Chapter IV

ANTI POVERTY AND SPECIAL EMPLOYMENT PROGRAMMES IN INDIA
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“The world has deep poverty amidst plenty”, comments the World Development Report 2000-2001. “Poverty is falling but not fast enough”, cautioned Dr. Manmohan Sigh, Prime Minister of India while approving the Approach Paper for the 11th Five Year Plan.

4.1 Poverty

The countries of the third world exhibit invariably the existence of mass poverty, although pockets of poverty exist even in the developed countries of Europe and America. In India, the problem of poverty has become a recurring issue. As per National Sample Survey, the proportion of people below poverty line in 1998-99 was at the level of 19.86 per cent\(^1\) and in 2004-05 it was 27.50 per cent.\(^2\)

4.2 Poverty Reduction

World Development Report 2000-01 proposed a strategy for attacking poverty and the first and most important recommendation was to promote opportunities for job. Various studies in the field also unveil unemployment as the major cause of poverty and explain that only by providing increased employment opportunities, the problem of poverty can be controlled and reduced.

The extent of incidence of absolute poverty has significantly declined over the past years, except in 2004-05, as presented in table 4.1 which gives percentage of population below poverty line.

Table 4.1

\(^2\) GOI, India Development Report, 2008
### Estimates of Poverty

<table>
<thead>
<tr>
<th>Year</th>
<th>Rural</th>
<th>Urban</th>
<th>All India</th>
</tr>
</thead>
<tbody>
<tr>
<td>1973-1974</td>
<td>56.4</td>
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<td>1977-1978</td>
<td>53.1</td>
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<td>1983-1984</td>
<td>45.7</td>
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<td>32.4</td>
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<tr>
<td>1999-2000</td>
<td>27.1</td>
<td>23.6</td>
<td>26.1</td>
</tr>
<tr>
<td>2004-2005</td>
<td>28.3</td>
<td>25.7</td>
<td>27.5</td>
</tr>
<tr>
<td>2007 (Projected)</td>
<td>21.1</td>
<td>15.1</td>
<td>19.3</td>
</tr>
</tbody>
</table>

Source: Tenth Five Year Plan, Vol.1, Planning Commission, 2002

Although reduction of the overall poverty ratio in India from fifty five per cent to twenty six per cent during a period of three decades was significant, India’s performance in poverty reduction has been weak as compared with some of the East Asian Countries.

### 4.3 Unemployment

Poverty is closely linked with unemployment and underemployment. The special group on employment generation set up by the Planning Commission has estimated the number of unemployed to be 26.68 million in 1999-2000 as against 20.27 million in 1993-94 (CDS basis). Unemployment rate in India has increased significantly since 1993-94 and was 8.28 per cent in 2004-05 as against 7.31 per cent in 1999-2000 and 6.06 per cent in 1993-94 as given in table 1.1 though is anticipated to show a decreasing trend after 2006-07.
Table 4.2

Employment and Unemployment Projection

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Million Persons</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2004-05</td>
</tr>
<tr>
<td>Population</td>
<td>1092.83</td>
</tr>
<tr>
<td>Labour force</td>
<td>419.65</td>
</tr>
<tr>
<td>Work force</td>
<td>384.91</td>
</tr>
<tr>
<td>No. of unemployed</td>
<td>34.74</td>
</tr>
<tr>
<td>Unemployment rate (%)</td>
<td>8.28</td>
</tr>
</tbody>
</table>


If the projections on labour force and employment generation by Planning Commission are achieved in India as per expectations, India will attain a state of full employment by 2016-17. But the Planning Commission itself is not sure of the same.3

The Economic survey 2006-07 presents data on the basis of the NSS 55th round and 61st round. The unemployment rate on the Current Daily Status basis in 2004-05 was over 8 per cent. However the reversal of declining trend in employment growth from an annual 2.1 per cent in the 10 years ending in 1993-94 to 1.6 per cent in the 5 years ending 1999-00 to 2.5 per cent in the 5 years ending 2004-05 is an encouraging development.4 Nevertheless, there is need for faster

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employment growth for not only absorbing additions to labour force, particularly with the ongoing demographic changes, but reducing the unemployment and poverty rates.

4.4 Removal of Unemployment

Unemployment problem required an immediate solution for the elimination of poverty. Hence removal of unemployment has been proclaimed as one of the objectives of all five year plans. But until the sixth Plan it never got a high priority, and schemes having large employment potential were launched from the sixth plan onwards.

4.5 Need for Employment Generation Programmes

Poverty is closely linked with unemployment and under-employment. Therefore expansion of employment at a rate adequate to absorb the unemployed and those entering the work force has been an important concern of development policy in India.

The first three five year plans followed a strategy based on acceleration of growth rate of the economy for generating employment and alleviating poverty. But the increasing trends in the incidence of unemployment and levels of poverty during those plans caused to think about the efficacy of growth in tackling these problems. The fourth plan (1969-74) stressed greater investment in industry and infrastructure and along with it initiated some ad-hoc self and wage employment programmes. Employment was regarded as the most important challenge to be met in the fifth plan (1974-79) and the view that economic growth alone would not take care of problems was strong which led to the introduction of various special employment programmes in the late 1970s.

The strategy of sixth and seventh Plans (1980-90) emphasised acceleration of growth rate by dealing with the problem of
unemployment and poverty through special employment schemes. Accordingly many such programmes for poor groups were launched.

The eighth Plan (1992-97) adopted a strategy which combined a high level of growth with an emphasis on employment generation which would ensure speedy growth of employment-intensive sectors, sub sectors and activities. The strategy was to generate employment in the process of economic growth. The ninth plan (1997-02) stressed the need for productive work and the primary aim of that plan was to generate greater productive employment in the growth process itself by concentrating on more labour intensive sectors, sub-sectors and technologies and in regions characterised by higher rates of unemployment and under employment. That plan also emphasised special employment programmes, particularly for wage employment.

