CHAPTER I

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CHAPTER -I

INTRODUCTION

After attaining Independence in 1947, India became a Sovereign Democratic Republic, emerging as a free nation. India has adopted her own policies in various walks of life including political, social and economic fields. "Planning" was accepted as an important tool for economic development of the country. Planning in India has various well defined objectives which are clearly spelled out in various five year plans. This planning is guided by several principles. Among such guiding principles "growth with social and economic justice" is one. This has been advocated from time to time by various people, including politicians, policy framers, academicians and social workers. All of them plead that the process of economic growth must be accompanied with social and economic justice.

The then Prime Minister Mrs. Indira Gandhi underlined the need of creating such a situation in which every citizen of the country gets social and economic justice. In a foreword to the Sixth Plan (1980-85), the Prime Minister Mrs. Indira Gandhi said that economic growth must be balanced, it must
ensure self reliance, stability and "social justice" to all sections of the population\(^1\). While explaining about this particular situation to be created for social justice, she said that, there will be no discrimination and all people will get their due share in the fruits of economic development of this nation. This simply means that the increased national income should be distributed properly among all sections of population including the poorer sections of society. Mere increase in the national product is not going to help to attain the objective of "growth with social justice". This distribution of increased national product in favour of poorer sections of the society is a very important pre-condition for attaining the above mentioned objective i.e. "Growth with social justice". Dr. Rao has thrown a sufficient light on this particular aspect of fair distribution of national product for attaining the "growth with social justice". He has said in his study\(^2\) that improvement in the levels of living of the people cannot be merely equated with an increase in production but there is a need of determined efforts for distribution of income and consumption in favour of poorer sections of the society.

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STATEMENT OF THE PROBLEM

"Growth with social and economic justice" can be achieved by several ways, for example (a) by Redistribution of wealth (including land and other assets) in favour of poor sections; (b) Expenditure on social services like, health, education etc.; (c) Decentralisation of decision making power, involving poor people and finally by providing gainful employment to the poor. This provision for gainful employment assures a poor to earn a definite income and thereby can help to reduce poverty. In the present Indian socio-political set-up, this can be easily accepted for reducing poverty and for attaining the objective of "growth with social justice" as Dr. Rao has observed that increased employment opportunities can help to reduce poverty.

But unfortunately as Gopal Krishna points out that an outstanding limitation of the society in which we live today is its failure to offer economically fruitful work continuously to all those who want work. The twin problem of unemployment and under employment has become a universal malady and no country developed or developing is free from it. The degree

nature and causes of the problem may differ from country to country but one cannot deny the existence of the problem. Both the rural and urban areas are affected alike, rather their problems are intermingled because many rural unemployeds move to towns in search of jobs and increase the number of unemployed in the urban areas\(^4\). The unemployment and under-employment create a very difficult situation which generate both poverty and inequality. It not only widens the income disparities but also results into an outright wastage of human resources. This also adversely affects the calorie intake of an individual. The report of the Commissioner for S.C./S.T.\(^5\) has brought out this fact. The report said that, the lower the rate of unemployment higher is the consumer expenditure and calorie intake and where the rate of unemployment is high, it contributes in restricting the consumer expenditure and calorie intake. This all goes against the spirit and objective of the development i.e. growth with social justice.

Therefore, various economists have been arguing that employment generation should be given an important place in the

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development policies. Giri V.V.⁶ National Commission on Agriculture⁷, Nitish De⁸, V.P. Singh⁹ are some among such persons, who argue that it is through employment also, the poverty can be eradicated because employment provides a continuous source of income to the individuals. Dr. Dandekar and Rath¹⁰ have also insisted to invest at least Rs. 800 - 1000 crores for employment generation in the country.

When the poverty eradication programme popularly known as "Garibi Hatao" was undertaken in 1969, employment generation was considered as a part of the "Garibi Hatao" programme. The poverty was identified with unemployment by the economists. Dr. Sen¹¹ observed that unemployment was related to poverty as unemployed person is left with no income source, nor any other business or asset, hence turns into an army of poor.

