no boards displayed. Alappuzha, where the works were started recently, had followed the norms of the Act strictly. Laxity creeps up as years pass by- an unfortunate trend that needs to be guarded against.

## Employment facilities

Schedule 7(1) of the Act says that employment must be provided to all applicants within 15 days of receiving of an application and within a radius of 5 Km from their homes. In 94 percent of the cases from Alappuzha, sixty eight percent from Wayanad and forty eight percent cases from Kasaragod, worksites were more than 5 km away from their places of residence, and no one was given any transportation facility. In the three districts under study no one has received unemployment wage. Eighty nine percent from Alappuzha, ninety five percent from Kasaragod and ninety six percent from Wayanad had no idea about unemployment wage distribution through this scheme. Only twenty four percent of respondents said that they got 100 days of job. In Kasaragod sixty seven percent said that they got 100 days of job. No one from Alappuzha got hundred days of work. But it is to be noted that MGNREGA was started in Alappuzha only in the year 2008. In Wayanad, where MGNREGA was implemented in the first stage, only a hand full of respondents have got hundred days of job.

## Payment of wages

Delays in wage payments have been a question of concern in MGNREGA. Wage payments are belated for many weeks. The time holdup varied from place to place. In the three districts

surveyed we found that wages are often not given within 15 days. From Alappuzha, seventy five percent respondents and from Kasaragod forty nine percent were paid the wages within 15 days of completion of the stipulated task. But from Wayanad we got a negative report. Only seventeen percent of the respondents said that they received wages within fifteen days. In Alappuzha, ninety five percent said that the authority is announcing wage related matters at the work site. In Wayanad and Kasaragod only fifty five and sixty percent said that wage related matters were being announced at the worksite. In Alappuzha the scheme was introduced late compared to the other two districts and wage payments were found comparatively better than the other two districts. This fortifies our earlier conclusion that laxity creeps up as years pass by.

**Delays in wage payments have been a question of concern in MGNREGA. Wage payments are belated for many weeks. In the three districts surveyed we found that wages are often not given within 15 days.**

We further enquired whether they got Rs. 125 per day for the work. The result was disappointing. Only fifteen percent from Alappuzha said that they got Rs. 125 per day. Thus all the respondents do not earn minimum wages. For instance in Alappuzha the paid wage was generally Rs. 100. In Wayanad, workers were paid as low as Rs. 60-70. The reasons behind payment of less than the minimum wage vary. For instance, in Wayanad it was during dry summer periods

that the work of the coconut plantation was taken. In this period, soil is very hard and women find it difficult to work in hard ground. This is one of the reasons for low payment. Here the workers are supposed to break up earth for a pre-specified size in order to earn the minimum wage. This is a serious violation of the noble intentions of the founding fathers of the Act. Schedule 1, Section 8 of the Act clearly says that a labourer working for seven hours would normally earn the minimum wage. This stipulation has been thrown to the winds, much to the chagrin of the poor working class.

## Nature of works undertaken

The respondents are found to have participated

in works like road connectivity, flood control/ prevention works, restoration of traditional water bodies, water conservation and harvesting works, plantation works, paddy fields etc. The activities undertaken under the MGNREGA mainly focus on improving the availability of resources and conserving them. Majority of MGNREGA workers (especially in Wayanad and Kasaragod) in our study stand very low on human development indicators and earn their livelihood through untrained, informal physical labour and utilization of the natural resource base. This dependence makes them more susceptible to climate shock, natural disaster, ill health, all of which adversely affect their employment opportunities and reduces their ability to move out of poverty trap. Initiatives for sustainable livelihood, skill development and human development initiatives which are very crucial for MGNREGA workers was found missing in the scheme.

**Majority of MGNREGA workers in our study stand very low on human development indicators and earn their livelihood through untrained, informal physical labour and utilization of the natural resource base.**

### Analyzing social audit

Social Audit is a dynamic tool by which people are able to make officials accountable for their performance in the delivery of legally enshrined rights (Gopal, K.S., 2009). To assess the impact that the social audit has on awareness levels, we asked 'Have you heard about social audit', forty three percent from Alappuzha, thirteen percent from Wayanad and forty one percent from Kasaragod answered in the affirmative. The respondents from Alappuzha (forty three percent), six percent of respondents from Wayanad and forty percent from Kasaragod said they are aware that social auditing is occurring in their Panchayats. A further enquiry was made about the awareness of respondents about the selection of members for the social audit. Forty percent of respondents from Alappuzha, thirty eight percent from Kasaragod and three percent from Wayanad said they had awareness about the selection of members through Grama Sabha. In the case of Wayanad we found a poor awareness of respondents about social auditing.