The tenth Plan (2002-07) was launched when there was deceleration in the growth rate of employment generation from two per cent during 1983-94 to about one per cent during 1994-00. The Planning Commission appointed a Task Force on employment opportunities, headed by Ahluwalia, to suggest strategies for generation of 100 million jobs over ten years. The task force, in its report, emphasised on accelerating growth rate of GDP, on promoting growth of employment intensive sectors, on improving the quality of labour force with suitable policies for education and skill development and on reforms of labour laws.

The Task Force was not convinced of the role of special programmes for creating additional employment, and its report was found to be lacking in certain respects. Hence the Planning Commission appointed a steering committee on labour and employment for the tenth plan and a Special Group on Targeting Ten Million Employment Opportunities per year over the tenth plan, both
headed by S.P. Gupta, member of the Planning Commission. Unlike the task force, the special group assigned specific role for special employment programmes, in spite of complaints of leakages and inefficiency. The problems of poverty could not be tackled through growth which was slow, and hence there needed direct state intervention through poverty alleviation schemes like self-employment and wage-employment programmes.

“Our government is working towards the goal of creating 10 million employment and self employment opportunities each year. The S.P. Gupta Committee has prepared a useful report on how to achieve this goal”, were the words of A.B. Vajpayee. He also stressed the need for creating awareness among the youth about various employment and self employment schemes of the government.

4.6 Anti-Poverty and Employment Programmes

A number of poverty alleviation and employment generation programmes have been operational in India since the beginning of 1980s and after the introduction of economic reforms and structural adjustment scheme in 1991, some new programmes also have been introduced in addition to restructuring of old programmes.

The initial attempts included Community Development Programme (CDP), Abolition of Intermediaries, and Green Revolution. CDP started in 1952 aimed at integrated development of people at the local level through people’s participation. The second initiative included measures for abolition of intermediary institutions and systems of land holdings like Zamindari, Jagirdari etc. The third stressed on increased food grain production through new technology, which resulted in the green revolution.

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The impact of those initial initiatives in tackling problems of poverty was far from satisfactory and hence need for a direct attack on poverty was felt during the fourth Plan. Since 1980s there were a number of centrally sponsored poverty alleviation and employment programmes in the country. Following are the various special employment programmes launched under various plans in India.

1. The Rural Manpower Programme (RMP) 1961
2. The Crash Scheme for Rural Employment (CSRE) 1971
3. Small Farmers’ Development Agencies (SFDA) 1969
4. Marginal Farmers and Agricultural Labourers’ Development Agencies (MFALDA) 1969
6. Drought Prone Area Programme (DPAP) 1970
9. Desert Development Programme (DDP) 1977
10. Operation Flood II Dairy Project and other dairy development schemes (OFDP)
11. Fish Farmers Development Agencies (FFDA) 1969
12. Food for Work Programme (FWP) 1977
13. Integrated Rural Development Programme (IRDP) 1978
15. National Rural Employment Programme (NREP) 1980
20. Million Wells Scheme and Indira Awas Yojana (MWS & IAY)
21. Jawahar Gram Samridhi Yojana (JGSY)
22. Employment Assurance Scheme (EAS)
23. Supply of improved Toolkits to Rural Artisans (SITRA)
24. Ganga Kalyan Yojana (GKY)
25. Nehru Rozgar Yojana (NRY)
26. Urban Basic Services for the Poor (UBSP)
27. Prime Minister’s Integrated Urban Poverty Eradication Programme (PMIUPEP)
28. Swarnajayanthi Gram Swa-Rozgar Yojana (SGSY) 1999
29. Swarna Jayanthi Shahari Rozgar Yojana (SJSRY) 1997
30. Self Employment to Educated Unemployed Youth (SEEUY) 1983
31. Prime Minister’s Rozgar Yojana (PMRY) 1993
32. Self Employment Programme for Urban Poor (SEPUP) 1986
34. Special employment programme for one lakh youth in agriculture (1994)
35. Kerala Self-employment Scheme for the Registered Unemployed (KESRU) 1999
36. National Food for Work Programme (NFFP) 2004
37. Prime Minister’s Employment Guarantee Scheme (PMEGP) 2008

Certain of the above schemes were/are applicable for rural employment, some others for urban areas and a third set of schemes were/are applicable to both rural and urban areas. Again some schemes were/are self-employment schemes while others provided wage-employment. Self-employment programmes aim at providing productive assets or providing credit for purchase of such assets to households for undertaking productive activities. They also aim at training and skill creation schemes that would improve the household’s ability to generate self-employment in later periods. Wage-employment programmes, otherwise called Rural Work Programmes (RWP) are to generate additional gainful jobs for the unemployed and
to create productive assets such as physical infrastructure which, in turn, will create employment for the poor.

The Rural self employment programmes included IRDP, TRYSEM, SITRA, GKY, DWCRA etc. and all those were merged into an all inclusive scheme christened SGSY (Swarnajayanti Gram Swa-Rozgar Yojana) since April 1999. RMP, CSRE, PIREP, DPAP, FFWP, NREP, RLEGP, JRY (which were renamed later as JGSY), EAS, NFFWP, NREG etc. were/are notable rural wage employment schemes. NRY, UBSP, PMIUEP, SEPUP etc. were urban employment programmes, and they provided self-employment and wage-employment to educated unemployed urban youth. Those schemes were merged into SJSRY in December 1997 and the ongoing JGSY and EAS also were integrated within the scheme from April 2002. PMRY, the improved form of earlier SEEUY, was originally meant for urban areas but later extended to rural areas also. PMEGP substituted PMRY and REGP w e f 2008-09.

4.7 Important Employment Programmes

4.7.1 Notable Rural wage Employment Programmes

4.7.1.1 Rural Manpower Programme (RMP)

RMP was launched towards the end of 1960-61, in 32 Community Development Blocks (CD Blocks) on a pilot basis with the objective of providing 100 days’ employment to at least 2.5 million rural persons by the end of the 3rd five year plan. When the scheme ended in 1968-69 it had generated 137 million man-days of employment.

