SIGNIFICANCE OF VARIOUS CENTRALLY SPONSORED EMPLOYMENT SCHEMES
CHAPTER II

SIGNIFICANCE OF
VARIOUS CENTRALLY SPONSORED EMPLOYMENT SCHEMES

This chapter deals with the significance of various centrally sponsored employment schemes of the Government of India. The terms and conditions involved therein and the working pattern of the schemes are discussed here to highlight the subject matter namely the Self-Employment to Educated Unemployed Youth (SEEUY) Scheme.

Besides the national programme embodied in the plans which provided employment opportunities to the unemployed persons, the Government of India has been implementing from time to time certain specific schemes aimed at generating employment by creating viable units which will eventually become self-supporting, and it is to be hoped that the Government will persist with one discussed as under.

The creation of job opportunities is a better method for redistribution of income than the use of fiscal and social security measures like taxation, unemployment relief, etc.
It is interesting to note that most of the schemes are rural based. The simple reason for this is that India is a country of villages. According to 1981 census 77.27% of population resides in Rural India\textsuperscript{1}. This is the reason for launching the rural employment schemes.

As already mentioned, poverty is not a rural phenomenon. It is a universal problem. Removal of poverty was the main aim in the VI Five Year Plan\textsuperscript{2}. "Poverty anywhere constitutes a danger for prosperity everywhere". It is true, that is why urban employment programmes are also implemented in addition to rural oriented employment programmes. SEEUY scheme was introduced in the year 1983. This scheme is mainly for educated unemployed youths which would be seen later in detail. The Self-Employment Programme for Urban Poor (SEPUP) was introduced in 1986 which is also an urban employment programme which covers poor people including the uneducated.

Though much publicity has been made about the benefits accruing from these programmes, as the things

\textsuperscript{1} Krishore Chandra Pandhy, "Rural Development in Modern India", B.R.Publishing Corporation, New Delhi, 1986, p. 127.

stand today, these programmes are yet to make a real
dent on the objective with which these were launched.
In the succeeding paragraphs a critical assessment
of the present working of the programmes along with
specific suggestions as to what ought to be done,
so that these programmes are able to achieve the objec-
tives, both in letter and spirit, for which they were
launched is made.

The inadequacy of the growth through the Five
Year Plans to mitigate poverty among the masses also
became evident only after completion of the VII Five
Year Plan. The planning process was in disarray for
a few years, the nation having to be content with
the introduction of several Five Year Plans and Annual
Plans.

These special programmes had two major objectives.
Firstly, to pull the people at least sizable segment
of those below the poverty line, upto a reasonable
level of subsistence and secondly to provide employment
to a larger number of those poor, who find no employ-
ment during the slack seasons.

A series of special programmes followed in the
Seventies which along with all such programmes from
earlier dates can be broadly classified on the basis of coverage into four categories viz.,

01. Those meant to strengthen the production base in agriculture, covering:
   a. Improvement in crop husbandry;
   b. development of animal husbandry;
   c. development of fishery;
   d. development of forestry and
   e. land and water resources development.

02. Those aimed at restoring regional balance including
   a. hill area development;
   b. tribal area development;
   c. desert area development;
   d. dryland farming etc.,

03. Those aimed at specific target groups of population viz.,
   a. SFDA/MFAL
   b. Drought Prone Area Programme (DPAP)
   c. Integrated Rural Development Programme (IRDP)
   d. ANTYODAYA and
   e. Rural Industrialisation.

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3 Employment in special programmes areas, proceeding of the workshop, March 10-13, 1980 NIRD, Hyderabad (Mimeo), p. 3.
04. Those which were specifically aimed at generating employment for the unemployed and underemployed, especially during the off-seasons in agricultural operations, viz.,

a. the Rural Works Programme (1960-65)
b. the Rural Manpower Programme
c. the Crash Scheme for Rural Employment
d. the Pilot Integrated Rural Employment Programme and
e. the Food-for-work Scheme.

These programmes can also be broadly classified on the basis of involvement under two categories, viz.

I) Programmes where Banks play a major role and
II) Government sponsored programmes.

I) PROGRAMMES WHERE BANKS PLAY A MAJOR ROLE:

01. Integrated Rural Development Programme (IRDP)
02. Self Employment for Educated Unemployed Youth (SEEUY)
03. Self Employment Programme for Urban Poor (SEPUP)
04. Differential Rate of Interest (DRI)
05. Service Area Approach (SAA)
06. Special Foodgrains Production Programme (SFP).
II. GOVERNMENT SPONSORED SCHEMES:

The various schemes sponsored by the Government could be further grouped as schemes for employment, area development and others.

A. Employment Schemes:

01. Crash Schemes of Rural Development (CSRD)
02. Pilot Intensive Rural Employment Project (PIREP)
03. Food for Work Programme (FFWP)
04. National Rural Employment Programme (NREP)
05. Rural Landless Employment Guarantee Programme (RLEGp)
06. Training of Rural Youth for Self-Employment (TRYSEM)
07. Scheme of preparing Ex-servicemen for Self-Employment (PEXSEM)
08. Jawahar Rozgar Yojana.

B. AREA DEVELOPMENT SCHEMES:

Specific schemes were introduced taking into account the peculiarities and the climatic conditions of the areas. Some of them are;
01. Intensive Agricultural District Programme (IADP)
02. Intensive Agricultural Area Programme (IAAP)
03. Desert Development Programme (DDP)
04. Drought Prone Area Programme (DPAP)
05. Command Area Development Programme (CADP)
06. Tribal Area Development Programme (TADP)
07. Hill Area Development Programme (HADP)

C. OTHER SCHEMES:

01. Minimum Needs Programme
02. Rural Industrial Scheme
03. Rural Electrification Scheme
04. Massive Agricultural Production Programme (MAPP) or Massive National Programme of Assistance to Small and Marginal Farmers (PASMA)
05. Twenty Point Programme (TPP)
06. Biogas Programme
07. The Unemployment Relief Scheme.

The following discussion will bring out the salient features of the self-employment to educated youth (SEEDY) Scheme.
01. INTEGRATED RURAL DEVELOPMENT PROGRAMME (IRDP):

In India about 75% of the working population is dependent on agriculture for its livelihood since 80% of the total population lives in rural areas. Removal of poverty and other socio-economic evils, is the primary objective of our Government. To fulfil this objective Government of India has allocated more funds for rural upliftment in the Five Year Plans.

After independence, the Government of India realised the importance of this vast segment of the nation particularly, in the seventies. The Government financial institutions and voluntary agencies including corporate bodies, have implemented various schemes for the betterment and upliftment of rural India.

