CHAPTER III

PUBLIC INTERVATIONS FOR
EMPLOYMENT GENERATION IN INDIA
3.1 Introduction

Poverty is a major problem India has been facing even after 60 years of Independence. Several policies and programmes have been introduced in India since independence to address the problem of poverty and unemployment. Though these programmes have a positive impact on these issues and reduced poverty to a larger extent, still 26% of the rural population is under poverty line (Planning commission, 2013) and unemployment rate is increasing. In this context, MGNREGP is another initiative of the government to improve livelihoods of people in rural areas.

Alleviation of rural poverty has been one of the primary objectives of planned development in India. Ever since the inception of planning, the policies and the programmes have been designed and redesigned with this aim. The problem of rural poverty was brought into a sharper focus during the Sixth Plan. The Seventh Plan too emphasized growth with social justice. It was realized that a sustainable strategy of poverty alleviation has to be based on increasing the productive employment opportunities in the process of growth itself. However, to the extent the process of growth by passes some sections of the population, it is necessary to formulate specific poverty alleviation programmes for generation of a certain minimum level of income for the rural poor.

The failure of the growth-oriented strategy of the 1960s to make any significant dent on the problems of rural poverty and unemployment led to its re-examination in the late 1960s. Inequitable distribution of benefits of the growth-oriented programmes between rich and poor households within an area was officially acknowledged in the early 1970s, and a number of corrective measures in the form of programmes were taken to ameliorate the problems. We discuss here the major programmes taken up by the government with the main objective of alleviation of poverty and unemployment.

The poverty alleviation programmes were aimed at tackling the problems of poverty and backwardness directly by helping the weaker sections to increase their incomes through self-employment and wage-paid employment. The major premise of
the group-specific programmes was that their benefits would flow to the weaker sections because of the specificity of the target groups and target areas.

3.2 Current Poverty Scenario and Trends in India

Several attempts have been in India to estimate the incidence of poverty and trends thereof. The estimates are, not strictly comparable because of differences in the methodologies used to define the poverty lines and size of samples taken. However, by and large, we could say that the proportion of Indian’s population living below the poverty line has fluctuated widely over time and across states in the past, but the overall trend presented in table has been downward. Broad trends in poverty are presented in the following table 3.1.

Table 3.1: Percentage and Number of Poor Estimated by Tendulkar method, using Mixed Reference Period (MRP)

<table>
<thead>
<tr>
<th>Year</th>
<th>Poverty Ratio (%)</th>
<th>Number of Poor (million)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rural</td>
<td>Urban</td>
</tr>
<tr>
<td>1993-94</td>
<td>50.1</td>
<td>31.8</td>
</tr>
<tr>
<td>2004-05</td>
<td>41.8</td>
<td>25.7</td>
</tr>
<tr>
<td>2011-12</td>
<td>25.7</td>
<td>13.7</td>
</tr>
</tbody>
</table>

Annual Average Decline: 1993-94 to 2004-05 (percentage points per annum)

<table>
<thead>
<tr>
<th></th>
<th>0.75</th>
<th>0.55</th>
<th>0.74</th>
</tr>
</thead>
</table>

Annual Average Decline: 2004-05 to 2011-12 (percentage points per annum)

<table>
<thead>
<tr>
<th></th>
<th>2.32</th>
<th>1.69</th>
<th>2.18</th>
</tr>
</thead>
</table>

Source: Planning Commission of India. NSSO, 68th round.

The data in table 3.1 shows that in 2011-12 rural poverty is higher than urban poverty. According to the Tendulkar estimates around 26% of the rural population is under poverty line, while 14% of the urban population is under population is under poverty line.
The overall poverty in the country during 2011-12 is estimated to be 22%. In absolute numbers while there are 216.5 million poor are rural areas, there are 52.8 million poor in urban areas. The poverty in rural areas declined from 50% in 1993-94 to 26% in 2011-12. Similarly poverty in urban declined from 32% to 14% during the same period. The data also reveals that poverty reduced sharply between 2004-05 and 2011-12 compared to the decline between 1993-94 and 2004-05. Rural poverty declined by 0.75 percentage points per annum between 1993-94 and 2004-05, but it declined by 2.32 percentage points during 2004-05 and 2011-12. The decline in second period is more sharper in rural compared urban.

### 3.3 Inter-state Differences in Poverty Levels

The percentage of poor differences is not only between rural and urban areas, but also across different states. The inter-state variation is observed based on the poverty estimated by Tendulkar method for the year 2011-12. From the data in table 3.2 it can be asseved that rural poverty is not high in all the states. For example in Chandigarh while rural poverty is 1.64%, urban poverty is 22.31%. In 99% of the states rural poverty is higher than urban poverty. But the gap between rural poverty levels and urban poverty levels wide in some states where as it is very small in other states.
## Table 3.2: Number and Percentage of Population below poverty line by states - 2011-12 (Tendulkar Methodology)