4.7.1.2 The Crash Scheme for Rural Employment (CSRE)
The CSRE, introduced in 1971 for a period of three years, with an annual outlay of Rs. 50 crores, was meant to provide employment during 10 months in a year to minimum 1000 persons in each of 350 districts in India through labour intensive works including land and road development and minor irrigation. The scheme was a failure.\textsuperscript{6}

### 4.7.1.3 Small Farmers’ Development Agency (SFDA) and Marginal Farmers’ and Agricultural Labourers’ Development Agency (MFALDA)

The Garibi Hatao (Eradicate Poverty) Policy of the government of late Smt. Indira Gandhi was the main thrust of fourth five year plan under which a lot of programmes for development of the weaker sections of the society were launched. SFDA and MFALDA, designed to raise the income levels of target groups, resulted in despair because of lack of precise criteria, delay in formulation of schemes, faulty land records, lack of their own field staff, apathy of commercial banks to finance the schemes, and misuse of subsidy by the beneficiaries.\textsuperscript{7} It was then realised that problems of weaker sections could not be solved by economic measures alone. Hence, for the overall development of concerned target groups, these programmes were merged with Integrated Rural Development Programme.

### 4.7.1.4 Pilot Intensive Rural Employment Programme (PIREP)

This scheme was started in November 1972 in 15 selected CD blocks for a three year period to provide additional employment opportunities to unskilled labourers. On completion of three years, it had generated 18.16 million man-days of employment.

### 4.7.1.5 Drought Prone Area Programme (DPAP)

\textsuperscript{6} Padhy Kishore Chandra, “Rural Development in Modern India”, BR Publishing Corporation, New Delhi, 1986, PP 86-96

\textsuperscript{7} Moshin Nadeem, “Rural Development through Government Programmes”, Mittal Publications, New Delhi, 1985 pp. 15-16
To restore adequate ecological balance affected by drought, DPAP was launched in 1970-71 in 54 DPAP units spread over 13 states in the country. By the end of the fourth Plan, the programme was changed as Area Development Scheme.

4.7.1.6 Minimum Needs Programme (MNP)

MNP was introduced in the fifth five year plan with the main objective of providing the rural poor with access to certain basic needs of social consumption, to raise the standard of living and reduce regional disparities. Initially there were eight components under this programme - elementary education, rural health, rural water supply, rural roads, rural electrification, rural housing, environmental improvement of urban slums, and nutrition. Subsequently adult education, rural domestic energy, rural sanitation and public distribution system were added.

Sixth plan redefined the norms of those items and hence the programme was designated as Revised Minimum Needs Programme (RMNP). Its high construction component led to creation of substantial additional employment for unskilled labour. Total outlay for RMNP for five years was above Rs. 1,086 crores. The programme was successful in Haryana, Gujarat, Punjab, Karnataka, A.P., Tamil Nadu, and Maharashtra, but in Bihar, M.P., Orissa, West Bengal, and north eastern states, it failed due to lack of co-ordination between the centre and states and between district authorities and block agencies.

4.7.1.7 Command Area Development Programme (CADP)

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In 1978, CADP was launched for the maximum utilisation of irrigation potential. The programme provided for irrigation potential through supply of adequate inputs, insurance, equitable and timely supply of water to all farmers, construction of field channels, irrigation outlet, development-works to make the land fit for recurring irrigation, better network of roads, regulated markets etc.\textsuperscript{10}

\textbf{4.7.1.8 Desert Development Programme (DDP)}

In 1977-78, DDP was introduced in desert areas of Rajasthan, Gujarat, Haryana, Himachal Pradesh, and J&K to stop desertification through activities which restore the ecological balance, provide facility for soil and water conservation, stabilise sand dunes and to achieve higher income and employment opportunities for the local residents. In 1982-83, it covered 126 blocks in 21 districts.\textsuperscript{11}

\textbf{4.7.1.9 Food for Work Programme (FWP)}

The food for work programme was introduced as a non-plan scheme in April 1977 to generate additional employment in rural areas through projects designed to create durable community assets to strengthen the rural infrastructure, and to augment the funds of state governments by using available stock of food grains. Labourers were paid in terms of food grains for work done by them. The works undertaken were flood protection, maintenance of existing roads, construction of new link roads, improvement of irrigation facilities, construction of panchayat-ghars, school buildings, medical and health centres and improvement of sanitation conditions.

The programme faced with problems and no serious attention was paid to the proper implementation of the programme, because of


the uncertainties about its continuation.\textsuperscript{12} Employment for 979.32 million man-days was generated under FWP until 1979-80.

All the above said schemes and certain others like Operation Flood II Dairy project and other Dairy Development Schemes, Fish Farmers’ Development Agencies etc. were ad-hoc schemes and none of these covered the whole nation.

\textbf{4.7.1.10 National Rural Employment Programme (NREP)}.

Finding certain shortcomings in FWP, it was restructured in October 1980 as part of the sixth five year plan (1980-85) and renamed it as National Rural Employment Programme to take care of those rural poor who largely depended on wage employment and virtually had no source of income in the lean agricultural period.

NREP was the culmination of experiences in implementing employment programmes in previous years. It was a centrally sponsored programme sharing expenses on 50:50 ratios between the centre and concerned state, for generating additional gainful employment for unemployed and underemployed, creating productive community assets and improving the quality of community and individual life of rural masses.\textsuperscript{13} The programme, implemented through District Rural Development Agencies (DRDAs) set up all over the country, gave priority to works to improve village environment, hygiene and sanitation. The workers were to be paid minimum wages as fixed under Minimum Wages Act and part of the same being paid in the form of food grains.