The Central Government strives hard to achieve rural development by encouraging cottage and village industries under the guidance of the Khadi and Village Industries Commission (KVIC) and the Community Development Programme launched in 1952. During the Fourth and Fifth Five Year Plan periods, various new programmes were implemented to ameliorate the economic conditions of the rural people such as Drought Prone Area Programme (DPAP), whole village Development programme,
National Programme for Minimum Needs, programmes for small farmers' Development, Marginal Farmers' and Agricultural Labourers and programme for Tribal Development. The Rural Works programme was initiated in 1970-71. The Applied Nutrition programmes and special programmes for women and children were also formulated and implemented.

The abovementioned programmes were implemented one after the other in a hurried manner without providing sufficient time for effective implementation. The concept of Integrated Rural Development programme was first proposed and introduced in 1976-77. Budget proposals with the intention to end the multiplicity of programmes for development were introduced. To remove the difficulties so far faced in implementing the various programmes, Government of India coined a new comprehensive programme called Integrated Rural Development Programme incorporating various improvements over earlier anti-poverty programmes such as SFDA, MFAL and DPAP. The main feature of this programme is the integration of various agencies which are involved and have commitment to promote the rural mass.
It is a combination of small Farmers' Development Agency and Marginal Farmers' and Agricultural Labou-
ners. Under Integrated Rural Development programme, National and human resources are utilised to the opti-
mum for material well-being and overall enrichment of rural people. Thus, it improves the economic and
social life of rural poor, who seek a livelihood in rural areas.

The main aims of Integrated Rural Development may be summarised as follows:

i. to achieve enhanced production and productivity in rural areas.

ii. to bring about greater socio-economic activities.

iii. to bring about a spatial balance in social and economic development

iv. to bring about improvement in the ecological environment so that it may be conducive for growth and happiness, and

v. to develop broad based community participation in the process of development.

This programme was actually implemented on a large scale in 1978-79 with the objectives of raising
the poorest families in the rural areas above the poverty line by giving them income generating assets and access to credit and other inputs.

According to the guidelines issued by the Government of India "for the purpose of identifying a family below the poverty line, an income of Rs.62 per head per month may be adopted. On an average, a rural family may have five members and thus, those families having an income from all sources of less than Rs.3,500 per annum may be treated as living below the poverty line". 4

This programme benefits small and marginal farmers, agricultural and non-agricultural labourers, rural artisans, craftsmen, scheduled castes and scheduled tribes. In a nutshell, it covers all the weaker section, of the society who live below the poverty line in rural areas.

The twin objectives of raising income and generating employment are to be achieved through investment in agriculture, and allied occupations like horticulture, animal husbandry, dairy, poultry, fisheries, sericulture, piggery, social forestry, medium and

minor irrigation works, land development, soil and water conservation, setting up of agro-based, forest-based works and cottage and small scale industries etc.

The IRDP scheme was initially taken up in 2,300 blocks in the country. The programme was being extended every year to 300 new blocks. Considering that rural poverty and unemployment were widespread, a major policy decision was taken to extend the benefits of the programme to the target group families in all the 5,011 development blocks from 2nd Oct., 1980.

The financial allocation under the programme has been rationalised along with the extension of coverage. Earlier, different blocks had different financial allocations ranging from Rs.2 lakhs to Rs.10 lakhs per block. From 1980-81 onwards, all the blocks are being provided with a uniform allocation of Rs.35 lakhs per block during the VI plan. The allocation is shared between the centre and states on 50:50 basis.

During the VI plan period assistance under this programme was aimed at covering 150 lakh families.

5 India 1984, A Reference Annual, Ministry of Information and Broadcasting, Govt. of India, New Delhi, p. 288.
On an average, at least 3,000 families would be directly assisted under this programme in each block over a five-year period. Of these approximately 2,800 families would be benefitted through agriculture and allied activities. About 500 families would be assisted in the service sector. The VI plan outlay for IRDP was Rs.1,500 crores. Credit to the tune of Rs.3,000 crores was also mobilised. Thus, the total investments on this programme in VI plan were about Rs.4,500 crores making it one of the largest programme in the VI plan.

The IRDP is financed partly by subsidy and partly by Banks' loans. Nearly two-thirds of the resources required for implementing the programme have to come from the co-operative and commercial banks.

Subsidy is provided at the rate of 25% to small and marginal farmers and 33.3% to agricultural labourers and rural artisans subject to a maximum of Rs.3,000/- per beneficiary and in the case of SC/ST participants the rate of subsidy is 50% subject to a maximum of Rs.5,000/- for the identified beneficiaries. Interest is charged at the rate of 10% per annum.

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The authority to sanction schemes under IRDP has been delegated to the State Government. The block level plans are prepared by a state level co-ordination committee. The co-ordination committee meets periodically to review the implementation of the programme in the state and offer necessary directions for accelerating the implementation of the programme.

### TABLE 2.1
PROGRESS OF IRDP
(IN LAKHS)

<table>
<thead>
<tr>
<th>Year</th>
<th>Target Beneficiaries</th>
<th>Achievement Total Beneficiaries</th>
<th>SC/ST Beneficiaries</th>
</tr>
</thead>
<tbody>
<tr>
<td>1978-79</td>
<td>-</td>
<td>6.24</td>
<td>N.A.</td>
</tr>
<tr>
<td>1979-80</td>
<td>15.00</td>
<td>14.75</td>
<td>N.A.</td>
</tr>
<tr>
<td>1980-81</td>
<td>30.00</td>
<td>27.83</td>
<td>8.00</td>
</tr>
<tr>
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<td>30.00</td>
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<td>15.00</td>
</tr>
<tr>
<td>1984-85</td>
<td>30.27</td>
<td>39.82</td>
<td>17.38</td>
</tr>
<tr>
<td>1985-86</td>
<td>-</td>
<td>30.61</td>
<td>13.33</td>
</tr>
<tr>
<td>1986-87</td>
<td>-</td>
<td>37.41</td>
<td>16.82</td>
</tr>
<tr>
<td>1987-88</td>
<td>-</td>
<td>29.02</td>
<td>12.45</td>
</tr>
</tbody>
</table>

Table 2.1 is self explanatory. During the initial period achievement was less than the target. Where as from 1982-83 onwards the number of beneficiaries benefitted through IRDP scheme was more than the target. More than that, the number of persons benefitted was also on an increasing trend. Regarding the target there is no change from 1980-81 to 1982-83. For the subsequent period viz., 1983-84 and 1984-85 there is a small change in the target. The reason is not clearly known. It is presumed that the Financial position of the Government may not give much scope for changing the target. Out of the total 188.38 lakh beneficiaries 64.43 lakh beneficiaries which works out to 34.20% belong to SC/ST. From this it is evident that sizable help is rendered through this programme to the poorest among the poor. Hence, it can be conceived as an anti-poverty programme.