<table>
<thead>
<tr>
<th>State/u.t</th>
<th>Rural</th>
<th></th>
<th>Urban</th>
<th></th>
<th>Total</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% of Persons</td>
<td>No. of Persons (in lakh)</td>
<td>% of Persons</td>
<td>No. of persons (in lakh)</td>
<td>% of Persons</td>
<td>No. of persons (in lakh)</td>
</tr>
<tr>
<td>Andhra Pradesh</td>
<td>10.60</td>
<td>61.80</td>
<td>5.81</td>
<td>16.98</td>
<td>9.20</td>
<td>78.78</td>
</tr>
<tr>
<td>Arunachal Pra.</td>
<td>38.93</td>
<td>4.25</td>
<td>20.33</td>
<td>0.66</td>
<td>34.67</td>
<td>4.91</td>
</tr>
<tr>
<td>Assam</td>
<td>33.89</td>
<td>92.06</td>
<td>20.49</td>
<td>9.21</td>
<td>31.98</td>
<td>101.27</td>
</tr>
<tr>
<td>Bihar</td>
<td>34.06</td>
<td>320.40</td>
<td>31.23</td>
<td>37.75</td>
<td>33.74</td>
<td>358.15</td>
</tr>
<tr>
<td>Chhattisgarh</td>
<td>44.61</td>
<td>88.90</td>
<td>24.75</td>
<td>15.22</td>
<td>39.93</td>
<td>104.11</td>
</tr>
<tr>
<td>Delhi</td>
<td>12.92</td>
<td>0.50</td>
<td>9.84</td>
<td>16.46</td>
<td>9.91</td>
<td>16.96</td>
</tr>
<tr>
<td>Goa</td>
<td>6.81</td>
<td>0.37</td>
<td>4.09</td>
<td>0.38</td>
<td>5.09</td>
<td>0.75</td>
</tr>
<tr>
<td>Gujarat</td>
<td>21.54</td>
<td>75.35</td>
<td>10.14</td>
<td>26.88</td>
<td>16.63</td>
<td>102.23</td>
</tr>
<tr>
<td>Haryana</td>
<td>11.64</td>
<td>19.42</td>
<td>10.28</td>
<td>9.41</td>
<td>11.16</td>
<td>28.83</td>
</tr>
<tr>
<td>Himachal Pradesh</td>
<td>8.48</td>
<td>5.29</td>
<td>4.33</td>
<td>0.30</td>
<td>8.06</td>
<td>5.59</td>
</tr>
<tr>
<td>Jammu &amp;K.</td>
<td>11.54</td>
<td>10.73</td>
<td>7.20</td>
<td>2.53</td>
<td>10.35</td>
<td>13.27</td>
</tr>
<tr>
<td>Jharkhand</td>
<td>40.84</td>
<td>104.09</td>
<td>24.83</td>
<td>20.24</td>
<td>36.96</td>
<td>124.33</td>
</tr>
<tr>
<td>Karnataka</td>
<td>24.53</td>
<td>92.80</td>
<td>15.25</td>
<td>36.96</td>
<td>20.91</td>
<td>129.76</td>
</tr>
<tr>
<td>Kerala</td>
<td>9.14</td>
<td>15.48</td>
<td>4.97</td>
<td>8.46</td>
<td>7.05</td>
<td>23.95</td>
</tr>
<tr>
<td>Madhya Pradesh</td>
<td>35.74</td>
<td>190.95</td>
<td>21.00</td>
<td>43.10</td>
<td>31.65</td>
<td>234.06</td>
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<tr>
<td>Maharastra</td>
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<td>150.56</td>
<td>9.12</td>
<td>47.36</td>
<td>17.35</td>
<td>197.92</td>
</tr>
<tr>
<td>Manipur</td>
<td>38.80</td>
<td>7.45</td>
<td>32.59</td>
<td>2.78</td>
<td>36.89</td>
<td>10.22</td>
</tr>
<tr>
<td>Meghalaya</td>
<td>12.53</td>
<td>3.04</td>
<td>9.26</td>
<td>0.57</td>
<td>11.87</td>
<td>3.61</td>
</tr>
<tr>
<td>Mizoram</td>
<td>35.43</td>
<td>1.91</td>
<td>6.36</td>
<td>0.37</td>
<td>20.40</td>
<td>2.27</td>
</tr>
<tr>
<td>Nagaland</td>
<td>19.93</td>
<td>2.76</td>
<td>16.48</td>
<td>1.00</td>
<td>18.88</td>
<td>3.76</td>
</tr>
<tr>
<td>Orrissa</td>
<td>35.69</td>
<td>126.14</td>
<td>17.29</td>
<td>12.39</td>
<td>32.59</td>
<td>138.53</td>
</tr>
<tr>
<td>Punjab</td>
<td>7.66</td>
<td>13.35</td>
<td>9.24</td>
<td>9.82</td>
<td>8.26</td>
<td>23.18</td>
</tr>
<tr>
<td>Rajasthan</td>
<td>16.05</td>
<td>84.19</td>
<td>10.69</td>
<td>18.73</td>
<td>14.71</td>
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<td>3.66</td>
<td>0.06</td>
<td>8.19</td>
<td>0.51</td>
</tr>
<tr>
<td>Tamil Nadu</td>
<td>15.83</td>
<td>59.23</td>
<td>6.54</td>
<td>23.40</td>
<td>11.28</td>
<td>82.63</td>
</tr>
<tr>
<td>Tripura</td>
<td>16.53</td>
<td>4.49</td>
<td>7.42</td>
<td>0.75</td>
<td>14.05</td>
<td>5.24</td>
</tr>
<tr>
<td>Uttarakhand</td>
<td>11.62</td>
<td>8.25</td>
<td>10.45</td>
<td>3.35</td>
<td>11.26</td>
<td>11.60</td>
</tr>
<tr>
<td>Uttar Pradesh</td>
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<td>479.50</td>
<td>26.06</td>
<td>118.84</td>
<td>29.43</td>
<td>598.19</td>
</tr>
<tr>
<td>West Bengal</td>
<td>22.52</td>
<td>141.14</td>
<td>14.66</td>
<td>43.83</td>
<td>19.98</td>
<td>184.98</td>
</tr>
<tr>
<td>Puducherry</td>
<td>17.06</td>
<td>0.69</td>
<td>6.30</td>
<td>0.55</td>
<td>9.69</td>
<td>1.24</td>
</tr>
<tr>
<td>A &amp; N Island</td>
<td>1.57</td>
<td>0.04</td>
<td>0.00</td>
<td>0.00</td>
<td>1.00</td>
<td>0.04</td>
</tr>
<tr>
<td>Chandigarh</td>
<td>1.64</td>
<td>0.00</td>
<td>22.31</td>
<td>2.34</td>
<td>21.81</td>
<td>2.35</td>
</tr>
<tr>
<td>Dadra &amp; Nagar</td>
<td>62.59</td>
<td>1.15</td>
<td>15.38</td>
<td>0.28</td>
<td>39.31</td>
<td>1.43</td>
</tr>
<tr>
<td>Daman &amp;Diu</td>
<td>0.00</td>
<td>0.00</td>
<td>12.62</td>
<td>0.26</td>
<td>9.86</td>
<td>0.26</td>
</tr>
<tr>
<td>Lakshadweep</td>
<td>0.00</td>
<td>0.00</td>
<td>3.44</td>
<td>0.02</td>
<td>2.77</td>
<td>0.02</td>
</tr>
<tr>
<td>all-India</td>
<td>25.70</td>
<td>2166.58</td>
<td>13.70</td>
<td>531.25</td>
<td>21.92</td>
<td>2697.83</td>
</tr>
</tbody>
</table>

Source: Planning Commission of India 2011-12
Notes: 1. Population as on 1st March 2012 has been used for estimating number of persons below poverty line. (2011 Census population extrapolated)
In states like Andhra Pradesh, Bihar, Delhi, Goa, Haryana, Himachal Pradesh, Jammu & Kashmir, Kerala, Manipur, Meghalaya, Nagaland, Punjab, Rajasthan, Sikkim and Uttarakhand, the gap between urban poverty levels and rural poverty levels is less than 5%. The states with more than 30% rural poverty are Arunachal Pradesh (38.93%), Assam (33.89%), Bihar (34.06%), Chattisgarh (44.61%), Jarkhand (40.84%), Madhya Pradesh (35.74%), Manipur (38.80%), Mizoram (35.43%), Orissa (35.69%), Uttara Pradesh (30.40%), Dadra Nagarahaveli (62.59%), states with more than 30% urban poverty are Bihar and Manipur. Least urban poverty is observed in Lakshadweep (3.44%).

### 3.4 Status of Unemployment

Based on the NSSO employment and unemployment survey unemployment rates were collected for the period 1993-94 to 2009-10.

#### Table 3.3: Unemployment rate (in percent) in India: 1993-94, 1999-00, 2004-05,

<table>
<thead>
<tr>
<th>Area</th>
<th>Gender</th>
<th>1993-94</th>
<th>1999-00</th>
<th>2004-05</th>
<th>2009-10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural</td>
<td>Female</td>
<td>5.6</td>
<td>7.0</td>
<td>8.7</td>
<td>8.0</td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>5.6</td>
<td>7.2</td>
<td>8.0</td>
<td>6.4</td>
</tr>
<tr>
<td></td>
<td>persons</td>
<td>5.6</td>
<td>7.1</td>
<td>8.2</td>
<td>6.8</td>
</tr>
<tr>
<td>Urban</td>
<td>Female</td>
<td>10.5</td>
<td>9.4</td>
<td>11.6</td>
<td>9.1</td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>6.7</td>
<td>7.3</td>
<td>7.5</td>
<td>5.1</td>
</tr>
<tr>
<td></td>
<td>persons</td>
<td>7.4</td>
<td>7.7</td>
<td>8.3</td>
<td>5.8</td>
</tr>
</tbody>
</table>

Note: Figures relate to current daily status of individuals.