\textsuperscript{12} Padhy Kishore Chandra “Rural Development in Modern India”, BR publishing corporation, New Delhi, 1986, P. 127

The programme lasted for nine years and then merged into JRY in 1989. During the sixth and seventh plans, NREP generated 1774.13 and 1477.53 million man-days of employment respectively.\textsuperscript{14}

\textbf{4.7.1.11 Rural Landless Employment Guarantee Programme (RLEGP)}

RLEGP was started in Aug. 1983 to expand gainful employment opportunities for the rural landless and to provide guarantee of employment to at least one member of the landless household for about 100 days a year, by creating productive assets and improving the overall quality of rural life. During the last two years of sixth plan the programme generated 260.18 man-days of employment against the target of 360 million man-days.

The scheme was merged into JRY in 1989. A sub-scheme within RLEGP aimed at construction of one million houses during the seventh plan under Indira Awas Yojana, and it started in 1985. More than 128 crore man-days of employment have been generated and about 4.05 lakh houses have been constructed under that scheme.\textsuperscript{15}

\textbf{4.7.1.12 Jawahar Rozgar Yojana (JRY)}

The eighth Plan aimed at reducing unemployment to a negligible level within ten years and hence the central government announced Jawaharlal Nehru Rozgar Yojana (JNRY) in 1989, for intensive wage-employment creation in 120 backward districts. But evaluations during the Plan revealed that there was no need of separate schemes like NREP/RLEGP and JNRY, all having the same objective and thrust. Thus those schemes were merged into a single rural employment


programme on 1\textsuperscript{st} April 1989, and it was named Jawahar Rozgar Yojana (JRY).

JRY was a rural development programme aimed at generation of additional gainful employment for people below poverty line by strengthening rural economic infrastructure and creation of community and social assets. The expenditure had to be shared between the centre and the state in the ratio of 80:20. Thirty per cent of employment opportunities were reserved for women and preference was given to SC/ST groups. Wages, as under Minimum Wage Act, were paid partly in cash and partly in food grains and equal wages were paid to male and female workers.

JRY generated 7373 million man-days of employment in March 1999 and around Rs. 35,000 crores had been spent on it during 1989-90 to 2000-01.\textsuperscript{16} JRY has been restructured in April 1999 and renamed as Jawahar Gram Samridhi Yojana (JGSY). JRY had two sub-schemes - Indira Awas Yojana and Million Wells Scheme (MWS).

\textbf{4.7.1.12.1 Indira Awas Yojana} (IAY) was launched during 1985-86 to provide free dwelling units but became part of JRY from April 1989. Until 1992-93 the target group of IAY and MWS was SC/STs and freed bonded labour below the poverty line. From 1993-94 onwards the scope was extended to cover non SC/ST rural poor also. At present the permissible grant in aid under IAY for each house is Rs 38,500 and during 2007-08 and upto Nov. 2008 assistance was given for 43745 new houses and 17551 old ones for up-gradation and the total expenditure was Rs.16,632.31 lakhs.\textsuperscript{17}

Bharat Nirman, commenced in 2005-06, envisaged to construct sixty lakh houses under IAY over the next four years across the

\textsuperscript{16} GOI, Planning Commission, 2001 b
country, starting with 14.41 lakh houses in 2005-06. Grant, provided @ Rs. 25,000 per house for normal areas and Rs. 27,500 for hilly areas, is shared between the centre and state on 75:25 basis.

4.7.1.12.2 Million Wells Scheme (MWS) also started as a sub-scheme of NREP/RLEGp during 1988-89 to provide free open irrigation wells to poor small and marginal farmers and continued as a part of JRY. The sectoral earmarking of fund was thirty per cent of total allocation of JRY.

4.7.1.13 Employment Assurance Scheme (EAS)

Employment Assurance Scheme was started in October 1993 by the Prime Minister Sri. P.V. Narasimha Rao to provide assured purchasing power to the neediest persons in most backward areas of the country. Initially, it covered only 1778 backward panchayats of 257 districts situated in drought-prone, desert, tribal and hill areas. But in 1997-98 it was extended to all the 5448 rural panchayats.

The scheme aims at providing 100 days of unskilled manual work on demand to two members of a rural family in the age group of 18 to 60 years in the agricultural lean season within the blocks covered, and to create durable assets in rural areas. The scheme’s expenditure is shared between centre and states in the ratio of 80:20.

Upto 1996-97, 1068.6 million person-days of employment were generated providing relief to 25.9 million persons.\textsuperscript{18} With its extension to all rural blocks, a total of 1291.3 million man-days of employment were generated during 1996-97 to 1998-99. EAS was restructured in 1999-2000 as a single wage employment scheme and JRY and EAS

together had generated total employment of 4.4 million person years in 1998-99.\textsuperscript{19}

\textbf{4.7.1.14 Jawahar Gram Samridhi Yojana (JGSY)}

JGSY, introduced in 1999 by restructuring JRY, aims at creating need based rural infrastructure at the village level to improve the rural economy and employment opportunities. The scheme was implemented by village panchayats. 22.5 per cent funds were earmarked for SC/ST families. Since inception in 1999, a total of 1583100 works had been completed and a total of Rs. 4300 crores were spent under JGSY upto March 2001.\textsuperscript{20} JGSY and EAS were integrated into Sampoorna Gramin Rozgar Yojana (SGRY) with effect from 1\textsuperscript{st} April 2002.

\textbf{4.7.1.15 Sampoorna Gramin Rozgar Yojana (SGRY)}

SGRY, launched in September 2001, is basically a rural public works programme with a strong food for work component, which covers 50 per cent of the allocation. Its main objectives are providing wage employment to all rural poor who are in need of and willing to take up unskilled manual work, as also food security, along with the creation of durable community, social and economic assets and infrastructure. Preference is given to the poorest and SC/STs.