Further we analyzed about people's awareness about the functioning of social auditing. When a question was raised about the political influence in selecting members in social audit, seven percent from Alappuzha and eleven percent from Kasaragod replied about the political interference in social auditing. No respondent from Wayanad had any idea about political interference in the process.

This data is noteworthy as it reflects the significant role that social audit can play in disseminating information and ensuring that it reaches those who need it. We have found that

only a handful of the respondents have interacted with the officials during the audit. Social auditing related response from Wayanad, leaves much to be desired. To assess whether social audits are perceived as a useful mechanism for preventing corruption, the study measured respondents' perceptions of the social audit process. Forty two percent from Alappuzha, six percent from Wayanad and twenty nine

percent from Kasaragod agreed that social auditing if done properly can help in preventing corruption. But the field reality is that no village meetings are organized where information concerning the programme and particulars of its implementation are shared with the people<sup>3</sup>. By making a mockery of social audit, critical information is not shared and as this data suggests, this knowledge remains slightest with the respondents after the audit teams have gone.

### Women's Participation in MGNREGP

The MGNREGA's potential in empowering women by providing them work opportunities has been commented on by many scholars. The reasons that contribute to women's participation are many. Women from all the three districts considered the work as a high social status job-similar to a white collar job under the Central Government. In the Kerala situation, an unskilled



male labourer working for a day can earn around Rs. 350/-. But through MGNREGP one person can get only a much lower amount per day. So mostly men prefer to go for outside work. Women on the other hand are happy to work at low wages. This results in their greater involvement in these works. Infact, all the women respondents from Alappuzha and Kasargod and ninety eight percent out of the women respondents from Wayanad said that they are happy with this scheme. They expressed the fond hope that this scheme will continue in full earnest. Indian society being a patriarchal one does not often welcome or appropriate women's voices or even her presence in decision making processes and forums. One of the striking features of MGNREGP as evidenced in the data available is the high levels of women's participation in the works. The range is given in the table below.

**Table 3 Male/Female participation (in %)**

Sex	Frequency (%)		
	Alappuzha	Wayanad	Kasaragod
Male	5	4	3
Female	95	96	97
Total	100	100	100

Source: Field Survey

The very fact that 95 percent or more of the workers from all the three districts under study are women has imparted a positive gender dimension. The participation rate of women in MGNREGP clearly shows that economic support provided by the women labourers in supporting the family is welcomed by the Kerala society. But a large number of women responded that they do not go to gram sabhas because they are either not welcome at the meetings or they think it is not necessary for them to attend. They should also have greater participation in all spheres like participatory planning through voicing their concerns in gram sabhas, social audits etc.

## Difficulties at the work site

Being part of an unorganized sector of labourers, women no doubt face many a problem in work sites. In our study we made an enquiry

on the difficulties the women face in the work site as well. Our experience revealed some key issues connected with women's involvement in the scheme. The results of our study on worksite facilities like drinking water, toilet facility, rest time, first aid etc are as follows: The work sites were without any child care facility. As a consequence, women are hesitant to take their children to the work site. It forces them to leave their children at home. In Wayanad we found that all the women used to leave their children at home alone while going for the work. Only seventeen percent of respondents from Alappuzha and eleven percent of respondents from Kasargod said that they got facility for child care at the work site. But they also complained about poor quality of the available facility. They invariably had to keep their children under tree shade<sup>4</sup>. Seventy two percent of the respondents from Alappuzha, 13 percent from Wayanad and forty percent from Kasargod said that they were provided with First Aid Kits. From the work sites, we came to know that toilets of the houses near the worksites are mostly used by the workers. Compared to the other two districts, the Grama Panchayats in Alappuzha district provided better worksite facilities. The respondents also narrated certain problems at the worksite which include: unrealistic time schedule, low wages, objections from local people etc. The details of these are given in the table below:

**Table: 4 Difficulties at the work site (in %)**

Difficulties	Alappuzha	Wayanad	Kasaragod
Objections from local people	6	18	10
Heavy Tools/ Physical hardship	25	5	12
Wage too low	98	80	96