As per the data presented in table 3.3 the unemployment rate inversely in rural areas, but declined in urban areas between 1993-94 and 2009-10. While rural unemployment rate increased from 5.6% to 6.8%, urban unemployment rate declined from 7.4% to 5.8%.
In the case of male unemployment in rural areas the increase is from 5.6% to 6.4%. But inverse in female unemployment is more. It increased from 5.6% to 8.0% during the same period. But in urban areas the decline is from 10.5 to 9.1% for females and 6.7% to 5.1% for females.

Table 3.4: Compound Annual Growth Rate (in percent) of Labour Force (all ages)

<table>
<thead>
<tr>
<th>Area</th>
<th>Gender</th>
<th>1993-94 to 1999-00</th>
<th>1999-00 to 2004-05</th>
<th>2004-05 to 2009-10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural</td>
<td>Female</td>
<td>1.3</td>
<td>2.9</td>
<td>-4.0</td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>1.9</td>
<td>1.6</td>
<td>0.7</td>
</tr>
<tr>
<td></td>
<td>Persons</td>
<td>1.7</td>
<td>2.1</td>
<td>-1.0</td>
</tr>
<tr>
<td>Urban</td>
<td>Female</td>
<td>1.4</td>
<td>5.1</td>
<td>-1.7</td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>3.1</td>
<td>2.1</td>
<td>2.1</td>
</tr>
<tr>
<td></td>
<td>Persons</td>
<td>2.8</td>
<td>2.9</td>
<td>1.0</td>
</tr>
<tr>
<td>Total</td>
<td>Male</td>
<td>1.3</td>
<td>3.0</td>
<td>-3.4</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>2.2</td>
<td>1.7</td>
<td>1.1</td>
</tr>
<tr>
<td></td>
<td>Persons</td>
<td>2.0</td>
<td>2.2</td>
<td>-0.4</td>
</tr>
</tbody>
</table>

Note: Figures correspond to usual principal and subsidiary status of individuals.

Source: Karnataka Economic Survey 2012-13. Calculated from data on LFPR and population estimates from NSS Employment Unemployment Surveys
The data presented in table 3.4 shows that between 1993-94 and 1999-00 rural female labour force increased at an annual growth rate of 1.3 percent. But it increased at a rate to 2.9 percent between 1999-2000 and 2004-05. In the later period the growth rate declined and between 2004-05 and 2009-10 the growth rate was -4.0. Similarly during the same periods male labour force increased at an annual growth rate of 1.9 percent (1993-94 and 1999-00) and 0.7 percent during 2004-05 and 2009-10. In the urban areas female labour force grew at the rate of 1.4 percent from 1993-94 to 1999-00. But the growth was high at 5.1 percent in 1999-2000 and 2004-05. However this growth rate did not sustain. During 2004-05 and 2009-10 the growth rate was -1.7 percent. In the case of urban male the growth rate declined from 3.1 percent in 1993-94 to 2009-10 to to 2.1 percent in 2004-5 to 2009-10. The overall growth rate in the total labour force declined 2.0 percent to -0.4 percent during the same period.

3.5. Public Distribution System (PDS)

The PDS is the oldest of all the programmes that were designed to ensure food security in India, particularly of the poor. It is the world’s largest food distribution network having within its fold over 4, 35,000 fair price shops, distributing commodities worth more than Rs 15,000 crore annually. The basic objective of the
PDS is to ensure that essential commodities are made available to the people at reasonable price, so as to provide them a safety net against inflation.

The PDS has been an integral part of India's food policy since the World War II period, when statutory rationing was introduced in big cities, such as Mumbai and Kolkata. After independence also, the GoI has continued to follow the system, although the nature and the extent of government intervention has varied over time, depending on fluctuations in food grains production and price rise. The First Five Year Plan emphasized the distribution of food grains through the statutory rationing system in cities and towns having population of more than 5,000 persons and in chronically food-deficit areas of the country. In the Second Five Year Plan, the PDS was extended to cover, besides food grains, other essential commodities also. In the Third Five Year Plan, a procurement and distribution system was created for ensuring price stabilization. In the Fourth Five Year Plan, the scope of the PDS was further widened by covering all rural areas in the country and distribution of other goods of mass consumption with the help of cooperative stores. In the Fifth Five year plan, the PDS was focused on the poor. The Sixth Five Year Plan emphasized the distribution of food grains to the disadvantaged groups. In the Seventh Five Year Plan, the PDS was included in the Minimum Needs Programme (MNP). The Eighth Five Year Plan laid emphasis of the intensification of the PDS in the rural and disadvantaged areas, and strengthened the infrastructure by establishing new fair price shops. The Ninth Five Year Plan took an broader view of the food security system and included nutritional security in it. The system was continued in the Tenth Five Year Plan and will continue in the Eleventh Five Year Plan also. A provision of Rs 32,667 crore was made for ensuring food security under the PDS.

In order to remove some of its drawbacks, the PDS was revamped in 1992 and the revamped system was launched in tribal, arid, hilly, drought-prone and other remotely located areas of the country. The objective of revamping the PDS was to increase its reach on the basis of area approach, and to eliminate the leakages and malpractices that had crept in the system. In June 1997, a new policy of targeted PDS (TPDS) was introduced as an important constituent of the strategy of poverty alleviation. One of the important features of the implementing strategy of the Tenth Five Year Plan is the crucial role given to the panchayati raj institutions (PRIs) in the delivery of TPDS.
There have been several attempts to study the impact of the PDS. Gulati (1989) found that the PDS had a positive impact on the nutritional status of the malnourished and the poor. An evaluation study conducted by the Planning Commission in 1995 identified several deficiencies in the implementation of the revamped PDS including (a) proliferation of bogus ration cards; (b) inadequate storage arrangements; (c) ineffective functioning of vigilance committees and (d) failure to issue ration cards to all eligible households (Jena 1998:915).

3.6 Self-employment Programmes

Several self-employment programmes were introduced for promoting self employment among the unemployed. Few salient features of the self-employment programmes are discussed below.

3.6.1 The Integrated Rural Development Programme (IRDP)

The IRDP is the most important programme that falls in the category of self-employment programmes. It was launched in 1978-79 in 2,300 selected blocks in the country and was extended to all the blocks in the country with effect from 2 October 1980. It aims at providing income generating assets and self-employment opportunities to the rural poor to enable them to rise above the poverty line once and for ever. The IRDP in effect seeks to redistribute assets and employment opportunities in favour of the rural poor and thereby reduce income inequality. It is a centrally sponsored scheme and is funded on 50:50 bases by the centre and the states. The IRDP beneficiaries are assisted through viable bankable projects which are financed partly by subsidy and partly by bank loans. The subsidies are provided at differential rates ranging from 25 per cent to 50 per cent of the capital cost of the scheme, subject to a maximum of Rs 5,000 in drought-prone area programmes (DPAP) areas and Rs 4,000 in non-DPAP areas; for a Scheduled Caste/Scheduled Tribe (SC/ST) or disabled beneficiary the limit is Rs 6,000.