Allocation under SGRY was 9639.99 crores in 2003-04.\textsuperscript{21} Until 31 December 2007, 11.60 crores person days of employment were generated for which the centre contributed Rs.1,142.27 crores in cash and 9.55 lakh tonnes of food grains. In Kerala, expenditure in 2007-08 under the scheme was Rs.9,534.75 lakhs.\textsuperscript{22}

\textsuperscript{19} Ibid
\textsuperscript{22} GOK, Planning Board, Economic Review 2008, Thiruvananthapuram, 2009, p S194
4.7.1.16 Food for Work Programme II (FFW)

A second FFW programme was launched in Feb 2001 initially for five months and was further extended upto 31 March 2002 in respect of identified “natural calamity affected districts” for augmenting food security through wage employment. The centre provided food grains free of cost to each state as additionality under the programme and wages were paid in kind and in cash, subject to the minimum wages notified.

4.7.1.17 National Food for Work Programme (NFFW)

It was launched in November 2004 in 150 most backward districts of the country, identified by the planning commission to provide additional resources apart from those available under SGRY for creation of supplementary wage employment and provision of food security through creation of economic, social and community assets.

The scheme was 100 per cent centrally sponsored and self targeting. Any person desirous of doing unskilled manual work can opt for any of the NFFW works. The wages would be paid partly in the form of food grains and balance in cash. The scheme allocation during 2004-05 was 13.1 per cent of the total expenditure on rural employment programmes and 19 per cent in 2005-06. The programme was stopped with the introduction of NREGA in 2006.

4.7.1.18 National Rural Employment Guarantee Act (NREGA)

The NREG Act passed in 2005, gives a legal right and guarantee of employment in rural areas to anyone who is willing to do casual manual labour at statutory minimum wages. In that sense NREGA would go a long way to protect rural households from poverty and hunger. It seeks to enhance the livelihood security of households by providing at least 100 days of wage employment every year.
The scheme was implemented on 2\textsuperscript{nd} February 2006 in 200 most backward districts of the country and an amount of Rs. 16,419 crores had been proposed for the scheme for 2006-07. Allocation for 2007-08 was Rs. 12,000 crores and the eleventh plan disclosed the central government’s commitment to expand the programme to 330 districts. In addition, Rs. 2,800 crores had been provided for SGRY in those districts that were not covered by NREG Act and the scheme was extended to all districts in India in 2008.

Until 30 Jan 2008 Rs.10,501.02 crores had been released as against the allocation of Rs.12,000 crores for 2007-08. Through NREG scheme, virtual employment had reached at the doorsteps of villagers. The interested rural households can apply for employment and employment within 5 km radius would be given within 15 days of application; if not, daily unemployment allowance in cash would be paid. At least one third of beneficiaries have to be women.

A study on NREG scheme by Pinaki revealed that the fund utilisation ratio remains as low as 51 per cent after completion of one full year.\textsuperscript{23} This defeated the very purpose of NREGA as a poverty alleviation programme. In Kerala, NREG scheme was introduced initially in two districts. Out of Rs. 31,078.02 lakhs available under the scheme, Rs.20,273.92 lakhs\textsuperscript{24} had been spent upto Nov. 2008. But NREG programme has made no difference to the government expenditure on rural employment programmes, as given below.

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Table 4.3

Expenditure Distribution across Various Rural Employment Programmes (Per cent)

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<thead>
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<th>Scheme</th>
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<th>01-02</th>
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<td>100</td>
</tr>
</tbody>
</table>

Source: Union Budget documents 2007-08

As per the above table, allocation under SGSY declined sharply with a corresponding increase in the share of SGRY from 23.3 per cent to 62.1 per cent between 1999-2000 and 2003-04. But share of SGRY declined sharply after 2003-04 with a corresponding increase in the allocation for NFFW programme. In absolute terms, the SGRY allocation declined from Rs. 9,639.99 crores in 2003-04 to Rs. 2,700 crores in 2006-07. The total allocation of NREG Scheme in 2006-07 was only Rs. 10,170 crores.

4.7.2 Notable Rural Self Employment Programmes.

4.7.2.1 Integrated Rural Development Programme (IRDP)

Until sixth plan proposed for one single integrated programme to be operative throughout the country, a multiplicity of agencies was providing rural employment through various schemes. The sixth plan

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conceived of two programmes-Integrated Rural Development Programme and National Rural Employment Programme (IRDP and NREP). IRDP was to promote self employment of the poor households whereas NREP was to provide wage employment.

IRDP was the first major self-employment and anti-poverty programme in India. It was initially started in 20 selected districts in 1978-79 and extended to all 5011 blocks in the country in 1980. It aimed to assist 600 poor families in each block every year during 1980-85. In the sixth Plan, total number of beneficiaries covered was 16.56 million, and 6.46 million among them were SC/STs.26 Until March 1999, more than 54 million families had benefited under IRDP since its inception, and Rs. 22,542 crores and Rs. 33,953 crores respectively were the total credit mobilised and total investment during the period.27 IRDP had some allied programmes like TRYSEM, DWCRA, GKY, and SITRA.

4.7.2.1.1 Training Rural Youth for Self Employment (TRYSEM) was started in 1979 with the aim of giving training to about two lakh rural youths every year so as to enable them to become self employed under IRDP. From 1980-81 to 1998-99, 45.56 lakh rural youths had been trained under the scheme.28

4.7.2.1.2 Ganga Kalyan Yojana (GKY) was launched during 1996-97 to provide irrigation through bore wells and tube wells to farmers living below poverty line. They were assisted through term credit by banks and subsidy by government at the rate of 75 per cent for SC/STs and physically challenged and 50 per cent for others.29

26 GOI, Planning Commission, 7th Five Year Plan (1985-90), and Ministry of Rural Development, Annual Reports
27 Planning Commission, 2001
28 Ibid
4.7.2.1.3 **Supply of Improved Toolkits for Rural Artisans (SITRA)**

was launched in 1992 to enable rural artisans below poverty line to enhance the quality of their products, increase their production and income and ensure better quality of life by using improved tools. The average cost of improved toolkits supplied to artisans was Rs. 2,000 of which 90 per cent was subsidy from central government.