Source: Field Survey

The presence of women in road construction and sectors other than agriculture is indicative of their inherent emancipatory potential to emerge from seclusion and enter segments of the labour market hitherto barred to them. It gives them access, perhaps for the first time in their lives,

## Appendix

**Table 5 MGNREGA achievements, Wayanad/Kasaragod/Alappuzha (2009-2010)**

Employment provided to households (in Lakhs)	Wayanad	Kasaragod	Alappuzha
	0.58436 Lakh	0.39018 Lakh	0.93811 Lakh
Person days (in Lakhs)			
Total	31.86	17.54	24.74
Scheduled Castes	2.02 [6.35%]	1.51 [8.62%]	3.91 [15.79%]
Scheduled Tribes	8.67 [27.21%]	0.83 [4.71%]	0.1 [0.42%]
Others	21.17 [66.44%]	15.2 [86.67%]	20.73 [83.8%]
Women	25.31 [79.44%]	15.41 [87.85%]	23.08 [93.28%]
Total funds:	56.06 Crore.	Rs. 32.58 Crore.	45.99 Crore.
Expenditure	49.8 Crore	24.74 Crore.	33.96 Crore.
Total works	14840	8652	8598
Works completed:	2600	3512	5714
Works in progress:	12240	5140	2884

Source: <http://nrega.nic.in> Accessed on 31<sup>st</sup> January 2010.

to entitlements other than those associated with socially ascribed relations of dependence.

## Conclusion

With an enlightened vision on literature related to MGNREGP, research and experience, it is pertinent to highlight success and failure of the scheme. One of the striking features of MGNREGA as evidenced from our study is the high and varying levels of women's participation. The high percentage of women participation in the scheme clearly shows that the programme to a great extends has been beneficial for the women. MGNREGA has really been helping the rural poor in eradicating poverty. This social protection which the Act ensures promotes gender equality, empowers women and reduces social exclusion. This labour intensive method to a great extend will

help in eradicating poverty among the unskilled labourers.

## Major Suggestions

- Human resource development that is literacy, health care, child and nutrition care, skill building and moving towards sustainable employment could also be initiated through this scheme.
- Upward revision of wages taking into account the local situation. This can encourage more women worker's participation, and greater control their earnings.
- Improvement in worksite facilities.
- A daily wage system can help the very poor and vulnerable communities to participate.

*[The author is a senior IAS officer working for the Government of Kerala]*

**One of the striking features of MGNREGA as evidenced from our study is the high and varying levels of women's participation. The high percentage of women participation in the scheme clearly shows that the programme to a great extends has been beneficial for the women.**

# COMMUNITY BASED FISH FARMING A NEW FACET OF EMPLOYMENT FOR RURAL WOMEN

Biswa Ranjan Samantaray, Basanta Kumar Das, Chinmayee Priyadarshini Khuntia

*Opportunities for rural women in fisheries could be enlarged in the field of pond based integrated fish farming by utilizing the pond embankment for seasonal horticulture crops which could provide a successful integration for optimum productivity per unit area. This removes the rigid compartmentalization and typified work structure for womenfolk giving a more multi skilled type of job opening and adequate compensation to women folk.*

Rural women in India constitute 77 per cent of the female population. They share abundant responsibility and perform a wide spectrum of duties in running the family, maintaining the house hold activities like rearing, feeding, attending to farm labour, tending domestic animals, even then they suffer from being both economically and socially invisible. In rural India 86 per cent of women workers were in agriculture, compared with 74 per cent of men. But, few women own or control land and this handicaps them in warding off poverty for themselves and their families. Hence, women's access to land and its maximum utilization is very important for their empowerment. Poor economic condition of the family and no other source of income were the

major reasons for taking up income generating activities.

Fish, as a source of "rich food for poor people", can play an important role in improving food security and nutritional status of rural people as indispensable source of micronutrients such as iron, iodine, zinc, calcium, vitamin A and vitamin B. Where there is a lack of alternative locally produced protein fish provides the major cheap source of protein intake as well as contributes towards calorie supply for rural people. So importance fish is felt as a crucial element in diets, especially the diets of infants, young children and pregnant women. To meet the increasing demand for animal protein, significant development in poultry and livestock farming which otherwise would have limited due