The IRDP is implemented by an autonomous agency called the District Rural Development Agency (DRDA). At the national level, the Ministry of Rural Development is responsible for the release of the central share of the funds, policy formulation, overall guidance, direction, coordination, monitoring and evaluation of the IRDP.

The Ministry of Rural Development has provided for concurrent evaluation and impact studies of the IRDP as an aid to administer the programme effectively. The state
governments have been advised to undertake evaluation studies from time to time to ascertain the impact of the programme and to measure the extent to which the beneficiaries have directly derived additional income and employment from the investments made under the programme.

Several all-India evaluation studies of the IRDP have been carried out by the National Bank for Agricultural and Rural Development (NABARD), the Reserve Bank of India (RBI), the Programme Evaluation Organization (PEO) of the Planning Commission and academic institutions. The Public Accounts Committee (PAC) of the Indian Parliament made some recommendations in its report about reshaping the IRDP. Some of the major inadequacies of the IRDP pointed out by the PAC report are as follows (Hirway 1988):

1. The per capita investment (loans plus subsidy) too low to generate enough income to bring the beneficiary family above the poverty line.

2. Inadequate infrastructural support for various income generating activities.

3. Inadequate representation of the concerned agencies on the governing body of the DRDA.

4. Absence of people's participation in the programme.

The subsidies provided under the IRDP were divided to other purposes. This has contributed to the low repayment rates on the loan component, since defaulters (and bank staff) are aware of the political support enjoyed by this category of beneficiaries. It has also meant that a high proportion of beneficiaries are not 'below the poverty line'.

A malpractice by lower level officials has been pervasive. Surveys in some areas indicate that a 10 percent deduction was made by bank officials as informal 'charges. In other localities, over 20 per cent of the subsidy component was charged in various ways as 'speed money'. Another common form of corruption prevalent in some areas was the collusion between officials and local middlemen, who provided the asset specified by the beneficiaries and got some money from the beneficiaries for allowing the over invoicing of the cost of the asset and shared the booty with the local officials.
This practice was contrary to the regulations, which require that the specified asset be provided by approved suppliers and not by middlemen.

### 3.6.2 Training of Rural Youth for Self Employment (TRYSEM)

A special scheme called TRYSEM was initiated in 1979 with the principal objective of removing unemployment among the rural youth. The TRYSEM is an integral part of the IRDP and is concerned with equipping rural youth in the age group of 18-35 years with the necessary skills that would enable them to be self-employed. Any rural youth below the poverty line is eligible for selection but preference in selection is given to scheduled Caste (SC), Scheduled Tribe (ST) and women candidates. The TRYSEM training is sharply focussed on trades whose products have high potential demand and can lead to sustainable IRDP projects.

A TRYSEM evaluation study covering a sample of 6,686 beneficiaries arrived at the following conclusions: out of the total beneficiaries covered, around 54 per cent were women, which is more than the prescribed norm that 40 per cent of the TRYSEM beneficiaries. Caste-wise distribution shows that 32 per cent of the total beneficiaries belonged to SC and 21 per cent to ST, which is as per the norms of the programme (that 50 per cent beneficiaries should be SC or ST). There has been a 20 per cent increase in the employment levels of the beneficiaries after training under the TRYSEM. About 15 per cent of them have started their own employment ventures. Only 26 per cent of them received any subsidy/rebate/concession. More than 80 per cent of the TRYSEM beneficiaries were satisfied with the quality of training imparted and stipend offered to them during training.

### 3.6.3 Development of Women and Children in Rural Areas (DWCRA)

The DWCRA programme was launched in 1982 as part of the IRDP. Its aim was to empower rural women living below the poverty line by way of organising them to create sustainable income generating activities through self-employment. It was the first programme of its kind that specifically focused on improving the quality of life of rural women. A unique feature of the DWCRA, unlike the other IRDP was that along with the improvement in income, it also focused on access to health, education safe drinking water, sanitation, nutrition, and so on. Thus it not only aimed at promoting economic development, but also facilitated social development.
Another unique feature of the programme was that it emphasised group activity. It was thought that in the long run, women's empowerment depends on creation of a movement that promotes awareness and self-reliance.

An evaluation study of the DWCRA brought out that DWCRA had a direct and significant impact on employment and group activities. As high a proportion as 93 per cent of the beneficiaries reported that the DWCRA had created a desire for self-employment, whereas about 89 per cent of the beneficiaries felt that the DWCRA had raised their incomes. The DWCRA had a visible impact on savings, economic conditions and social prestige, but it had less impact on health, sanitation, drinking water and children's education, which are more of community services.

3.6.4 Swarnjayanti Gram Swarozgar Yojana (SGSY)

The SGSY was operationalised in April 1999 after restructuring and combining the IRDP with allied programmes into a single self-employment programme. The basic objective of the SGSY is to bring the assisted poor families above the poverty line by providing them income-generating assets through bank credit and government subsidy. Formation of organisations of the poor at the grassroots level through a process of social mobilization for poverty reduction is central to the programme. The approach of the SGSY is based on women's self help groups (SHGs) that have to act as a financial intermediary and a vehicle for women's empowerment. The non-governmental organisations (IMGOs) are expected to facilitate the formation of such groups. Community involvement is emphasised in the programmes, in contrast to IRDP.

The programme has been conceived as a holistic self-government programme, covering all aspects of self-employment of the rural poor, such as organisation of the poor in SHGs, their capacity building, selection of key activities, planning of activity clusters, infrastructure build-up, and technology and market support. The programme aims at establishing a large number of micro-enterprises in rural areas based on the ability of the poor and the potential of each area. Assistance under the SGSY is given in the form of subsidy by government and credit by the banks. Credit is a critical component of the SGSY, and subsidy is back-ended, a minor and enabling element. Therefore, SGSY, in contrast to IRDP, envisages greater involvement of the banks in the planning and preparation of project reports, identification of activity clusters, choice of activities of SHGs, selection of individual beneficiaries and post-credit monitoring.
including loan recovery. The interface among the DRDAs, the line departments of state governments, banks, NGOs and PRIs is necessary for the effective implementation of this programme. The programme has in-built safeguards for the weaker sections. Thus, the main tenets of the SGSY are (a) key activities, (b) cluster approach and (c) group method. The first reduces the number of activities; the second shrinks the geographical spread to fewer contiguous or selected villages and the third reduces the number of clients from a large number of individuals to a small number of groups. All these are expected to reduce the burden of follow and the training and education inputs for providing backward and forward linkages.

The scheme is being implemented on a cost sharing basis of 75:25 between the centre and states. The number of SHGs has been growing rapidly; as on December 2007 about 27.37 lakh groups had been formed since April 1999, and 93.21 lakh swarozgaris had been assisted with a total outlay of Rs 19,340.32 crore.

The total investment (credit plus subsidy) during 2006-07 was about Rs 3850 crore. The investment per assisted family is about Rs 25,000. Evaluation studies show that only about one-fourth of assisted families could cross the poverty line. The central and state governments had allocated Rs 1,466 crore (66 per cent for subsidies 12 per cent revolving fund, 12 per cent infrastructure, and so) for the SGSY during 2006-07.