4.7.2.1.4 **Development of Women and Children in Rural Areas (DWCRA)** started in 1982-83, became a sub-scheme of IRDP w.e.f 31 March 1988 to provide rural poor women with suitable avenues of income generation according to their skill and local conditions.30

Under DWCRA, total expenditure during 1982-83 to 1998-99 was Rs. 42248.85 Lakhs.31

IRDP and allied programmes were restructured into a single scheme called Swarnajayanthi Gram Swarozgar Yojana in 1999.

4.7.2.2 **Swarnajayanthi Gram Swarozgar Yojana (SGSY)**

IRDP and similar self-employment schemes along with certain wage-employment programmes were reviewed by a committee constituted by the Planning Commission which recommended a single self-employment programme for the rural poor. Accordingly SGSY had been launched in place of earlier programmes on 1st April 1999. It was sponsored by the central government and implemented jointly by state governments, DRDAs, block panchayats and banks.

SGSY is a holistic programme of micro enterprises covering all aspects of self- employment, including formation of self help groups, capacity building, training, planning of activities, clusters, infrastructure build-up, technology, financial assistance through bank

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30 GOI, Planning Commission, 2001
credit and subsidy, and marketing support. The scheme provides special protection to weaker sections.

Since its launching, a total of 4.93 lakh self-help groups were formed with 6.87 lakh members up to 31 March 2001. Individual swarozgaris assisted during the period were 3.43 lakhs and thus total assistance was to 10.3 lakh swarozgaris.\textsuperscript{32} In Kerala the total expenditure up to Nov. 2008 amounted to Rs.15,689.03 lakhs out of the total fund of Rs.16,863.83 lakhs.\textsuperscript{33}

4.7.3 Important Urban Employment Schemes

According to NSSO 55\textsuperscript{th} round survey (1999-2000) the poverty ratio was 23.62 per cent in urban areas. Though Kerala could achieve remarkable achievements in health, literacy and social sectors, threat of poverty grew in urban areas and the poverty ratio was 20.27 per cent\textsuperscript{34} in 2006. Following were/are certain special employment programmes for the urban areas.

4.7.3.1 Nehru Rozgar Yojana (NRY)

NRY was launched in 1989, by the then prime minister Rajeev Gandhi as the urban counterpart of JRY, basically for the generation of one million employments per year for the urban poor. It had a self-employment scheme, called Scheme for Urban Micro Entrepreneurs (SUME), a wage employment programme called Scheme for Urban Wage Employment (SUWE) and in addition, a Scheme for Housing and Shelter Up-gradation (SHASU).

4.7.3.2 Self Employment Programme for Urban Poor (SEPUP)

The programme was introduced in 1986 to provide assistance to the urban households living below the poverty line for starting self-
employment ventures on the basis of a bank loan upto Rs. 5,000, of which 25 per cent was a government subsidy. During 1986-1990, as many as nine lakh persons were assisted under the programme, with a total capital subsidy of Rs. 1.2 billion from the government and Rs. 3.7 billion of bank loans. The scheme was scaled down as banks showed scant interest in it.

**4.7.3.3 Swarna Jayanti Shahari Rozgar Yojana (SJSRY)**

SJSRY was launched in December 1987 subsuming the earlier urban poverty alleviation schemes namely NRY, PMIUPEP, UBSP and DWCUA. SJSRY is both a self-employment and wage-employment programme and it has three special components: (1) Urban Self Employment Programme (USEP), (2) Urban Wage Employment Programme (UWEP) and (3) Development of Women & Children in Urban Area (DWCUA). The scheme expenditure is shared on 75:25 ratio by the centre and states. The allocation for the scheme was Rs. 344 crores during 2007-08 of which Rs.256.41 crores had been released upto December 2007.

USEP assists individual urban poor for setting up gainful self employment ventures of the project cost is Rs. 50000 per individual. Subsidy is allowed at 15 per cent of project cost. During 2007-08, 44 lakh urban poor were assisted under USEP to set up micro group enterprises. Under UWEP 6.77 lakh man-days of employment were generated upto the end of November 2007. DWCUA assists the urban poor women for starting gainful employment through group activity. Maximum number of members of a group is ten; the project cost is upto Rs.25 lakhs and subsidy for a group is Rs.1.25 lakh or 50 per cent of the project cost, whichever is less.
4.7.3.4 Self employment for Educated Unemployed Youth (SEEUY)

This scheme, introduced in August 1983, was to provide financial assistance to educated unemployed youth, of Rs.35,000 or Rs.25,000 or Rs.15,000 respectively for gainful self-employment ventures in industry, service and business, with a subsidy at 25 per cent of loan sanctioned. SEEUY scheme was subsumed in PMRY in 1993. During 1993-94 both PMRY and SEEUY were operating concurrently and SEEUY merged with PMRY from 1994-95.

4.7.3.5 National Slum Development Programme (NSDP) and Valmiki Ambedkar Awas Yojana (VAMBAY)

These two schemes are not directly generating employment but are anti poverty programmes applicable to urban areas. Under NSDP, slum development activities are taken up particularly provision of physical and community infrastructure, construction of new houses and up-gradation of existing shelters to tackle the problem of urban slum dwellers. VAMBAY, launched in 2001-02, also was for urban slum dwellers living below poverty line, by reclamation of urban slums and ameliorating their housing problems. Financial limit for a house under VAMBAY is Rs. 40000, which is released in four instalments.

NSDP and VAMBAY were merged into Integrated Housing and Slum Development Programme (IHSDP), started in 2005 for housing and infrastructure development of urban slums.