to the continuously increasing pressure on land for the production of cereals. There is no scope for spatial expansion of grazing and feeding areas. But in contrast, the shortage of animal protein can be met through the development of fish farming, as it not only requires less cash investment compared to livestock and poultry but also can be produced using a land that is not suitable for agriculture. Indian agriculture is characterized by a dominance of small and marginal farmers (almost 68 per cent) who suffer as a result of difficult socio-economic conditions. 75 per cent of the farm holdings are below 2 hectares, and a large portion of rural people subsist as small holders. Income from these farms can not be raised up to the desired level to sufficiently alleviate poverty in rural areas unless existing crop production systems are diversified. Furthermore, increased dependence on one or two major cereal crops (wheat, rice, etc.) witnessed after the green revolution makes the farming economy vulnerable to price fluctuation arising due to demand-supply. So Poverty and food insecurity are common conditions among the rural people hindering the rural empowerment

### Village Community Tanks

The village community tanks and ponds in India are seldom used for fish culture. Usually large, medium and small types of water bodies are available in rural villages. Many ponds and tanks in rural areas are not used for fish culture because they are usually a common property resource. A community effort to establish a productive venture in use of these water bodies as fish culture as a community based activity has been shown to be economically viable. Among the rural people 30% farmers are having their own ponds whereas 70% have leased out ponds. Community ponds occupy over 60% of the rural water area comprising of derelict and culturable ponds. The community tanks have the potential for increasing fish production through community participatory fish culture approaches for which the village people are the ideal group for the adoption of location specific culture practices conservation and resource management techniques for sustainable aquaculture in remote areas. So the need for the participation of the local community in planning and implementation in rural development projects is a widely accepted idea. In



rural areas community tanks are generally not used for fish production due to inadequate financial and technical resources like lack of basic support facilities to start-up culture-based fisheries and aquaculture is a special problem for individual farmers who have limited credit access for basic inputs such as nets, pumps, and seed for stocking. Most of the poor rural fish farmers and farm women are not vocal, influential and generally show indifference to the development schemes due to the financial constraints overloaded on their shoulder. So major portion of them don't feel the necessity of producing larger quantities to earn maximum profit rather they prefer to follow the traditional method. Sometimes due to lack of knowledge they overstock the pond in a hope of more profit and did not maintain the stocking density in relation to using other inputs which was harmful for healthy growth of fish. Therefore it is important to make the farmers understand and realize that stocking density should be balanced with carrying capacity of ponds for better production. Almost all the ponds have enough potentiality to increase the production by intensive method of cultivation, which has to be realized by the farmers. So if the rural women can be empowered to carry out the culture practices initially with small investment later on they can achieve the goal progressively with the continuous involvement as major role model.

The main objective of the Community-based Fish farming was to enhance fish production from seasonally and irrigated rural village ponds using a collective approach to fish culture. Community-based fish farming holds on the principles of common interest groups (CIGs) and Self Help Groups (SHGs)

working together regardless of sex and age has been an effective tool for implementing scientific pisciculture programs not only in their own villages but also in their neighboring villages. Water bodies that do not interest villagers are targeted for use to avoid communal problems. So in women community based fish farming farmers who share common interests are to be identified and organized for the common purpose. The community tanks have the potential for increasing fish production through community participatory fish culture. These tanks are generally not used for fish production due to inadequate financial and technical resources.

Women sector of rural areas have generally remained as invisible farmers despite being major producers of food in terms of value, volume and hours worked in agriculture and allied activities. In the tribal areas women mainly depend upon forest produces and sewing leaf plate now directed for pisciculture through formation of Self help groups (SHGs). Self Help Group (SHG) is a small voluntary association of 10-20 people either registered or unregistered preferably from the same socio-economic background for the purpose of solving their common problems through self help and mutual help. The main advantage is that all loans within the group and from the banks are given with minimum documentation and without any security. The inter loans among the SHG's for consumption and productive purposes are small, frequent, of short duration and at low interest rates. So with the scope of mutual help, financial intermediation, livelihood planning, and social economic empowerment it is for them to carry out the community based fish farming without any financial hassle. Opportunities for rural women in fisheries could be enlarged in the field of pond based integrated fish farming by utilizing the pond embankment for seasonal horticulture crops which could provide a successful integration for optimum productivity per unit area. This removes the rigid compartmentalization and typified work structure for womenfolk giving a more multi skilled type of job opening and adequate compensation to women folk. The women of rural areas play a vital role not only in the production, processing but also in marketing of fish and fishery products. As initially there is no need of high technical proficiency for



Pisciculture it can be pursued by the rural women with the basic knowhow and can be carried out at their convenient leisure time without being a detriment to their routine. A small backyard pond of 0.01 ha can serve as the resource base to generate a steady income for a small family throughout the year.