SHGs had a positive and significant impact in Andhra Pradesh, Kerala and Tamil Nadu, but have not yet made their presence felt in the poorer states such as Bihar Orissa and Uttar Pradesh. Most of the factors responsible for their poor performance relate to the delivery systems. These are ad-hocism in planning and implementation processes, inadequate reach of delivery systems, negative attitude of bankers towards credit disbursal to the poor, and lack of understanding and appreciation of complexity of livelihood issues. Cluster approach has also been a non-starter in many of the states The DRDAs and the line departments of the state governments have failed in providing non-credit inputs to the beneficiaries. Above all, the building up of a gender perspective in the programme has been conspicuously absent.

3.7 Wage-employment Generating Schemes (WEGS)

Wage-employment programmes have become important instruments for alleviating poverty and smoothening consumption during critical periods including,
drought and flood situations. They have been perceived to be both protective (via income transfer) and promotional (via infrastructure development) forms of safety nets. The Rural Works Programme (RWP) was the first major government intervention aimed at providing employment to the unemployed, particularly in the lean season. It was introduced in 1971. However, due to its limited scope, and its various organisational and administrative deficiencies, it did not make any significant dent in the problem of unemployment.

Table 3.5: Rural Wage Employment Programs in India

<table>
<thead>
<tr>
<th>Program</th>
<th>Launching year</th>
<th>Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Small Farmers Development Agency</td>
<td>1971</td>
<td>Controlling soil conservation and promoting agricultural productivity</td>
</tr>
<tr>
<td>2 Tribal Area Development Program</td>
<td>1972</td>
<td>Improving Economy of the tribal</td>
</tr>
<tr>
<td>3 Minimum Needs Program</td>
<td>1972</td>
<td>Providing construction assistance and controlling drop-out rate of children in school and improving health</td>
</tr>
<tr>
<td>4 Drought Prone Area</td>
<td>1973</td>
<td>Promoting dry land agriculture</td>
</tr>
<tr>
<td>5 Twenty-Point Program</td>
<td>1975, 1982, 1986</td>
<td>Eradicating poverty under various schemes</td>
</tr>
<tr>
<td>6 Food for Work Program</td>
<td>1977</td>
<td>Improving the consumption level of the poor</td>
</tr>
<tr>
<td>7 Training Rural Youth for Self Employment</td>
<td>1979</td>
<td>Upgrading the technical skills of rural youth for taking up self-employment ventures</td>
</tr>
<tr>
<td>8 Integrated Rural Development Program</td>
<td>1979</td>
<td>Providing assistance for acquisition of productive assets for self-employment</td>
</tr>
<tr>
<td>9 National Rural Employment Program (NREP)</td>
<td>1980</td>
<td>Providing wage employment for assets creation</td>
</tr>
<tr>
<td>10 Rural Landless Employment Guarantee Program (RLEGP)</td>
<td>1983</td>
<td>Providing wage employment to landless agricultural laborers for creating a social forestry and for construction activities</td>
</tr>
<tr>
<td></td>
<td>Scheme Name</td>
<td>Year</td>
</tr>
<tr>
<td>---</td>
<td>-------------</td>
<td>------</td>
</tr>
<tr>
<td>11</td>
<td>Jawahar Rojgar Yojana (JRY)</td>
<td>1989</td>
</tr>
<tr>
<td>12</td>
<td>Urban Basic Services Scheme, Urban Basic Services for the poor (revised)</td>
<td>1986</td>
</tr>
<tr>
<td>13</td>
<td>National Poverty Line Benefit Schemes</td>
<td>1995</td>
</tr>
<tr>
<td>14</td>
<td>National Poverty Line Benefit Schemes</td>
<td>1995</td>
</tr>
<tr>
<td>15</td>
<td>Prime Minister’s Integrated Urban Poverty Eradication Program (PMIUPEP) in 345 Class II cities</td>
<td>1995</td>
</tr>
<tr>
<td>16</td>
<td>JGSY</td>
<td>1999</td>
</tr>
<tr>
<td>17</td>
<td>SGRY</td>
<td>2001</td>
</tr>
<tr>
<td>18</td>
<td>NFFWP</td>
<td>Nov 2004</td>
</tr>
<tr>
<td>19</td>
<td>Employment, food security with rural</td>
<td>Aug 2005</td>
</tr>
<tr>
<td>20</td>
<td>MGNREGA</td>
<td>2nd OCT, 2009</td>
</tr>
</tbody>
</table>

Source: Planned documents of India
A series of special employment programmes followed the RWP. The major programmes of the series were as follows:

1. The Crash Scheme of Rural Employment (CSRE)
2. The Food-for-Work (FEW)
3. National Rural Employment Programme (NREP)
4. The Jawahar Rozgar Yojana (JRY)
5. The Sampoorna Grameen Rozgar Yojana (SGRY)
6. The Employment Assurance Scheme (EAS)
8. The National Rural Employment Guarantee (NREG).

3.7.1 The Crash Scheme for Rural Employment (CSRE)

In the early 1970s, when the planning strategy emphasized a direct attack on poverty, the CSRE was introduced in April 1971 as a crash scheme to alleviate the prevailing conditions of unemployment and underemployment in rural areas by generating additional employment through additional rural works. Apart from employment generation, the other objective of the CSRE was to generate assets of a durable nature in the areas of minor irrigation, land development, roads, afforestation, school buildings and other durable assets.

3.7.2 National Rural Employment Programme (NREP)

The NREP was launched in October, 1980 and became a regular Plan programme from April, 1981. The programme was expected to generate additional gainful employment in the rural areas, to the extent of 300-400 million mandays per annum, create durable community assets, and improve nutritional status and living standards of the poor.

An outlay of Rs. 1620 crores was provided under this Programme, out of which the outlay from 1980-81 onwards (Rs. 1280 crores) was to be shared equally between the Centre and the States. A major step was taken in 1983-84 when it was decided to subsidies the cost of the food grains to be distributed under this Programme. A subsidy to the extent of 37 Paise to 40 Paise per kg was provided for wheat and rice to be distributed under the Programme. According to the guidelines,
food grains were to be provided at the rate of 1 kg per man day. The total food grains made available each year during 1980-85. The creation of durable assets was an important objective of this Programme and, in fact, it is the real distinguishing feature between the Food for Work Programme and the NREP.

3.7.3 The Food-for-Work (FFW) Programme

This programme provided temporary employment with food grains as wages. Its objective was to ensure employment and food security to the rural people affected by natural disasters like droughts and floods. A new programme called the National Food-for-Work Programme (NFFWP) was launched in 150 most backward districts in November 2004. It was a 100 per cent centrally sponsored scheme. It aimed at generating supplementary wage employment and providing food security through creation of need-based economic, social and community assets.

3.7.4 Jawahar Rozgar Yojana (JRY)

The JRY was the single largest wage employment programme implemented in all the villages of the country through the PRIs. The JRY was launched in April 1989, after merging the then ongoing two wage employment programmes, that is, National Rural Employment Programme (NREP) and Rural Landless Employment Guarantee Programme (RLEGP). The main objective of the JRY was to provide additional gainful wage employment to unemployed and underemployed persons in the rural areas during the lean agricultural seasons. The JRY was targeted at people living below the poverty line. The expenditure under the programme was shared between the centre and the states in the ratio of 80:20.