2. SELF EMPLOYMENT FOR EDUCATED UNEMPLOYED YOUTH (SEEUY)

Launched on 15th August, 1983 the scheme intends to provide employment to educated unemployed youth.

The scheme covers all persons aged between 18 to 35 years with a minimum attainment of 10th standard education or ITI trained education, at centres with
population of less than 10 lakhs. The family income should be less than Rs.10,000/- per annum. The scheme is especially aimed at three sectors viz., Industry, Service and Business. From 1986-87 maximum amount of loans for industrial ventures increased to Rs.35,000/- and for business purposes reduced to Rs.15,000/-. No margin upto loan amount of Rs.25,000/- is available which is kept in fixed deposit in the name of the borrower, to be adjusted after 75% of the loan is recovered. The target is 2.5 lakhs beneficiaries per year. A minimum of 30% of the beneficiaries is earmarked for scheduled caste and scheduled tribes.

3. SELF-EMPLOYMENT PROGRAMME FOR URBAN POOR (SEPUP)

Poverty and unemployment are the two major problems of our country. The government has taken in several steps to eradicate the poverty and unemployment, by introducing self-employment scheme. In India, the urban poverty is as perturbing as rural poverty. "More than a quarter of the 192 million population is estimated to be below the poverty line at the end of 1985-86. The fact that over 60% of the urban poor enact their struggle for livelihood in the metropolitan cities as Calcutta, Bombay, Madras and Delhi and that
the annual addition to the urban labour force is about 3.4 million would call for a special economic strategy that could make some headway at least over a period of say ten years". 7

No self-employment scheme has been introduced exclusively for urban areas to alleviate urban poverty till 1985. The objective of the introduction of this self-employment scheme is to make a direct attack on poverty and employment which are the two edges of the sword undermining the economic development of the country. The self-employment scheme will help to strengthen the war on poverty.

The scheme was announced by the Prime Minister Mr. Rajiv Gandhi on 15th August, 1986. The scheme has been formulated in consultation with the Reserve Bank of India and it came into effect from September 1, 1986. The objective of the scheme is to enable identified eligible families living below subsistence level in metropolitan, Urban and semi-urban areas to undertake Self-Employment ventures with the help of bank-credit. Under the scheme loans upto Rs.5,000 are pro-

7 The Hindu, September 1, 1986, p. 7.
vided at 10% rate of interest. The scheme is implemented in the areas where the population exceeds 10,000 according to 1981 census and IRDP scheme is not in operation. Thirty three vocations have been identified for sanctioning loan and one out of every 500 persons in such towns would receive the assistance. On this basis, about three lakh persons are expected to be covered during the year 1986-87, with an estimated outlay of Rs.150 crores.

Regarding the eligibility of the borrowers, it is reported that the borrower qualifying for the loan should have lived in that city or town continuously at least for three years, and his name should appear in the ration card issued to his family, has an aptitude and previous experience for undertaking the activity selected and the family income should not exceed Rs.600 per month. the RBI directive of 2nd November, 1986 has excluded the income of children below 14 years while calculating the family income. Moreover, he should not have availed loan from any bank or credit institution under any other scheme and he should not be a defaulter to any bank or credit institution.

The beneficiaries and branches which are going to operate the scheme, are to be selected by a commit-
tee of bankers constituted in each city or town by the bank having 'Lead responsibility' of the district concerned which is also the convener for the committees. It the Lead bank of the district is not a public sector Bank, the public sector Bank having the largest number of branches at the centre would become the convener. In metropolitan cities not covered by the Lead Bank scheme the committee will be constituted by the public sector bank having the largest number of branches.

All the loan applications are received by the notified office of the convener bank and placed before the Banker's committee to process and allocate them to the selected branches. The committee also monitors and supervises the progress of the programmes. The Head Offices of the banks have been directed to monitor the implementation of the scheme by their branches wherever they have been given the responsibility.

The Banker's committee constituted by the Lead Bank in each town or city selected public sector Bank branches included under the scheme, fixes the number of beneficiaries for this loan, decides the number of applications to be given to each branch, fixes also the unit cost for each activity, scrutinises
loan applications and decides the eligible beneficiary on the basis of various criteria laid down in the guidelines. Banks themselves have to identify the beneficiaries as per directions from the banker's committee.

One beneficiary for every 300 population is selected and a maximum loan of Rs.5,000 per family is granted. Project cost should not also exceed Rs.5,000. More than one member from a family is not eligible for this loan, subject to the ceiling on the maximum, subsidy at the rate of 25% of the total assistance will be provided by the Government of India through the Reserve Bank of India. The subsidy amount will be claimed by the commercial bank from the RBI within 30 days from the date of disbursement of the loan. Loans under the scheme would carry interest at 10% per annum. No margin money is insisted; but security will be created by the hypothecation of asset given to the borrower.

The borrower shall repay the loan amount in 33 equal monthly instalments, after a grace period of 3 months to be provided in all cases.
Insurance may be waived except where insurance of vehicles or machinery or other equipment is compulsory under law and against milch cattle.

Loan under the scheme is eligible for guarantee cover under the small loan guarantee scheme of the Deposit Insurance and Credit Guarantee Corporation. The selected banks should send fortnightly report on the progress in implementation of the scheme within ten days from the close of each fortnight to their respective regional offices. Regional offices will submit fortnightly report on district progress of loans sanctioned and disbursement by its branches under the scheme to their zonal offices/central offices and to the Reserve Bank of India.

When compared with other employment programmes SEPUP is a newly introduced scheme. The progress could be assessed only after a successful completion of a few years.

4. Differential Rate of Interest (DRI)

The scheme was introduced in March 1972. A target of 1% of the aggregate advance of the previous year is fixed for lending to economically weaker sections
of the society. Under the scheme, 40% of it is earmarked to scheduled castes and scheduled tribes. Two thirds of the advances should be returned through rural semi-urban branches.

Family income should not exceed Rs7,200/- per annum in urban and semi-urban areas and Rs.4,440/- per annum in rural areas and their landholding should be within one acre of irrigated and 2.5 acres of unirrigated land. Landholding criterion, however, does not apply to SCs/STs.

Maximum eligible loan amount is Rs.5,000 for term loan and Rs.1,500 for working capital. Students pursuing higher education who do not get scholarship can avail assistance under the scheme upto a loan amount of Rs.25,000 provided family income criterion is satisfied. Orphanages, women's homes, institutions for the handicapped can also avail assistance under the scheme for production of saleable goods. While the income criterion does not apply to such institutions loan amount per member should be adhered to.