4.7.3.6 Integrated Housing and Slum Development Programme (IHSDP)

Launched in December 2005, its basic objective is to strive for a holistic slum development with a healthy urban environment by providing adequate shelter and basic infrastructure facilities to identified urban slum dwellers. Housing is not provided free to
beneficiaries; instead twelve per cent beneficiary’s contribution is stipulated. Ceiling cost of a dwelling unit is Rs. 80,000 and its floor area should not be less than 25 sq. meters

**4.7.3.7 Jawaharlal Nehru National Urban Renewal Mission (JNNURM)**

JNNURM was formally launched on 3rd December 2005 to encourage reforms and fast track planned development of identified cities. It has two sub-missions - the first for urban infrastructure projects relating to water supply and sanitation, sewerage, solid waste management, road and transport, and redevelopment of old city areas. Rs. 2,805 crores have been provided in 2007-08 for 279 approved JNNURM projects of the cost of Rs. 25287.08 crores. The second mission focuses on integrated development of slums by providing shelter, basic services and other related civic amenities to urban poor. A total investment of Rs. 335,350 crores was envisaged for the development of such urban services in 2007-08. Duration of JNNURM would be seven years from 2005-06. A provision of Rs. 50,000 crores had been made as central assistance for the entire period and budgetary provision for 2007-08 was Rs.4,987 crores.

**4.7.3.8 Prime Minister’s Rozgar Yojana (PMRY)**

PMRY was launched in October 1993 to provide employment opportunities to more than one million educated unemployed youth by setting up seven lakh micro enterprises under the eighth five year plan. It covers all rural and urban educated youth with minimum qualification of VIII standard but gives preference to weaker sections.

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36 Ibid
37 Ibid
Loans without any collateral security upto certain limits with subsidy are allowed to beneficiaries. During the 8th, 9th and 10th plans, loans were given for 5.76 lakh, 9.79 lakh and 9.48 lakhs units under PMRY which was merged with PMEGP in 2008.

4.7.3.9 Prime Ministers Employment Guarantee Programme (PMEGP)

PMEGP is a new credit linked subsidy programme launched in 2008-09 by merging two then existing schemes - PMRY and REGP, for generation of employment opportunities through establishment of micro enterprises in rural as well as urban areas. It is administered by the Ministry of Micro Small and Medium Enterprises (MoMSME).

Under PMEGP, financial assistance is provided to any individual above 18 years of age and have passed minimum VIII standard, for setting up of new projects costing above Rs.10 lakhs in the manufacturing sector and above Rs.5 lakhs in the business or service sectors. Self Help Groups, Institutions registered under Societies Registration Act, Production Co-operative societies and charitable Trusts also are eligible for assistance under PMEGP.

4.8 Special Employment Programmes in States

In addition to various centrally sponsored programmes, different states plan and formulate employment programmes like the Employment Guarantee Scheme of Maharashtra. Similarly Kerala government has initiated self employment or employment assistance programmes for the benefit of unemployed persons as follows.

4.8.1 Kerala State Self-Employment Scheme for the Registered Unemployed (KESRU) is being implemented in Kerala since March 1999 to provide financial assistance upto Rs. one lakh to registered unemployed literate youths who are in the age group of 21 to 40 years,
other than students and whose family income is not more than Rs.24,000 per annum and whose individual income is less than Rs.500 per month. Preference is given to technically qualified persons, those from SC/STs, women, those below poverty line, those above 25 years of age and who receive unemployment assistance.

15 per cent of project cost is provided as seed money grant and interest subsidy also is granted in special cases. During the last six years an amount of Rs.443.15 lakhs was disbursed to 4,440 persons, out of 18,386 applicants as given in Table 4.4

<table>
<thead>
<tr>
<th>Year ended on 31 December</th>
<th>No. of applications received</th>
<th>No. of beneficiaries</th>
<th>Amount disbursed Rs. lakhs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>3384</td>
<td>885</td>
<td>7.09</td>
</tr>
<tr>
<td>2000</td>
<td>17097</td>
<td>469</td>
<td>29.75</td>
</tr>
<tr>
<td>2001</td>
<td>7114</td>
<td>330</td>
<td>12.69</td>
</tr>
<tr>
<td>2002</td>
<td>Nil</td>
<td>416</td>
<td>29.69</td>
</tr>
<tr>
<td>2003</td>
<td>7659</td>
<td>668</td>
<td>36.61</td>
</tr>
<tr>
<td>2004</td>
<td>1920</td>
<td>734</td>
<td>50.00</td>
</tr>
<tr>
<td>2005</td>
<td>1944</td>
<td>238</td>
<td>16.85</td>
</tr>
<tr>
<td>2006</td>
<td>2370</td>
<td>1040</td>
<td>124.44</td>
</tr>
<tr>
<td>2007</td>
<td>2110</td>
<td>898</td>
<td>102.04</td>
</tr>
<tr>
<td>2008</td>
<td>2383</td>
<td>862</td>
<td>113.21</td>
</tr>
</tbody>
</table>

Source: Directorate of Employment & Training, Economic Review 2008

4.8.2 Special Employment Programme for One Lakh Youth in Agriculture was launched in 1994 to provide employment to one lakh youth in the age group of 20 to 35 by arranging technical support, credit support, marketing facilities and also social security benefits
like pension, gratuity, death and accident benefits etc. The scheme collects fund from beneficiaries and the government.

4.8.3 Kerala Self-Employment Assistance Scheme was launched in 1982 and until the end of July 1995, it benefited 127570 persons.

4.8.4 Unemployment Allowance Scheme was introduced in 1982 for assisting unemployed youth with SSLC but not students, upto 35 years of age, whose family income and personal income not exceeding Rs. 12,000 and Rs.1,200 respectively per annum and possessing 3 years’ registration seniority after attaining 18 years of age. Monthly unemployment allowance is Rs.120 and Rs.52 crores had been provided for 2008-09. Details for nine years are given in table 4.5