The JRY contributed to the creation of durable assets in the form of school buildings, roads and other infrastructure. It was however; felt that a stage had come when the development of village infrastructure had to be taken up in a planned manner. Keeping this in view, the JRY was restructured in 1999 and renamed as the Jawahar Gram Samridhi Yojana (JGSY). The main features of the JGSY were:

1. creation of rural infrastructure;
2. implementation of JGSY entirely by village panchayats;
3. direct channelization of funds to the village panchayats through the DRDAs/zila panchayats;
vesting in the village panchayats the sole authority for preparation of Annual Action Plan (AAP) and its implementation with the approval of the gram sabha;

5. empowerment of the gram sabha to approve the schemes;

6. wage employment restricted to below poverty line (BPL) families

7. 30 per cent of the employment opportunities reserved for women;

8. delegation of administrative power to panchayats to suitably adjust the 60:40 wage material ratio for building demand-driven rural infrastructure;

9. authorization of the gram sabhas to undertake social audit; and

10. Assignment of responsibility to DRDAs/zila parishads for overall guidance, supervision and monitoring and periodical reporting.

3.7.5 Sampoorna Grameen Rozgar Yojana (SGRY)

A new scheme called the SGRY was launched in 2001. It combined the various features of EAS, FFW and JGSY, and replaced those schemes. The main aim of the SGRY remains the same as of previous employment programmes, which is, providing wage employment in rural areas and creation of economic assets. Under the scheme, wages are paid in both cash and food grains. The scheme is being implemented through the PRIs. Studies have shown that it provided only 29 days of employment per beneficiary per annum.

3.7.6 Employment Assurance Scheme (EAS)

The EAS was launched on 2 October 1993. It guaranteed 100 days of employment per annum to rural poor, particularly during lean seasons. It also provided for material for the creation of durable assets and was, to a large degree, self-targeting, assuming that only the poorest will opt to work for the basic minimum wage. The use of food grains for payment in kind is minimal in the EAS, and its regulations prohibit the engagement of contractors or middlemen. But this provision is widely flouted, and has been accompanied by falsification of attendance lists and other irregularities. Some estimates suggest that, given the widespread malpractices among administrators and contractors, only 25 per cent of the wage funds, to which beneficiaries are entitled, actually reaches them, with the remaining 75 per cent disappearing through leakages of various kinds.
3.7.7 National Food-for-Work Programme (NFFWP)

Duly taking cognizance of the need for alleviating the chronic problems of rural poverty and unemployment, and reducing the inter-regional disparities in economic growth and development in India, the Planning Commission designed and launched in 2004-05 a new programme, called the National Food-for-Work Programme (NFFWP). It identified 150 most backward districts in India on the basis of incidence of poverty as indicated by the proportion of SC/ST population, agricultural productivity per worker and agricultural wage rate. Most of the districts identified are tribal dominated districts. The main objective of the NFFWP is to generate supplementary wage employment and provide food security through the creation of need-based economic, social and community assets. This is to be done through the provision of additional resources, over and above the resources available under the SGRY, to the identified districts of the country. The NFFWP is a 100 per cent centrally sponsored scheme. A five year Perspective Plan was prepared for each of the 150 districts.

3.7.8 National Rural Employment Guarantee (NREG) Programme

Consequent upon the passing of the Rural Employment Guarantee Act on 7 September 2005, the National Rural Employment Guarantee (NREGP) Programme was launched on 2 February 2006 in 200 backward districts with a view to extend it to all the districts within five years. The scheme subsumes both SGRY and FFW in the districts covered by the NREG scheme. It aims at enhancing the livelihood security of the people in rural areas by guaranteeing 100 days of wage employment in a financial year, to a rural household whose adult members volunteer to do unskilled manual work. For the first time in India, it recognises the right to work as a fundamental legal right.

Besides providing 100 days of guaranteed employment in a financial year to every poor rural household, it also aims at developing rural infrastructure by undertaking the generation of wage employment schemes that address the causes underlying drought, deforestation and soil erosion.

An amendment to the schedule of the Act now permits works pertaining to land development, horticulture, plantation and minor irrigation on the landholdings of
not only SC/ST families but also all BPL families, thereby directly linking wage employment with agricultural productivity.

Utmost priority has been given to vigilance and monitoring. Concurrent monitoring of all NREG Programme districts is undertaken through independent monitors, and independent monitoring studies have also been undertaken. Programme processes are sought to be made transparent through social audits, which actively involve civil society organizations. The Right to Information (RTI) Act has been effectively used for enhancing the efficacy of the NREG schemes. This has created a congenial environment for ensuring public accountability. All critical data has been placed in public domain through a web enabled Management Information System (Gol 2005). For the first time, muster rolls are being placed on the website for citizen scrutiny.

3.7.1 Time-line of MGNREGA

The following table 1.1 Shows the time line of MGNREGA whereby the scheme got its modifications during the years of its running.

**Table 3.6: Time-line of MGNREGA**

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</thead>
<tbody>
<tr>
<td>NREGA legalized</td>
<td>Came into force 200 districts</td>
<td>130 more districts included</td>
<td>Universalization of the scheme</td>
<td>Wage transaction through banks/post offices</td>
<td>Name changed to MGNR</td>
</tr>
</tbody>
</table>

Source: [www.nrega.nic.in](http://www.nrega.nic.in)

As the table 1.1 depicts, when the Act got first introduced in 200 most backward districts of the country in Feb 2006, it was proposed to extend to the remaining districts only after 5 years, after seeing the popularity of the Act. But in the next year itself the Act was extended further to 130 more districts & within a year after the Act got universalized by bringing the entire country under its horizon with the exception of districts that have a hundred percent urban population & got soon named after Mahatma Gandhi (in Oct 2nd 2009) to make the Act more reachable to the masses and thus it became Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA).
3.7.2 Objective of the MGNREGP

The objective of the Programme is to enhance livelihood security in rural areas by providing at least 100 days of guaranteed wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work.

3.7.3 Goals of MGNREGP

i) Social protection for the most vulnerable people living in rural India

ii) Livelihood security for the poor through creation of durable assets, improved water security, soil conservation and higher land productivity

iii) Drought-proofing and flood management in rural India

iv) Empowerment of the socially disadvantaged, especially women, scheduled castes and schedules tribes, through the processes of a rights-based legislation

v) Strengthening decentralized, participatory planning through convergence of various anti-poverty and livelihoods initiatives

vi) Deepening democracy at the grass-roots by strengthening Panchayati Raj Institutions

vii) Effecting greater transparency and accountability in governance Thus, Mahatma Gandhi NREGA is a powerful instrument for inclusive growth in rural India through its impact on social protection, livelihood security and democratic empowerment.