Dr. Singh also supported the view mentioned above, saying that, poverty and unemployment are related to each other and poverty cannot be eradicated without job creation. This distributes income in favour of the unemployed poor.

It is in this way the importance of employment generation has been recognised as one of the tools of poverty eradication. One can understand the importance of this tool, by the suggestion when the seventh Five Year Plan was being formulated. The suggestion was that the single aim of the 7th plan should be creation of employment opportunities. In line with the above thinking, the Prime Minister considered employment generation as an attack on poverty while addressing the National Development Council. He said that our strategy is a strategy of work for millions. He proposed to increase employment faster than the growth of labour force. In this way employment generation has got a very important place in the development policies to remove poverty.

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This aspect has a special importance from the point of view of weaker sections of the society particularly the scheduled castes and scheduled tribes, because majority of the population among these groups are landless agricultural labourers and their livelihood depends mainly on daily wage earnings.

The expert committee on unemployment underlined this fact and said that, some other sections of population requiring special consideration include scheduled castes and scheduled tribes, who suffer more acutely from the incidence of unemployment and under employment. Therefore, special efforts are needed for the promotion of employment among the poor and unemployed in the rural as well as urban areas. This is so because the scheduled castes and scheduled tribes are weakest among the weaker sections of the society. They are not only socially oppressed, but they are deprived of assets of all kinds. The economic status of these communities is very pitiable. The Commissioner for S.C./S.T. has described the economic status of these communities in the following words. The report says: these communities were characterised

by below the poverty line economic status. Poor asset ownership generally depending on agricultural labour, subsistance farming, share cropping, leather works and other types of low income occupations. This highlights the need of such economic policies which can supplement the income generation for scheduled castes.

Parthasarathy suggesting the policies for economic upliftment of such poor in rural areas, said that the poverty is deep rooted in the system in which the poor are deprived of assets but do not gain the support of employment in the organised sector. Therefore, he stressed the need for a mix of employment and asset development programmes for the poor. He further said the mix will depend upon the need of each location.

Accordingly, we find that, specially after the country attained independence, various development programmes have laid special stress upon the material upliftment of the weaker

sections of the society, including S.C./S.T.s. Apart from imposing legal sanctions against the social restrictions and discrimination on the scheduled castes and tribes, some specific programmes have also been undertaken by the Government for the overall economic development. Along with these general economic development programmes, several specific programmes have been formulated in favour of scheduled castes and scheduled tribes. National Rural Employment Programme is one of such programmes which is a central subject of the present study.

The National Rural Employment Programme is implemented as a centrally sponsored scheme from the Sixth Five Year Plan (1980-85). This programme has some important objectives such as employment and income generation in rural areas, creation of durable community assets for rural masses etc. As mentioned earlier, this programme has also a specific provision in favour of S.C./S.T. communities regarding income and employment generation along with assets creation for these communities. Keeping in view the nature and objectives of N.R.E.P., the present study has been undertaken to analyse some important aspects of this programme. Such as employment impact and income in general and scheduled castes in particular.
This study is undertaken with some specific objectives such as follows:

OBJECTIVES AND SCOPE OF THE STUDY.

The present study of National Rural Employment Programme has been undertaken with the following specific objectives:

I. To study the Rural employment planning in India and to discuss the need of National Rural Employment Programme, for employment generation in rural areas.

II. To study the nature and method of implementation of N.R.E.P. in India.

III. To study some of the socio-economic characteristics of the Scheduled Castes and to examine the role of National Rural Employment Programme in providing job opportunities to them.

IV. To present an official view of the progress of the National Rural Employment Programme.

V. To make an assessment of the actual impact of N.R.E.P. on employment, income, consumption, health and education, in Marathwada Region in general and Scheduled Castes in particular.
DATA USED IN THE STUDY.