A very low interest rate of 4% per annum is charged. No margin money is insisted.
No subsidy is also available. Recipient of subsidy under any scheme is not eligible for this loan.

DRI/IRDP/SEPUP/SEEUY are mutually exclusive.

Feedback from operational units shows that with continued thrust of subsidy-linked schemes like IRDP, SEEUY and SEEUP, beneficiaries do not feel inclined to avail themselves of loan under the DRI scheme, where no capital subsidy is available.

5. Service Area Approach (SAA)

The shortcomings observed in Lead bank scheme led the planners to think of an intensive area approach to rural development and SSA was evolved in 1988. Under the new scheme each branch will be allotted 15-20 villages which form its command area. The total credit needs of the villages will be assessed by the branch manager, after a survey of the villages. These branch plans will be aggregated as block plans and incorporated in the district credit plan by the Lead bank.

6. Special Foodgrains Production Programme (SFPF)

Introduced in April, 1988, the programme aims to help reach the foodgrains target of 166 million

As many as 169 potential districts in 14 states have been identified for immediate and concerted action, covering five major crops, viz., rice, wheat, maize, gram and arhar.

By efficient planning and better management of critical inputs and transfer of technology, the programme aims at increasing the per hectare yield for achieving the proposed additional production.

Government sponsored schemes

The various schemes of the Government could be further grouped as schemes for employment area, development and other.

A. EMPLOYMENT SCHEMES

1. Crash Scheme for Rural Development (CSRD)

The crash scheme for rural employment was started in April, 1971 through the Department of Rural Development, with the object of providing employment to 1,000 persons on an average continuously for a working season of 10 months in a year in every district in the country. During the year a sum of Rs.31.22 crores was
spent resulting in 80 million man-days of employment. The various types of projects include schemes relating to minor irrigation, soil conservation and afforestation, land reclamation, flood protection and anti-waterlogging, pisciculture, drinking water and construction of roads. However, the scheme was largely a failure.

2. Pilot Intensive Rural Employment Project (PIREP)

This was implemented during 1972 to 1976 in 15 blocks situated in various parts of the country with varying economic and ecological conditions. It was an action-cum-pilot study project on the characteristics of employment in the selected areas.

3. Food for Work Programme (FFWP)

This novel scheme intended to benefit the rural poor, especially the landless agricultural labourers, was conceived in April, 1977. The basic objective of the programme was to create additional employment in rural areas through utilisation of surplus food-grains available in the buffer stock of payment as wages and to create thereby durable community assets, besides being successful in achieving its many other benefits to the rural poor, like price stabilisation.
of foodgrains, ensuring minimum wages to the workers and improving their nutritional standards.

According to the Project Evaluation Organisation (PEO) of the planning commission, the Food for work scheme was a success in the first three years of its implementation. As there was a stagnation in its operation during the year 1980, the programme was re-named as National Rural Employment Programme (NREP).

4. National Rural Employment Programme (NREP)

In 1977, a programme of Food for work was launched for the purpose of providing opportunities for work for the rural poor during slack employment period. This is the first direct employment scheme of the Government with the object of generating additional employment assets for the purpose of strengthening the rural infrastructural facilities through construction of public utility assets. The workers were paid in food grains instead of cash.

The basic objective of this programme namely creation of employment was not in progress after the third year of its implementation. Hence, there was a stagnation in its operation during the year 1980.

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In view of this shortcoming, the Food for work programme was restructured and re-named as National Rural Employment Programme (NREP) and was launched in Dec. 1980.

The following are the objectives of the NREP

i. Generation of additional gainful employment for the unemployed and underemployed person both men and women in the rural areas.

ii. Creation of durable community assets for strengthening rural infrastructure, which will lead to rapid growth in the income level of the rural poor; and

iii. Improvement of the nutritional status and the living standards of the rural poor.

This is a very significant programme. Hence, it has been included in the Revised 20 point-programme.

Till 31st March, 1981 the NREP was entirely funded by the Central Government. From 1st April 1981 the programme has become a regular part of the Five Year Plan. It is now being implemented as acentrally sponsored scheme on 50:50 sharing basis between the centre
and state Government. The State Government takes full responsibility for the implementation of the scheme. The implementation of the scheme is made by various panchayat unions in the respective states. The Union level officials like Commissioner, and Block Development Officers are responsible for the implementation of the scheme. The works followed under the scheme are road construction and repair, canalizing, construction and improvement of village tanks and ponds, drainage, flood protection, soil and water conservation, land reclamation, afforestation, social forestry etc.,

The scheme is specially meant for weaker sections of the society especially, the economically and socially handicapped people living in rural areas; particularly the areas predominantly inhabited by the schedule caste/schedule tribe population were given priority in the execution of works.

The National Rural Employment Programme (NREP) was expected to generate wage employment of the order of 300 to 400 million man-days per year. The review of the NREP reveals that with an allocation of Rs.1620 crores, the NREP generated a total employment of 1,770 million man-days during 1980-85. i.e. an annual average
of 354 million man-days for the country as a whole. This can be considered as a satisfactory achievement, given the organisational framework under which the programme was operated. In fact, NREP was the biggest, simple target oriented rural programme in the VI Five Year Plan. It could be seen from the Table 2.2 that there is a tremendous achievement in the year 1980-81. During the period 1981-82 and 1984-85, the actual figures has surpassed the target. It will be noted from the Table 2.2 that through the target of generating more than 300 million mandays each year was attained, neither the funds nor the foodgrains allocated were used fully in any year.

**TABLE 2.2**

**EMPLOYMENT GENERATION UNDER NREP**

<table>
<thead>
<tr>
<th>YEAR</th>
<th>FUNDS (Rs. in Crores)</th>
<th>FOOD GRAINS LAKHS TONNES</th>
<th>EMPLOYMENT GENERATION (MILLION MANDAYS)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ALLOCATION</td>
<td>UTILISED</td>
<td>ALLOTMENT</td>
</tr>
<tr>
<td>1980-81</td>
<td>348.11</td>
<td>225.28</td>
<td>15.63</td>
</tr>
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<td>1981-82</td>
<td>454.02</td>
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<td>1982-83</td>
<td>524.49</td>
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<td>1985-86</td>
<td>--</td>
<td>532.00</td>
<td>6.01</td>
</tr>
<tr>
<td>1986-87</td>
<td>--</td>
<td>718.00</td>
<td>35.00</td>
</tr>
</tbody>
</table>

*Source: Ministry of Rural Development*
It is relevant to mention here the achievement of NREP with examples.