Empowerment of women could be only achieved if their economic and social status is improved. Potential for expanding community aquaculture for generating self-employment and improving food security of the rural poor as well as improving the environmental conditions of the villages in rural areas can be further possible. So if the empowered women can take the leading role in converting all derelict and culturable ponds into cultured ponds and thus introduced just semi-intensive method of fish culture which is manageable with local resources and technology, it would be possible to increase the fish production and fish culture can also become a major income-generating element in rural development programs supplemented with crop production and animal husbandry, pond fish culture can generate employment as well. All these could in thus improve the quality of life of the rural poor.

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## ENHANCING THE COMPETITIVENESS OF THE MSME SECTOR THROUGH CLUSTER DEVELOPMENT

**T**he need of the hour is a cluster based approach. Clusters are defined as a sectoral and geographical concentration of micro, small and medium enterprises with inter-connected production system leading to firm/unit level specialisation and developing local suppliers of material inputs and human resources. Availability of the local market, intermediaries for the produce of the cluster is also a general characteristics of the cluster.

As a whole, cluster facilitates to face market challenges, quicker dissemination of information, sharing of knowledge and best practices and better cost effectiveness due to distribution of common costs. It also provides an effective and dynamic path for inducing competitiveness by ensuring inter-firm cooperation through networking and trust. The geographic proximity of the enterprises with similarity of products, interventions can be made for a large number of units that leads to higher gains at a lower cost, which in turn helps in their sustainability. The cluster approach thus aims at a holistic development covering areas like infrastructure, common facility, testing, technology & skill upgradation, marketing, export promotion.

The Cluster Development approach has played an important role in enhancing the competitiveness of the MSE sector. Apart from the benefits of deployment of resources and economy of scales, the cluster development approach helps in weaving the fabric of networking, cooperation and togetherness in the industry, and thus enabling the industry to achieve competitiveness in the long run. Cluster Development Approach is the answer of the Micro and Small Enterprises to the large scale sector of the country and the world and should be part of the business strategy.

The Micro and Small units are generally not in a position to install costly machinery for their

critical operations, accept large orders, or infuse large capital due to their limited capital base and limited domain expertise. However, collectively through cluster development approach, the micro and small enterprises can attain the desired goal of being competitive in the present global scenario. The Ministry has adopted cluster development approach as a key strategy for development of micro and small enterprises in various clusters. The Ministry is administering two cluster development programmes, namely, Micro and Small Enterprises – Cluster Development Programme (MSE-CDP) and Scheme for Upgradation of Rural and Traditional Industries (SFURTI).

The objectives of the scheme is to support the sustainability and growth of MSEs by addressing common issues such as improvement of technology, skills and quality, market access, access to capital, etc.; to build capacity of MSEs for common supportive action through formation of self help groups, consortia, upgradation of associations, etc., and to create and upgrade infrastructural facilities in the new and existing industrial clusters of MSEs.

The cluster development initiatives in various clusters have reportedly delivered remarkable results. The guidelines of the MSE Cluster Development Programme (MSE-CDP) have been comprehensively prepared to provide higher support to the MSMEs. With this, more than 500 clusters spread over across the country have so far been taken up for diagnostic study, soft interventions and setting up of CFCs under the programme. The efforts under the scheme are focused on covering more and more clusters across the country.

*(PIB Features.)*

*[Inputs from the Ministry of Micro, Small and Medium Enterprises]*



# RURAL INDUSTRIES

## HARNESSING POTENTIAL TO GENERATE EMPLOYMENT

Mahendra Patel

*Khadi and Village Industries (KVI) sector employed 130.12 lakh as on February 15, 2012.. KVI and 5000 registered institutions, cooperative societies and banks implement several programs of which Prime Minister's Employment Generation Program envisages creation of additional employment of 32 lakh during Twelfth Plan*

**T**he Khadi and Village Industries, Handlooms, Handicrafts and Coir present a significant potential to generate rural employment. This paper briefly highlights Government's initiatives to develop this sector and suggests enabling measures to generate significant employment.

### Khadi and Village Industries

The Khadi and Village Industries (KVI) sector employed 130.12 lakh as on February 15, 2012. KVI and 5000 registered institutions, cooperative societies and banks implement several programs

of which Prime Minister's Employment Generation Program envisages creation of additional employment of 32 lakh during the Twelfth Plan.