3.7.4 Coverage of MGNREGP

The MGNREP was notified in 200 rural districts in its first phase of implementation (with effect from 2 February 2006). During 2007-08, it was extended to an additional 130 rural districts. The remaining districts were notified under MGNREGP with effect from 1 April 2008. Since 2008, at present MGNREGP has covered the entire country with the expectation of districts that have a hundred percent urban population.
3.7.5 Implementation procedure of MGNREGP

- Adult members of a rural household, willing to do unskilled manual work, may apply for registration in writing or orally to the local Gram Panchayat.
- The Gram Panchayat after due verification will issue a Job Card. The Job Card will bear the photograph of all adult members of the household willing to work under MGNREGP and is free of cost.
- The Job Card should be issued within 15 days of application.
- A Job Card holder may submit a written application for employment to the Gram Panchayat, stating the time and duration for which work is sought. The minimum days of employment have to be at least fourteen.
- The Gram Panchayat will issue a dated receipt of the written application for employment, against which the guarantee of providing employment within 15 days operates.
- Employment will be given within 15 days of application for work, if it is not then daily unemployment allowance as per the Act, has to be paid liability of payment of unemployment allowance is of the States.
- Work should ordinarily be provided within 5 km radius of the village. In case work is provided beyond 5 km, extra wages of 10% are payable to meet additional transportation and living expenses.
- Wages are to be paid according to the Minimum Wages Act 1948 for agricultural labourers in the State, unless the Centre notices a wage rate which will not be less than Rs. 60 (US$1.33) per day. Equal wages will be provided to both men and women.
- Wages are to be paid according to piece rate or daily rate. Disbursement of wages has to be done on weekly basis and not beyond a fortnight in any case.
- At least one-third beneficiaries shall be women who have registered and requested work under the scheme.
- Work site facilities such as crèche, drinking water, shade have to be provided.
- The shelf of projects for a village will be recommended by the gram sabha and approved by the Zilla Panchayat.
At least 50% of works will be allotted to Gram Panchayats for execution

Permissible works predominantly include water and soil conservation, afforestation and land development works

A 60:40 wage and material ratio has to be maintained. No contractors and machinery is allowed percent of the material cost including the wages of skilled and semi skilled workers

Social Audit has to be done by the Gram Sabha

Grievance redressed mechanisms have to be put in place for ensuring a responsive implementation process

All accounts and records relating to the Scheme should be available for public scrutiny

### 3.7.6 Paradigm shift from wage employment programme

The MGNREGP marks a paradigm shift from previous wage employment programmes planned and implemented in India’s history. MGNREGP is different from any other programme in its scale, architecture and thrust. It has an integrated natural resource management and livelihoods generation perspective. The transparency and accountability mechanisms under MGNREGA create accountability of performance, especially towards immediate stakeholders. Some of its other unique aspects are outlined below:

### 3.7.7 Unique aspects of MGNREGP

i. Its design is bottom-up, people-centred, demand-driven, self-selecting and rights-based,

ii. It provides a legal guarantee of wage employment,

iii. It is a demand-driven programme where provision of work is triggered by the demand for work by wage-seekers,

iv. It has legal provisions for allowances and compensation, in case of failure to provide work on demand, and delays in payment of work undertaken. In case work is not provided on time, the States bear the cost of the unemployment allowance,
v. It overcomes problems of targeting through its self-targeting mechanism of beneficiary selection,

vi. It incentivises states to provide employment as 100 per cent of the unskilled labour cost and 75 per cent of the material cost of the programme is borne by the central government of India,

vii. Unlike the earlier wage employment programmes that were allocation-based, MGNREGP is demand-driven and the transfer of resources from center to States is based on the demand for employment in each of the States. This provides an additional incentive for the States to leverage the Act to meet the employment needs of the poor,

viii. The bottom-up, people-centred, demand-driven architecture also means that a great share of the responsibility for the success of the MGNREGA lies with the wage-seekers, GSs and GPs,

ix. Social audit, a new feature of MGNREGP, creates unprecedented accountability of performance, especially towards the immediate stakeholders,

x. A Report on the outcomes of MGNREGP to be is presented annually by the Government of India to the Indian Parliament and by the State governments to the State Legislatures.

3.7.8 Nature of Works under MGNREGP

Under MGNREGP, each district has to prepare a shelf of projects. The selected works to provide employment are to be selected from the list of permissible works. The different categories of permissible works are as follows:

- Water Conservation and water harvesting
- Drought Proofing (including plantation and afforestation)
- Irrigation canals including micro and minor irrigation works
- Flood Control and Protection Works
- Minor irrigation, horticulture and land development on the land of SC/ST/BPL/IAY and land reform beneficiaries
- Renovation of traditional water bodies including desilting of tanks
- Land Development
- Rural Connectivity

The shelf of projects has to be prepared on the basis of priority assigned by Gram Sabha. At least 50% of works have to be allotted to Gram Panchayats for execution. A 60:40 wage and material ratio has to be maintained. Contractors and use of labour displacing machinery are prohibited.

3.7.9 Stakeholders of MGNREGP

Key Stakeholders are:

i) Wage seekers
ii) Gram Sabha
iii) PRIs, specially the gram panchayat
iv) Programme Officer at the block level
v) District Programme Coordinator
vi) State Government
vii) Ministry of Rural Development

I. VILLAGE LEVEL

Wage Seekers:

The wage seekers are the primary stakeholders of the Act. Their exercise of choice to demand employment is the trigger of key processes. The rights of the wage seekers are:

i) Application for registration
ii) Obtaining a Job Card
iii) Application for work
iv) Choice of time and duration of the work applied for
v) Provision of work within fifteen days of application
vi) Provision of crèche, drinking water, first aid facilities on work site
vii) The right to check their Muster Rolls and to get information regarding their employment entered in their Job Cards

viii) Payment of wages within fifteen days of work done

ix) The right to get unemployment allowance in case employment is not provided within fifteen days of submitting the application or from the date when work is sought

II. Gram Sabha (GS)

i) The Gram Sabha has been given the following rights and responsibilities under the Act

   i) It will recommend works to be taken up under NREGS

   ii) It will conduct social audits on implementation of the Scheme

   iii) In addition, it is suggested that the Gram Sabha be used extensively as a forum for Sharing information about the Scheme

III. Gram Panchayat (GP)

The Gram Panchayat is the pivotal body for implementation at the village level. Where Part Nine of the Constitution does not apply, local councils/authorities as mandated by the State concerned will be invested with corresponding

The Gram Panchayat is responsible for the following activities:

   i) Planning of works
   ii) Receiving applications for registration
   iii) Verifying registration applications
   iv) Registering households
   v) Issuing Job Cards
   vi) Receiving applications for employment
   vii) Issuing dated receipts,
   viii) Allotting employment within fifteen days of application
   ix) Executing works
x) Maintaining records

xi) Convening the Gram Sabha for social audit

x) Monitoring the implementation of the Scheme at the village level.

**IV. BLOCK LEVEL**

a. **Intermediate Panchayat (IP):** The Intermediate Panchayat will be responsible for the consolidation of the GP plans at the Block level into a Block Plan and for monitoring and supervision

b. **Programme Officer (PO):** The Programme Officer essentially acts as a coordinator for NREGS at the Block level. The chief responsibility of the Programme Officer is to ensure that anyone who applies for work gets employment within 15 days. A Programme Officer’s other important functions are:

i) Scrutinizing the annual development plan proposed by the GPs

ii) Including the proposals of the Intermediate Panchayat

iii) Consolidating all proposals into the block plan and submitting it to the Intermediate Panchayat

iv) Matching employment opportunities with the demand for work at the Block level;

v) Monitoring and supervising implementation

vi) Disposal of complaints

vii) Ensuring that social audits are conducted by the Gram Sabhas and following up on them

viii) Payment of unemployment allowance in case employment is not provided on time The Programme Officer is accountable to the District Programme Coordinator

**V. DISTRICT LEVEL**

a. **District Panchayats:** District Panchayats will be responsible for finalizing the District Plans and the Labour Budget and for monitoring and supervising the Employment Guarantee Scheme in the District.
b. District Programme Coordinator (DPC): The State Government will designate a District Programme Coordinator, who can be either the Chief Executive Officer of the District Panchayat, or the District Collector, or any other District-level officer of appropriate rank. The overall responsibility for ensuring that the Scheme is implemented according to the Act belongs to the District Programme Coordinator (DPC) at the District level.