In the Nathadiyur village near Erode in Tamilnadu, the dilapidated mud huts housing the families of scheduled caste agricultural labourers have given place to tile-roofed modern tenements with kitchen and bathroom facilities, thanks to the incentive given by the National Rural Employment Programme (NREP).

Thingalur and other 15 villages have been cut off from each other. Here again the NREP bridged the financial gap. The wage component was taken care of by the programme and the Panchayat Union mustered Rs.27,000 from various sources. Results? A motorable road.

5. Rural Landless Employment Guarantee Programme (RLEGP)

To provide employment opportunities to the landless labourers during the lean agricultural season, a new scheme called the Rural Landless Employment Guarantee Programme was announced by the late Prime Minister Smt. Indira Gandhi during the course of her Independence day address on August 15, 1983. The basic objectives of the programme are:
i. to improve and expand employment opportunities for rural landless with a view to providing guarantee of employment to at least one member of every landless labour household up to 100 days in a year, and

ii. creation of durable assets for strengthening the rural infrastructure like roads, irrigation, soil conservation, market yards, which will lead to rapid growth of rural economy.

Under the Rural Landless Employee Guarantee Programme, people living below the poverty line without any land by the other employment programme like NREP, IRDP are considered for employment. This programme gives much importance to the scheduled caste/scheduled tribes people living in rural areas without landholdings.

According to the Central Government guidelines poorest among the poor are given priority in selection. Only one person is to be selected from each family living below the poverty line. Wherever bonded labourers are found they are given due consideration under the RLEGP.
The scheme covers all the blocks in the country and provides wage employment. The scheme has been implemented by the state Government on the lines of NREP. The Central Government provides cent percent funds for this programme. The Central Assistance is distributed to the State/Union Territories in the form of food grains, depending on the food grains position and the rest in cash. State Governments/Union Territories are to prepare specific work projects within the allocation. Work projects prepared by the State Governments/Union Territories are required to be approved by the Central Committee on RLEGP set up in the Ministry of Rural Development. Wage components in a project are not to account less than 50% of the total cost of the project. One kilogram of foodgrains per head per day is given as part of the wage, the balance being giving in cash.

Upto July 1985, 320 projects at an estimated cost of Rs. 906.59 crores have been approved under this programme for implementation in the various states and Union Territories.  

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The Sixth Plan allocation for this programme was Rs.600 crores. An amount of Rs.100 crores was released to various State Governments/Union Territories for implementation of the RLEGP during 1983-84. Budgeted provision for this programme during 1984-85 was Rs.400 crores.\(^1^\) Actually Rs.377.94 crores were expended, 1.09 lakh tonnes of foodgrains used and 260.44 million mandays of employment generated during 1984-85. For 1985-86 a target of 205.73 million mandays of employment have been fixed, of which 134.38 million mandays have been achieved up to December 1985, so that here again the target may exceed.\(^1^\)

In a nutshell, this is a programme specially designed to provide employment opportunities to landless labourers. Of course, other programmes such as NREP and IRDP are also aimed at the same purpose. The special feature of RLEGP is that it is an exclusive employment programme for rural landless labourers without any Bank's participation like the NREP programme.

\(^{10}\) India 1984 - a reference Annual, Ministry of Information and Broadcasting, Govt. of India, New Delhi, p. 292.

6. Training of Rural Youth for Self-Employment (TRYSEM)

Providing employment opportunities to the growing volume of the people has been one of the major objectives of successive Five-Year Plans in India. Since the earlier schemes fell short of expectations in realising the targets on employment, a new programme known as Training of Rural Youth for self-employment (TRYSEM) was launched on August 15, 1979 as a supplement to the multi-dimensional Rural Development Programme which itself was initiated for the purpose of creating an egalitarian society. As a programme of action TRYSEM seeks to remove the twin problems of unemployment and poverty through the induction of science-based technology in the various occupations of the rural population of India. The main thrust of the programme is to equip the unemployed youth with the necessary technical skill and also with financial resources, though on a limited scale so that they can engage themselves in gainful self-employment. Its main objective is to train 2 lakhs rural youth every year for self employment in agriculture and allied activities. Each block in the country will thus cover a minimum of 40 persons every year under
this training scheme on an average. Normally persons between the age group of 18-35 years are covered under the scheme. The scheme is open to small and marginal farmers, agriculturist and nonagricultural labourers, rural artisans and other persons below the poverty line. Normally one youth from one family is selected. Preference is given to women, members of scheduled castes, scheduled tribes, Ex-servicemen and persons from amongst families having a physically disabled member.

Training is provided by various institutions generally for six months. Financial assistance is provided in the form of a stipend of Rs.75/- where training is conducted in the village of the trainees and Rs.150/- in cases where training is held outside besides provision of accommodation. Where accommodation is not provided the stipend goes upto Rs.200/-. There are also provisions for payment of training expenses to the training institutions as also for purchase of raw materials and tool kits etc. The trainees are also assisted in applying for bank loans and subsidies.

Subsidy at 33.33% of the cost of the unit with a maximum of Rs.3000 is given to beneficiaries. A higher subsidy of Rs.4000/- is given to beneficiaries in drought prone areas. In case of tribal beneficiaries, the maximum limit of subsidy is Rs.5000.

Training under TRYSEM has generally been restricted to imparting some specialised skills to the youth in a narrow range of activities. Even the trained youth are not motivated to start their own ventures. The lack of follow-up, guidance and assistance after the training programme also explains why the trained youths lose interest and turn to wage employment.

Studies undertaken to evaluate TRYSEM reveal that there is absolutely no input provided to develop entrepreneurial qualities in the young trainees. The training institution often ignores the specific needs and requirement of the trainees. Training was imparted in a haphazard manner by recruiting a member of master craftsmen on an adhoc basis who were generally indifferent to their duties. The training was devoid of any theoretical content. Nor was there any provision for apprenticeship needed for improving the skill and aptitude of the trainees. The method of selection
of trainees was neither on a scientific basis nor on an upright manner. The trainees were also finding it hard to secure post-training benefits including the financial support.

The absence of infrastructural facilities required for implementing the programmes and also for marketing the products of the self-employed trainees rendered the scheme rather ineffective. To overcome this difficulty steps are being taken to set up, suitable producer-oriented marketing organisations. They will not only market the products of these units but also provide marketing intelligence, conduct surveys, ensure quality control, standardisation of products and active sales promotion, provide for timely supply of essential raw materials to the self-employed persons, provide work sheds in industrial estates and so on.

TRYSEM, though well conceived, has been facing a number of problems. Hence, suitable modifications of the scheme on the basis of local conditions and requirements are to be made. The delay in communicating instructions from the state capital to the field agencies has to be minimised. TRYSEM should also be made
a people's programme for which whole hearted co-operation from the public should be ensured.