Since 2003 Mahatma Gandhi Institute for Rural Industrialization has been providing technology and management inputs to enhance rural employment and help identify new areas and opportunities. Since 2004-05 Rural Industries Service Centers have been providing infrastructural support and services to units to enhance production capacity, skill upgradation and market promotion.



## Handlooms

The Handloom sector employs 43.32 lakh weavers and ancillary workers. A Comprehensive Handloom Cluster Development Scheme, among others, envisaged to cover over 36.88 lakh weavers and 375 new artisanal clusters covering four lakh artisans during the Eleventh Plan. Twelfth plan proposes to strengthen all the Weavers' Service Centers and Indian Institutes of Handloom Technology by installing modern machinery and with financial, infrastructural and faculty support.

## Coir

Coir industry employs more than seven lakh persons. Coir Board proposes to increase minimum working days to 250, additional employment for 50,000 workers in the non-traditional sector and employment of a substantial number of women in the husk collection activities. Programs implemented by individual households, co-operatives and NGOs include, among others, Entrepreneurship Development Program and modified scheme of Mahila Coir Yojana during Twelfth Plan. Coir geo-textiles developed by Central Coir Research Institute is being used for construction of rural roads. Scheme of Rejuvenation, Modernization and Technology Upgradation of Coir Industry implemented during the Eleventh Plan to rejuvenate 4000 spinning units and 3200 tiny household units proposes to cover small and medium scale units during the Twelfth Plan Period.

## Handicrafts

The Handicrafts sector employed 68.86 lakh persons in 2011-12. Currently eight schemes aim at providing welfare measures to the artisans and also need-based interventions for holistic and sustainable development of the handicrafts sector.

## District Rural Industries Project

NABARD launched District Rural Industries Project in 1993-94 in five potential districts to generate sustainable employment opportunities through rural industries. As on March 2009 project covered 106 districts establishing 34,17,000 units and employing over 43,29,000 persons.

## Enabling measures

Policy initiatives and programs are necessary to create facilitating environment to develop the sector as a strong, competitive and vibrant sector to harness its latent potential.

## Decentralization

Panchayati Raj Institutions at village, Block and district levels as an integral part of decentralization democratic process must necessarily be made responsible to plan, implement and review all programs and schemes for rural employment under this sector viz. KVIs, handlooms, handicrafts and coir. Each Block should have Block Industries Center [on lines of District Industries Center] fully equipped to assist in formulating five year perspective plan, monitor and review its implementation quarterly, computerize information system,

assist PRIs to plan and implement programs and schemes embodied in the perspective plans etc. DIC should also be fully equipped to deal with all aspects of the sector in the district aimed at achieving targeted growth and development. Adequate training to the staff to build their capacity should be provided to yield expected results. Major institutions providing inputs, credit, technology, management and market development, etc. need to be decentralized in order to reach the dispersed and largely home-based producers. Surveys/ studies of each industry need to be conducted after five years to precisely understand its status by collecting data and information including

**The Handicrafts sector employed 68.86 lakh persons in 2011-12. Currently eight schemes aim at providing welfare measures to the artisans and also need-based interventions for holistic and sustainable development of the handicrafts sector.**

problems related to availability of raw material, technology, design, and common facilities; living and working conditions of artisans etc.

## Awareness

Awareness among producers has to be created on all aspects of schemes and products and procedural aspects including formulation of economically viable and bankable projects to avail credit and subsidy easily. Sometimes, the staff of implementing agencies does not possess complete information, resulting in critical gaps in implementation, which need to be updated through frequent training and follow-up/ refresher training programs. Human resource development and training scheme should aim at providing trained and qualified workforce capable of establishing a strong production base, coupled with improvements in quality and use of appropriate techniques, processes and innovative designs to meet present day market requirements. Technology interfaces centers should serve as information dissemination and technology adoption.