A District Programme Coordinator will be responsible for:

i) Information dissemination
ii) Training
iii) Consolidating block plans into a district plan
iv) Ensuring administrative and technical approvals to the shelf of projects has been accorded on time
iv) Release and utilization of funds
v) Ensuring hundred percent monitoring of works, Muster Roll Verifications,
v) Submission of Monthly Progress Reports.

VI. STATE LEVEL

I) State Employment Guarantee Council (SEGC): A State Employment Guarantee Council (or ‘State Council’) is to be set up by every State Government under Section 12 of MGNREGP. The SEGC shall advise the State Government on the implementation of the Scheme, and evaluate and monitor it. Other roles of the State Council include deciding on the ‘preferred works’ to be implemented under MGNREGP, and recommending the proposals of works to be submitted to the Central Government under Schedule I Section 1 (ix) of the Act.

The State Council will prepare an Annual Report on the implementation of the MGNREGP in the State to be presented to the State Legislature.

II) The State Government will be responsible for:

a) Wide communication of the Scheme
b) Setting up the SEGC
c) Establishing a State Employment Guarantee Fund
d) Ensuring that full time dedicated personnel are in place for implementing NREGA, specially the Gram Panchayat assistant (Gram Rozgar Sahayak) and the Programme Officer, and the technical staff

e) Ensuring that the State share of the NREGS budget is released on time

f) Delegation of financial and administrative powers to the District Programme Coordinator and the Programme Officer, as is deemed necessary for the effective implementation of the Scheme

g) Training

h) Establishing a network of professional agencies for technical support and for quality-control measures

i) Regular review, monitoring and evaluation of NREGS processes and outcomes.

j) Ensuring accountability and transparency in the Scheme at all levels

VII. CENTRAL LEVEL

I) Central Employment Guarantee Council (CEGC): A Central Employment Guarantee Council (or ‘Central Council’) has been set up under the chairmanship of the Minister of Rural development. The Central Council is responsible for advising the Central Government on NREGA-related matters, and for monitoring and evaluating the implementation of the Act. It will prepare Annual Reports on the implementation of MGNREGP for submission to Parliament.

The members of this council include representatives from the Central Government, the State Governments, Panchayati Raj Institutions, organizations of workers and disadvantaged groups with the representatives from women and members of Scheduled Castes, the Scheduled Tribes, the Other Backward Castes and Minorities.

Mandatory functions of the Central Employment Guarantee Council are

a. Establish a central evaluation and monitoring system;

b. Advise the Central Government on all matters concerning the implementation of this Act;
c. Review the monitoring and redresses mechanism from time to time and recommend improvements required;

d. Promote the widest possible dissemination of information about the Schemes made under this Act;

e. Monitoring the implementation of this Act;

f. Preparation of annual reports to be laid before Parliament by the Central Government on the implementation of this Act;

g. Any other duty or function as may be assigned to it by the Central Government. In addition it is authorized to have the power to undertake evaluation of the various Schemes made under this Act and for that purpose collect or cause to be collected statistics pertaining to the rural economy and the implementation of the Schemes.

II) Ministry of Rural Development (MORD): The Ministry of Rural Development is the nodal Ministry for the implementation of MGNREGP. It is responsible for ensuring timely and adequate resource support to the States and to the Central Council. It has to undertake regular review, monitoring and evaluation of processes and outcomes.

It is responsible for maintaining and operating the MIS to capture and track data on critical aspects of implementation, and assess the utilization of resources through a set of performance indicators. MORD will support innovations that help in improving processes towards the achievement of the objectives of the Act. It will support the use of Information Technology (IT) to increase the efficiency and transparency of the processes as well as improve interface with the public. It will also ensure that the implementation of MGNREGP at all levels is sought to be made transparent and accountable to the public.

3.8 Financing pattern in MGNREGP

MGNREGP is implemented with the financial support from both the Central and State Governments As per the Act
3.8.1 The Central Government bears the costs on the following items:

a) The entire cost of wages of unskilled manual workers.

b) 75% of the cost of material, wages of skilled and semi-skilled workers.

c) Administrative expenses as may be determined by the Central Government, which will include, inter alia, the salary and the allowances of the Programme Officer and his supporting staff, work site facilities.

d) Expenses of the Central Employment Guarantee Council.

3.8.2 The State Government bears the costs of the following items:

a) 25% of the cost of material, wages of skilled and semi-skilled workers.

b) Unemployment allowance payable in case State Government cannot provide wage employment on time.

c) Administrative expenses of the State Employment Guarantee Council.

The space available here does not permit any evaluation of the wage employment programmes launched in India from time to time under different names. It would suffice to say that all these programmes had very little dent of the problem of chronic unemployment in rural areas, particularly the tribal and other backward areas.

3.9 Conclusions

Poverty and unemployment have been the bane of India since long. Reduction in these two has been one of the major goals of India's development planning since the beginning of the planning era. Accordingly, the Government of India (GoI) has launched various programmes from time to time aimed at alleviation of poverty and unemployment. Poverty alleviation schemes and programmes have been in place for a long time now. The programmes and schemes have been modified, consolidated expanded and improved over time. The targeted programmes fall into four broad categories; (a) self-employment programmes; (b) wage-employment programmes- (c) public distribution system (PDS); and (d) other social welfare oriented programmes (SWOP), such as National Social Assistance Programme (NSAP) and the Aar-Admi Bima Yojana (AABY). Undoubtedly, India has made some progress in the reduction of income poverty over time. Yet, according to the Uniform Recall Period (URP)
consumption distribution data of the sixty-first round of the National Sample Survey Organization (NSSO) survey, in 2004-05, the poverty ratio in the rural areas of India was 28.3 percent as against 25.7 per cent in the urban areas, and 27.5 per cent for the country as a whole. According to Human Development Report (HDR) 2003 of the UNDP (2003), India has the largest number of poor among the countries of the world and is home to one-fourth of the world's poor.

The regional differences in poverty reduction are substantial. The decline in incidence of poverty in the states ranged between 12 and 50 percentage points in rural area during 1973-2000 and 20-40 percentage points in urban areas. The inter-state variations in the rural poverty reduction can be attributed to the variations in their initial endowments of natural resources, physical infrastructure, human resources and agricultural productivity. The poverty alleviation programmes were aimed at tackling the problems of poverty and backwardness directly by helping the weaker sections to increase their incomes through self-employment and wage-employment. According to the sixty-first round estimates of the NNSO, during 1999-2000 to 2004-05, the labour force grew even faster at an annual 2.54 per cent compared to annual employment growth of 2.48 per cent. As a result, despite the faster growth of employment, unemployment (on Usual Principle Status [UPS] basis) was higher at 3.06 per cent of the labour force in 2004-05 as compared to 2.78 per cent in 1999-2000. Incidence of unemployment had come down from 2.88 per cent in 1983 to 2.62 per cent in 1993-94.