7. Scheme of preparing Ex-servicemen for self-employment (PEXSEM)

The scheme was launched in 1983. Under the scheme to encourage retiring/retired defence personnel to settle down in rural areas close to their homes, training and financial assistance are given to them to take up self-employment.

Apart from conveyance allowance (Rs.100) and training fee (Rs.50 per month), the trainee is given a stipend of Rs.250/- per month towards boarding and lodging expenses. Subsidy on project cost as well as interest subsidy is available.

8. Jawahar Rozgar Yojana

To mitigate the scourge of unemployment, the Prime Minister Mr. Rajiv Gandhi, on April 28, 1989 announced the launching of the Rs.2100 crore massive rural employment scheme, aimed at providing job to atleast one person in the 4.4 crore families living below poverty line.
It was a programme "aimed at placing in the hands of village panchayats around the country adequate funds to run their own rural development schemes in the interests of the vast masses of the rural poor".

Central assistance will fund 80% of the Jawahar Rozgar Yojana and in its first year of operation (1989-90) the central assistance would amount to Rs.2100 crores.

Under the programme village panchayat with the population ranging between 3000 and 4000 would get an annual financial assistance of Rs.80,000 to Rs.1 lakh a year.

Employment to atleast one number of each poor rural family for 50 to 100 days a year at a nearby work place was expected to be provided under the scheme.

All the existing rural wage employment programme stand merged in the Jawahar Rozgar Yojana" which will reach out all over the country to the 440 lakhs families in rural India living below the poverty line.

Specific schemes were introduced taking into account the peculiarities and the climatic conditions of the area. Some of them are:
1. Intensive Agricultural District Programme (IADP).

In order to solve the food crisis during January 1959, the Government of India invited a team of foreign experts from Japan in agricultural production to study India's food production problem and to recommend ways and means to increase production on an emergency basis. The main recommendation of this team sponsored by the Ford Foundation, was the establishment of IADP.

The recommendation was given a concrete shape by another team which visited India in October, 1959 and a ten point pilot programme was evolved. The ten points were adequate and readily accessible farm supplies, farm credit, and intensive educational programme, simple individual farm plans, stronger village institutions, assured prices for the product, reliable marketing facilities, rural public works, evaluation and analysis and a coordinative approach.

The ultimate aim was to improve the farmers' lot in the areas selected for the purpose and creation of a sound agricultural base for overall economic development and social uplift.
The Rural employment programmes in the last seven years had reached only 55% of the village panchayats. Now this new scheme aimed at reaching 'every single panchayat'.

The salient features of the scheme are, 30% reservation of the job for women and elimination of middle-men and intermediaries.

2. Intensive Agricultural Area Programme (IAAP)

The scheme was formulated in 1964-65 for intensive development of important crops such as wheat, paddy, millets, cotton sugarcane etc. About 20.25% of the cultivated area of the country was selected for intensive agricultural development.

The scheme advocated increasing adoption of modern technology and use of fertilisers, improved seeds etc. in order to achieve progressive increase in the production of main crops in the selected areas.

3. Desert Development programme (DDP)

The scheme was launched during 1977-78 for the integrated development of desert area by increasing the productivity, income level and employment opportunities through the optimum utilisation of physical,
The aim was sought to be achieved through ground water development and utilisation, construction of water storage, structures, afforestation with special emphasis on shelter belt plantation, grass-land development and sand dune stabilisation, rural electrification of tube wells/pumpsets and development of horticulture/agriculture/animal husbandry and dairying.

4. Drought Prone Areas Programme (DPAP)

The basic concept of the DPAP is optimum utilisation of available land, water and human resources, which calls for a detailed analysis of resources of the area. Based on the criteria of level and periodicity of rainfall, intensity and past occurrence of drought and proportion of irrigated area to the total cultivated area, the area is chosen for implementation of the programme. Dry farming technology i.e. choice of appropriate variety of crops, salvage of irrigation water for supplementary irrigation and intercropping are taken into account. Pasture development is also given importance. The programme was launched during the Fifth Five Year Plan.
5. Command Area Development Programme (CADP)

Experience showed that irrigation potential already created could not be optimally utilised for want of on-the-farm infrastructure. For utilisation of available water most productively the command areas should be fully prepared to receive the supplies.

The National Commission on agriculture, therefore, recommended that an irrigation project should include all engineering works from the source of supply in the outlets and drains, all engineering works in the command areas including land levelling, shaping, construction of water courses, field channels, field drains and roads and other items pertaining to agriculture, animal husbandry, forestry etc.

The Government of India advised setting up of command area Development Authorities by the State Governments for achieving these objectives.

6. Tribal Area Development Programme (TADP)

The scheme is aimed at overall development of tribal area and to foster the economic development of the tribal population so as to bring these backward
areas on par with the developed areas of the state. Increased agricultural production and development of forest resources gained importance. For provision of credit and marketing, Large sized Adivasi Multi Purpose Societies (LAMPS) were formed. Protective legislation to free the tribals from bondage of indebtedness was also introduced.

7. Hill Area Development Programme (HADP)

In order to evolve a suitable pattern of development in hilly backward tracts and to remove regional disparities, this programme was introduced. Integrated development of agriculture and allied activities, land development by way terracing, soil conservation, minor irrigation etc., were the use of technological developments to maximise output of agriculture and animal production.

C. OTHER SCHEMES:

1. Minimum Needs programme

Introduced in 1974, the aim of the programme was to improve the quality of life in rural areas through provision of facilities for education, sanita-
tion, potable water, rural roads, electricity and environmental improvement. Domestic cooking energy and public distribution are recent additions to the programme.

2. Rural Industries Scheme

A centrally sponsored scheme for rural industries projects was taken up in 1962-1963 with the object of evolving techniques for establishing viable industrial units in rural areas for using local raw materials and talents. It also aimed at reducing imbalance in regional development and providing gainful employment opportunities in rural areas. The District Industries Centre and the Khadi and Village Industries commission work actively to promote rural industries such as handicrafts, handlooms and powerlooms, coir, silk etc. Other industries like processing of cereals and pulses, oil, cane, gur and khandsari, non-edible oil and soap, beekeeping, hand made paper, pottery, gober gas etc. are also encouraged.

3. Rural Electrification Scheme

This scheme reflects the socio-economic priorities of the Government and calls for 100% electrification of all villages and optimal exploitation of minor
irrigation potential with special accent on the areas inhabited by the weaker sections of the society. With a view to achieving this objective, Rural Electrification Corporation (REC) was formed. So far 100% electrification has been achieved in eight states. By the end of Eighth Plan all villages in other states too are expected to be electrified by the REC under the scheme.