<table>
<thead>
<tr>
<th>Year Ended 31 December</th>
<th>Applications received</th>
<th>No. of beneficiaries</th>
<th>Amount disbursed (Rs. in lakhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>56906</td>
<td>346114</td>
<td>3689.39</td>
</tr>
<tr>
<td>2001</td>
<td>65245</td>
<td>351685</td>
<td>2175.97</td>
</tr>
<tr>
<td>2002</td>
<td>180586</td>
<td>332287</td>
<td>2516.40</td>
</tr>
<tr>
<td>2003</td>
<td>186029</td>
<td>348027</td>
<td>1423.10</td>
</tr>
<tr>
<td>2004</td>
<td>192796</td>
<td>387370</td>
<td>7398.43</td>
</tr>
<tr>
<td>2005</td>
<td>170972</td>
<td>387370</td>
<td>10243.38</td>
</tr>
<tr>
<td>2006</td>
<td>65976</td>
<td>339879</td>
<td>3667.71</td>
</tr>
<tr>
<td>2007</td>
<td>66700</td>
<td>361930</td>
<td>5005.76</td>
</tr>
<tr>
<td>2008</td>
<td>25148</td>
<td>337032</td>
<td>5094.78</td>
</tr>
</tbody>
</table>


4.8.5 Multi purpose Job Clubs were declared by government in 2007-08 to be implemented as a flagship scheme, meant exclusively for unemployed persons who are willing to take up employment by entering into partnership with similar other persons, by joining any

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job club organised by the Department of Employment and Training. Those who join the club will get financial assistance in the form of loans from banks. The department will act as a promoter bringing banks and work seekers together and will provide training and help in preparation of viable projects.

### 4.8.6 Self Employment Assistance to Disabled Persons

is provided by Kerala State Handicapped Persons’ Welfare Corporation for disabled persons for self-employment programmes with subsidy of 40 per cent. During 2006-07 Rs.9.21 lakhs had been distributed as shown in Table 4.6

#### Table 4.6

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Applications received and forwarded to banks</th>
<th>Applications sanctioned by banks (No.)</th>
<th>Amount disbursed (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001-02</td>
<td>1348</td>
<td>242</td>
<td>481000</td>
</tr>
<tr>
<td>2002-03</td>
<td>1303</td>
<td>281</td>
<td>562500</td>
</tr>
<tr>
<td>2003-04</td>
<td>1256</td>
<td>344</td>
<td>756535</td>
</tr>
<tr>
<td>2004-05</td>
<td>1417</td>
<td>314</td>
<td>773475</td>
</tr>
<tr>
<td>2005-06</td>
<td>1503</td>
<td>354</td>
<td>874660</td>
</tr>
<tr>
<td>2006-07</td>
<td>1142</td>
<td>370</td>
<td>921020</td>
</tr>
</tbody>
</table>


### 4.8.7 Kerala Sustainable Urban Development Project (KSUDP)

is an ADB funded project in the fields of poverty alleviation, functioning in five municipal corporations of Kerala to ensure sustainable growth and reduce poverty in the corporations. It has also programmes for the
urban elderly, destitute, women and street children. KSUDP undertakes several projects to accomplish its objectives and the estimated cost of major projects amounted to Rs. 1420.31 lakhs including Rs. 101.25 lakhs for poverty alleviation projects and an amount of Rs. 250 crores has been provided for 2007-08.\textsuperscript{39}

4.8.8 Women Development Programmes

Kerala Social Welfare Department and Kerala State Women Development Corporation are formulating and implementing various development schemes for women including self employment loans.

4.8.9.1 Support to Training and Employment Programme (STEP) was started in 1986-87 to assist women in the traditional sectors by upgrading their skills and providing employment on project basis

4.8.9.2 Swawalambam, previously known as NORAD, was launched in 1982-83 so as to facilitate women to obtain employment or self-employment on a sustainable basis.

4.8.9.3 Swayamsidha is an integrated project for the development and empowerment of women based on formation of Self Help Groups.

4.8.9.4 Kerala State Women Development Corporation is functioning since 1988, primarily as a loan lending unit assisting BPL women in self-employment and has launched many job oriented training programmes. During 2007-08 the total loan assistance to women below poverty line amounted to Rs. 852.41.41 lakhs to a total number of 1333 women beneficiaries.\textsuperscript{40}

4.8.9.5 Kudumbashree

It is an innovative poverty reduction programme implemented since 1999 by the State Poverty Eradication Mission with the support

\textsuperscript{39} Ibid, p. 330
\textsuperscript{40}Office Records, Kerala State Women Development Corporation, 2009
of state government, NABARD, welfare boards, financial institutions and autonomous bodies exclusively for women below poverty line with focus on self help. Key components of the programme include minimum infrastructure, setting up of micro enterprises, capacity building of poor, setting up of funds like challenge fund, technology fund, innovation fund and revolving fund, expansion of Ashraya, started in 2002-03 for tackling the poorest of poor and the destitute, who are the really excluded, and generating Jobs for educated youth.

All urban local governments and village panchayats have been included under Kudumbashree. This programme covered the entire rural area in the state and formed 176200 Neighbour Hood Groups (NHGS) covering 3210392 families, mobilised Rs. 940.06 crores as thrift fund and disbursed credit to the tune of Rs. 2504 crores to its members as on 31 October 2008. Recently started programmes under Kudumbasree include Linkage Banking 2002-03, Lease Land Farming Programme 2002-03, Extension of Bala Sabha to rural areas, Online Monitoring System for Ashraya, Group and Individual Micro-Enterprises of Women in the pattern of SGSY and Samagra.

Significant achievements of Kudumbashree are extension of the programme throughout Kerala, thrift fund collection exceeded Rs.940 crores, internal lending reached about Rs. 2,504 crores, linkage of 83608 NHGs with banks under Linkage Banking, credit flow of Rs. 589.19 crores through linkage banking, formation of 44991 bala sabhas with 788189 children, construction of 4928 houses under Bhavanashree in 2007-08 with credit of Rs. 1715.66 lakhs from banks, launching of Ashraya in 640 gram panchayats and seventeen municipalities, starting of 118 Vidyashree units under IT School Programme, conducting Cluster Development Programme with the

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support of industries department, formation of multi-purpose job clubs, launching of loan-linked micro housing scheme and Samagra Programme was evolved under which rural business hubs would be set up, to provide sustainable job opportunities for the poor.42