## Perspective plan

The perspective plan for each district for five years detailing the potential for rural employment generation Block-wise and industry-wise should be formulated. The plan should review the Government's policy initiatives and programs on rural employment generation, current status of employment, role and accountability of agencies implementing the programs/schemes, constraints being experienced, innovations, research and development efforts to promote employment generation, and indicate in detail the existing infrastructure to support the demand for employment generation and specific improvement required in infrastructure that can be created in next five years. Department of Industries, NABARD, DIC and Lead Bank in particular in each district has gained significant amount of field experience in

**NABARD in consultation with resourceful district authorities has been formulating Potential Linked Plan for each district since April 1989 and has been refining its methodology and updating this plan to serve as a resource document.**

this area. NABARD in consultation with resourceful district authorities has been formulating Potential Linked Plan for each district since April 1989 and has been refining its methodology and updating this plan to serve as a resource document. DIC as a nodal agency should be entrusted with full responsibility to develop this sector and formulate this perspective plan for the district in consultation with NABARD, Industries Department, Lead Bank and institutions viz. KVIs, Handlooms, Handicrafts and Coir Boards. Participation and active involvement of PRIs and producers engaged in these industries should be sought at every stage in this exercise.

## Strategy

The objective should be to create full time employment optimally utilizing local resources, raw materials and manpower; enhance productivity and earnings of producers in each industry and achieve industry-wise targets of employment, production and value. Strategy should, therefore, focus to [i] strengthen the raw material delivery systems [ii] design value-added products [iii] provide modern tools / equipment, improved techniques and upgrade their skills through training [iv] professionalize the institutions emphasizing marketing & brand building initiatives [v] refine cluster development approach [vi] establish efficient monitoring, evaluation and management information systems [vii] introduce Public-Private-Partnership in technology and marketing operations for greater efficiency and faster growth of the sector [viii] promote producers welfare programs.

## System approach

Problems arresting the growth and development of the sector have been already identified. This necessitates the system to be in place to ensure efficient supply chain management

from the stage of availability of raw materials up to sale of finished products, essential for providing full time employment and higher returns for their products through organized cluster approach. Cluster facilitates producers to avail all facilities with ease at one place since clusters have facilities of power, water, training and skill upgradation, inputs, packaging, effluent treatment plants, drinking water, sanitation. For example, The National Program for Rural Industrialization envisaged setting up Rural Industrial Estates and Artisan Clusters to provide necessary infrastructure and support services to the village industries. Since 1999-00 such clusters have been established that need to be evaluated and refined before being replicated. System ensures timely completion of project activities and attainment of objectives of increasing output and income of producers, maximizing coverage and creating significant impact. This necessitates strong web-based monitoring system to ensure transparency and accountability and facilitate regular tracking of physical and financial performance of individual programs/projects in individual clusters. Smooth flow of information between buyers and sellers would familiarize producers and help them respond to dynamic markets.

## Training

Upgrading skills and capacity building throughout the chain is required to bring about significant transformation in the sector. Skills linked to production planning, costing, quality control, design and technology development, marketing, among others, need focused attention to enable producers to compete in open markets. Besides, need is to mainstream the technology and management-related education to make the sector a promising career option for rural youth. The formal education system and research institutes can include training and skill development into their mainstream curricula/activities. Focused training and skill upgradation programs must be instituted to help

women manage production.

## Management information system

Information system should be capable to provide timely and accurate data on the growth and development of each industry monthly, quarterly, half yearly and yearly basis, as the case may be, particularly in respect of Block-wise achievements vis-à-vis targets of full time and part-time employment generated and earnings, production, number of artisans trained, grant assistance, subsidy, credit, sales, value etc. to reflect the issues that management needs to address as a part of policy intervention, refine programs, research etc.

## Monitoring and Evaluation

At Block and district level DIC as nodal agency should have a role to review and monitor on a quarterly basis the progress of implementation

Block-wise and sector-wise, identify deficiencies, discuss with all stakeholders the recommended measures to significantly improve the process of implementation to avoid time and cost over-run. State authorities should do this exercise on a half yearly basis and Union Government on an annual basis. Evaluation of programs to assess the achievement of the intended objectives with reference to measurable indicators needs to be conducted at the end of three years to precisely understand the factors inhibiting the targeted growth, impact of schemes,

products, designs, tools, equipment, packaging, processes, technologies, innovations, institutions, agencies, provision of work-sheds to artisans and skill upgradation training programs, employment generation, productivity, competitiveness, sales, value, domestic and export markets and necessary changes in policy and programs considered.

*[The author writes on rural development issues and is a retired senior manager of Bank of Baroda, Ahmedabad.]*

**The National Program for Rural Industrialization envisaged setting up Rural Industrial Estates and Artisan Clusters to provide necessary infrastructure and support services to the village industries. Since 1999-00 such clusters have been established that need to be evaluated and refined before being replicated.**



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