4. Massive Agricultural Production Programme (MAPP) or Massive National Programme of Assistance to Small and Marginal Farmers (PASMA)

A higher man to land ratio, low fertility status of land and poor acreage field led to the evolution of an agricultural production programme for the benefit of small and marginal farmers. The scheme was launched in 1983-84. Subsidised schemes for strengthening minor irrigation and water management, land development and purchases of fertiliser and quality seeds are formulated. The subsidy is borne by the Central and State Governments equally.

5. Twenty Point Programme (TPP)

On August 20, 1986, the Government of India announced a 'restructured' 20-point programme, renewing
its commitment to the eradication of poverty, raising of productivity, reducing income disparities, eliminating social and economic inequalities and improving the quality of life. The present programme represents the second revision of the original 20-Point Programme launched on July 1, 1975. Earlier, a revised 20-Point Programme was announced on January 14, 1982 which enlarged the scope of the original programme. The latest programme differs from the earlier versions in that three points relating to (a) liberalisation of investment procedure and streamlining of industrial policies, (b) taking action against smugglers, hoarders and tax evaders, and (c) improving the working of public enterprises, have been dropped. A new point relating to a responsive administration has been added and the other 17 points have been regrouped and expanded. The new programme known as 'Twenty Point Programme-1986' contains 14 points which have been earmarked for bank assistance. They are attack on rural poverty, strategy for rainfed agriculture, better use of irrigation water, bigger harvests, enforcement of land reforms, special programmes for rural labour, health for all, justice to SCs/STs, equally for women, housing for poor, improvement of slums, new strategy for fores-
try, concern of the consumer and energy for the villages. The overall performance of the banks under various points of the restructured programme has been satisfactory.

6. **Biogas Programme**

The scarcity of power resources led planners to search for other native sources of non-conventional energy. Biogas programme emerged out of this search. Started in early 70s, the programme sought to use feed materials like cowdungs, night soil, agricultural waste etc., for production of gas, which could be used for domestic as well as irrigation purpose. Apart from providing energy, the digested slurry provided good manure. The Government subsidies the cost of the project.

7. **The Unemployment Relief Scheme**

The scheme was implemented in the state on July 1980 for the benefit of the educated unemployed in the state. Seven specified categories of job seekers registered with Employment-Exchanges were initially covered under this scheme. The scheme provided for cash relief at the rate of Rs.50 per month to each eligible registrant.
IMPACT OF THE PROGRAMMES

It is, however, not possible to quantify the impact of the investment in different plans as also of the employment programmes on the employment situation in the country. One of the main reasons for this has been the absence, till recently, of comparable and reliable information on employment and unemployment. The pattern of unemployment and under-employment in a vast country like ours with diversified socio-economic and agro-climatic conditions is a complex phenomenon and is not easily amenable to measurement. Moreover, the problem is becoming graver and graver mainly for the reasons that the Indian Economy has been in a state of stagnation and depression, and the proportion is increasing fast.

In the past, the planning commission used to present estimates of the back-log of the unemployment at the beginning of the plan, of the estimated increase in the labour force during the plan period and of additional employment likely to be created through implementation of the plan, as formulated. In view of the considerable divergence of opinion regarding the appropriate definitions and suitable yardsticks for measuring unemployment and under-employment in
rural and urban areas and in view of the widely different magnitudes of unemployment worked out on the basis of various resources, such as, the census, the National Sample Survey and Employment Exchange data, it was felt that the various aspects needed a close scrutiny.

On a close observation of the various schemes that are specially designed and implemented in the country for generating additional employment opportunities, it is found that they are mostly temporary measures. The nature and magnitude of the unemployment problem in India cannot be overcome overnight through temporary measures. Almost each and every aspect of national development is thus sought to be covered by specific schemes. And yet the impact on the National Development is not noticeable. Multiplicity of programmes and implementing agencies is probably the bane for the effective development. Consolidation of the various programmes could perhaps be a solution for their effective implementation.

The success of various programmes cannot be adequately appraised from the amount spent, number of units set up, employment generated etc. Cost benefit
analysis of each programme and impact studies will provide the much needed insight for perspective development planning. Economists and Social scientists will have to engage attention to these aspects.

Though these schemes have been designed to go a long way in helping the unemployed, to start their own business, absence of local administration and initiative makes them frustrated. No doubt, these schemes have brought "new hopes and awareness among the unemployed".

Mere wishing and sermonising won't do. What is needed is to develop self-reliance, possession of adequate training, consultancy, enlargement of infrastructural facilities, timely and adequate availability of raw materials, early payment of bills and setting up of an effective organisation for the products of ventures started by self-employed educated youths.

One of the major constraints inhibiting the youngsters from looking up any self-employment venture is the lack of self-confidence. Hence, in addition to finance, proper motivation is to be provided to them to take up viable projects in a spirit of entrepreneurship. Moreover, proper guidance, technical
and other assistance are to be provided to make them prosperous.

What is now needed is to make use of the above viable schemes. An integrated approach is indeed the sine-quanon of the above listed programmes for the planned economic development of the nation. A rapid extension of technical and managerial training facilities suited to entrepreneurs who are likely to set up units will go a long way in solving the unemployment problem.

The commercial banks should give due importance to training programmes, seminars and workshops for field level functionaries to equip the staff adequate, for the proper implementation of the programmes and also to instil in them the spirit and purpose needed to make the programme more effective.

It, thus, emerges from the foregoing critical analysis of various aspects of poverty eradication problem that though the measurement of poverty-line and quantification of the people living below the line, using sophisticated empirical tools, is no doubt quite vital but what is much more important is the identification of the real poor and more so of the
poorest of the poor and a drastic reorientation in the existing content of the poverty programmes and the implementing procedure and its machinery.

These programmes have to be operated on a war footing and in such a fashion, that benefits of these go only to the poorest of the poor. The huge amount of money has been invested in various types of programmes to generate employment opportunities, so that the problem of unemployment and poverty may be tackled but the benefits of increased investment in economic and social objectives do not necessarily go to those who need it the most. Hence, the strategy, content, procedure, condition, implementation machinery etc. of the poverty alleviation programmes will have to be restructured. Otherwise the parrot like slogan of planners and policy makers of pulling up the rural masses from the quagmire of poverty and raising the level of their living, enshrined in the main objectives of the successive Five Year Plan, would ever remain a myth and nothing short of it.

The programmers should not remain only target oriented, large amount of funds should be devoted
for monitoring and evaluation. Working on these lines, results of rural development programme and poverty alleviation may be made available. Concurrent evaluation of such schemes of national significance is highly desirable as a valuable device to apply timely corrections especially because of the shortfalls. Appropriate strategy should be employed to yield the desired results.