The data of N.R.E.P. related to employment generated, expenditure incurred, types of assets created etc. used for the analysis has been obtained from mainly secondary sources, such as district rural development agencies of various districts, department of planning office of the Divisional Commissioner, Aurangabad, yearly statistical abstracts of Government of Maharashtra, along with various census reports of Government of India have also been referred for population data. Along with the above mentioned secondary data, primary data has also been collected for finding out the actual impact on the beneficiaries. This includes mainly data on consumption, expenditure, data on health, education, and consumer durables etc.

Some important things which are noticed particularly about the data on scheduled caste population can be noted here as follows:-

1. Scheduled castes are listed as untouchables in 1936.
2. Eventhough scheduled castes were listed as untouchables in the earlier census reports, but there was no such enumeration of untouchables within sikhs and Buddhists
in later census reports.\textsuperscript{18}

3. The listing of scheduled caste has been made according to regions, as a result a caste which is included as a scheduled caste in one region, has not been included in in another region. Not only this, some castes which were removed by the Government from the lists of scheduled castes in certain regions. The ultimate result is gross under reporting of the number of scheduled castes.

4. The scheme (N.R.E.P) no doubt, was introduced since 1980 in the country but in Aurangabad division, it was implemented from 1982. Therefore, the data is not available for the earlier years. Moreover available data does not show expenditure on scheduled castes and scheduled Tribes, especially the provision of 10% amount to be spent on Scheduled castes and Scheduled Tribes as provided in the scheme.

\textbf{METHODOLOGY.}

In view of the above mentioned objectives, the methodology adopted to complete the research project was as under.

It was decided to analyse the impact of N.R.E.P. on the basis of the secondary data obtained from various sources and also with the help of a field study of the beneficiaries.

The arrangement and compilation of the population data of scheduled castes in each district of the region was made and then total estimates of chronically unemployed people were worked out, which are taken to be 3.04% of total population as stipulated in the Seventh Five Year Plan in India. It was believed that the same all India rate of unemployment was applicable to the Marathwada Region. Given this rate, the estimates of unemployed people of scheduled castes and of general population in each district of Marathwada were worked out.

So in this way, final estimates of chronically unemployed people were made. After this exercise, the employment generated under N.R.E.P. in each district was compiled together for different years. These employment data was available in mandays generated which was transformed into fully employed days in a year for one person. For this purpose of transforming the "mandays" data, one man's full employment in a year was taken to be equal to 250 days in a year. In this way, the available data was transformed in
such a way that it could give a clear picture as to how many persons in each district could get full employment in a year? So in this way, the employment impact was calculated and presented ultimately.

Finally, the income impact of N.R.E.P. was estimated on the basis of employed days in a year multiplied by a wage rate, which could give a clear picture of income earned by each employed person from N.R.E.P. After making a critical assessment of the programme as mentioned above, a factual survey was also undertaken of village Phulambri. The methodology and all other details of the survey are given in the respective chapter.

CHAPTER SCHEME

In view of the objectives mentioned earlier, the study has been divided into topics for the sake of convenience as follows:-

CHAPTER - I: Covers introduction, statement of the problem, statement of objectives, scope, methodology, data and its limitation and chapter scheme.

CHAPTER - II: Includes review of literature and a brief account of the policy of employment planning in India. So
also, the very scheme, "National rural Employment Programme" has been presented in brief along with various concepts used in the present study.

CHAPTER - III: Covers some of the important socio-economic characteristics of Scheduled castes and relevance of N.R.E.P. to them.

CHAPTER - IV: Presents an official view of the progress made under National Rural Employment Programme.

CHAPTER - V: is devoted for discussing the actual impact of N.R.E.P. on chronic unemployment and thereby the additional income generated. It is related to a critical assessment of the whole programme.

CHAPTER - VI: Discuss some of the survey findings based on a field study of the beneficiaries.

CHAPTER - VII: Summarises the major findings of the study and makes certain recommendations for policy purpose.