The Planning Commission has set up a 15 member steering group on Employment strategy with Dr. C.M. Hanumantha Rao, Member Planning Commission, as Chairman. The steering group will make an overall assessment of employment and unemployment situation at the national as well as the state and regional levels, including backward areas and Hill/Tribal areas and separately for public and private sectors. It is expected that the group will examine the progress of labour absorption particularly of educated manpower and women in the organised and unorganised sector of the industry. The steering group will formulate the elements of employment strategy consistent with the overall plan objectives and consider the feasibility of evolving a time-bound plan for fuller employment by 2000 A.D.
In addition to the above we have to move in the following directions to solve the unemployment problem.

Mobilisation of resources, accelerated growth, selective pattern of investment, proper choice of techniques, appropriate spectrum of economic activities in rural and urban areas with due consideration to the capital-employment ratios and availability of complementary factors of production suggest the multi-pronged approach needed to tackle the problem most effectively.

Unemployment is a global problem. Different types of unemployment are witnessed in underdeveloped countries, which mainly arise from shortage of capital formation. But in developed countries, it arises largely from the deficiency in aggregate demand which is of a cyclical nature. Unemployment has always been a challenging and frustrating problem to the Economists and Administrators both in developing and developed countries. It is clear from the Table 2.3 that there has been a spurt in the unemployed in all the countries developed as well as developing. The

data reveal that in general during the period 1970-80 there has been a steady growth of unemployment in all the countries developed as well as developing. However, the extent of unemployment was much greater in developing countries than in developed countries.

**TABLE 2.3**

RATES OF UNEMPLOYMENT IN SELECTED COUNTRIES

<table>
<thead>
<tr>
<th></th>
<th>1970</th>
<th>1976</th>
<th>1980</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>1.7</td>
<td>-</td>
<td>6.1</td>
</tr>
<tr>
<td>Canada</td>
<td>5.9</td>
<td>7.1</td>
<td>7.5</td>
</tr>
<tr>
<td>West Germany</td>
<td>0.7</td>
<td>4.6</td>
<td>3.8</td>
</tr>
<tr>
<td>Japan</td>
<td>1.2</td>
<td>2.0</td>
<td>2.0</td>
</tr>
<tr>
<td>U.K.</td>
<td>2.6</td>
<td>5.7</td>
<td>7.4</td>
</tr>
<tr>
<td>U.S.A.</td>
<td>4.9</td>
<td>7.7</td>
<td>7.1</td>
</tr>
<tr>
<td>Yugoslavia</td>
<td>7.7</td>
<td>11.4</td>
<td>11.9</td>
</tr>
<tr>
<td>India</td>
<td>-</td>
<td>10.4</td>
<td>7.7</td>
</tr>
</tbody>
</table>

**Source:** Compiled from United Nations Statistical Year Book 1981.

The sharp growth of unemployment in the developed countries is directly the consequence of automation introduced in them. This has resulted in the growth of GNP, without a proportionate increase in employment. Thus, a highly capital-intensive pattern of investment fails to absorb the net additions to the labour force; it even causes labour displacement. The incidence and magnitude of unemployment are primarily associated with the growth of capitalistic system of the economy. In any country, employment opportunities are always related with faster economic growth. At the same time,
strategy for equal distribution keeps a significant norm. Creation of employment opportunities through providing productive assets in the hands of workers is the essential feature of programmes for removing the poverty. Employment opportunity is a part of economic growth, the growth is the result of more production in each sector through appropriate technology and technology may be adopted in such a way that leads to the best utilization of human resources.

The growth of unemployment is quite alarming, because of the out turn of more and more graduates from educational institutions every year. The second meeting of the Asian Employment Planners organised by the Asian Regional Team for Employment Promotion (ARTEP) held in New Delhi on November 24, 1987 gave also serious concern to the problem of unemployment among educated youth. The meeting laid great stress on constant process of technology, upgradation, modernisation and product diversification in the small and village industry sector. Even in advanced countries like the United States, the United Kingdom, West Germany and Japan a great majority of industrial enterprises are concentrated in the small scale sector. To quote
Eugene Staley and Richard Morse "Small factories serve a newly industrialising country not only by their output of goods but also by functioning as a nursery of entrepreneurial and managerial talents". They cited the instances of Ford, Siemens, Eastmen - Kodak, Lever Brothers Krupp - the giant industrial firms whose names are widely known today, were started as very small enterprises.

Organisation for Economic Co-operation and Development (OECD) in its OECD Employment outlook released on September 24, 1986 outlined its major policy conclusion as follows. Achieving lower unemployment necessitates faster employment growth than what has been achieved by (OECD) economy at present. This would call for major changes in institutions, together with a willingness to revise traditional attitudes towards work, leisure, pay and working conditions. This, in turn, will require the political will and a determined commitment on the part of all social groups.

The employment outlook predicted that although the OECD economy is in its fourth year of recovery; the level of unemployment in the area as a whole is
not expected to show much change next year from its present high level of 31 million, and the aggregate unemployment rate is likely to remain at about 8.25%. Declines in unemployment are expected for Germany, the United Kingdom, Belgium, Ireland and Spain, but increases are expected for some other countries. The unemployment rate in Japan is expected to rise towards 3%.

The slow improvement in youth unemployment rates over the past two years is expected to continue. Nevertheless, the projected youth unemployment rate for next year of 16% in the 12 OECD countries for which reasonably comparable data are available would still be 5% points higher than its 1979 level. Youth unemployment is expected to decline in North America, Australia and the Nordic countries, while stabilising in the four major European countries.

From the above it is clear that India is not an exception to it. However India can follow the footsteps of Japan in implementing the SEEUY scheme effectively in the following directions. Make the self employed to have a special aptitude for using new knowledge and new ideas for productive purposes. Introduce zero defects concepts to have a high demand for
the goods. Guaranteed life-long employment practice as distinct from the principle of 'hire and fire' method creates loyal, and sincere employees with competence. patriotism and complete identification with the nation, as we see in Japan, have to be developed in the minds of Indian also. Continuous training should be imparted to ensure continuous improvement in performance. The Japanese tax system has to be adopted to help the industries to grow. Private investment has to be encouraged by granting handsome depreciation allowances. Personal savings are to be encouraged by lowering rates of taxes on interest and dividends.

The Japanese are always trying to improve and better their products and the Government gives them constant encouragement in their efforts. In Japan both business and Government know the art of living together for purposes of production. The same situation and the feeling in the minds of the people are to be developed to achieve the ultimate objectives of the SEEUY scheme.