Chapter I

Introduction

- Introduction.
- Unemployment and Poverty.
- Rural Development and Poverty Alleviation.
- Social Protection.
- Rural Employment and Self-Employment.
- Employment Opportunities For Rural Labour Force.
- Quality of Employment.
- Initiatives for Employment.
- Employment Guarantee Scheme in Maharashtra.
- Resources of EGS.
- MEGS to NREGS.
- Title of Research Study.
- Objectives of the Study.
- Hypotheses.
- Research Methodology.
- Scope and Limitations of Study.
- Chapter Scheme.
- Review of Literature.
Introduction:

It is well recognized that the instrument of rural works programs has become an important component of strategies to alleviate poverty and hunger in many developing countries. In India, employment provision has been used extensively as a tool for protecting entitlements for centuries. Since the fourth century B.C., when Kautilya, the ancient Indian political economist, wrote his Arthasastra, India's rulers and governments have emphasized public relief works, particularly during famine. Employment in public works later became the main element of strategies for famine prevention in India and it has proved effective. After India's independence in 1947, there were many central government-sponsored schemes, beginning with the Rural Manpower Program in 1960. The most important program at the state level is the Maharashtra Employment Guarantee Scheme (EGS), which was introduced in 1972. The Maharashtra EGS is one of the most researched and discussed programs in the country. The United Nations Development Program's (UNDP) Human Development Report (1993, 43) commends Maharashtra's EGS as one of the largest public programs in the developing world. Compared to the programs in other countries, the EGS has been in existence for a long time. The rest of the states in India and the other countries in Asia and Africa are eager to learn from the scheme's success, particularly its sustainability over time.\textsuperscript{1} The EGS is an especially interesting example of a public works program for poverty alleviation because it guarantees employment at a defined wage—an unprecedented feature in a public works program. It is considered a model because of this underlying philosophy of guarantee and because of its approach toward fulfilling this guarantee.

Due to constraints and backwardness, the employment provided by the agriculture sector in Maharashtra is not sufficient for laborers to earn an adequate living. Hence, employment in agriculture needs to be
complemented by government intervention. The EGS is one attempt to enlarge the scope of employment in order to alleviate poverty in the state. During the drought period 1970-73, EGS mainly operated as a relief Program. The scheme is self-targeting in nature. It is totally financed by the state government. The main objectives of the EGS are to sustain household welfare in the short run through provision of employment and to contribute to the development of the rural economy in the long run, through strengthening rural infrastructure. Works undertaken by the EGS have to be productive.²

India inherited a dismal economy from the British rulers at the time of Independence in 1947. Even after almost six decades of developmental efforts, India is a low-income developing economy, facing the twin formidable problems of unemployment and poverty. Apart from low level of per capita income, factors affecting physical quality of life index are also reflective of poverty in India. The post-Independence economic development of India has focused on removal of poverty and unemployment. Various programmes / schemes were launched from time to time by the Central and State Governments to ameliorate the sufferings of the people, particularly rural population. In the wake of economic reforms, while the economy has performed well in terms of growth rate of GDP, its performance in the form of human development indicators has been unsatisfactory. Social sectors like health, family welfare, education, training, employment, women empowerment and rural infrastructure have lagged behind in the race for better standard of living.³

**Unemployment and Poverty:**

Unemployment and poverty are the two major challenges that are facing the world economy at present. Unemployment leads to financial crisis and reduces the overall purchasing capacity of a nation. This in turn
results in poverty followed by increasing burden of debt. Now, poverty can be described in several ways. As per the World Bank definition, *poverty implies a financial condition where people are unable to maintain the minimum standard of living.*\(^4\) Unemployment accounts for the part of the labor force willing to work at the current wage rate. Unemployment is a status in which individuals are without job and are seeking a job. It is one of the most pressing problems of any economy especially the underdeveloped ones. The definition of unemployment may sound simple but its computation is equally difficult. Various measures are devised to measure the same.

Poverty can be of different types like absolute poverty and relative poverty. There may be many other classifications like urban poverty, rural poverty, primary poverty, secondary poverty and many more. Whatever be the type of poverty, the basic reason has always been lack of adequate income. Here comes the role of unemployment behind poverty. Lack of employment opportunities and the consequential income disparity bring about mass poverty in most of the developing and under developed economies of the world. In India, the problems of unemployment and poverty have always been major obstacles to economic development.

Underemployment and unemployment have crippled the Indian economy from time to time. Even during the period of good harvest, the Indian farmers are not employed for the entire year. Excessive population is another major problem as far as Indian economy is concerned. Regional disparity is also crucial in this context. A part of the urban workforce in India is subjected to sub-employment. Mass migration from rural to urban regions is adding to the problems of unemployment and poverty in India. Economic reforms, changes in the industrial policy and better utilization of available resources are expected to reduce the problem of unemployment and poverty that results from it. The economic reform measures need to
have major impacts on the employment generating potential of the economy. The governmental bodies are also required to initiate long term measures for poverty alleviation. Generation of employment opportunities and equality in income distribution are the two key factors that are of utmost importance to deal with the dual problem of unemployment and poverty.

**Rural Development and Poverty Alleviation:**

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

Rural development implies both the economic betterment of people as well as greater social transformation. Increased participation of people in the rural development process, decentralization of planning, better enforcement of land reforms and greater access to credit and inputs go a long way in providing the rural people with better prospects for economic development. Improvements in health, education, drinking water, energy supply, sanitation and housing coupled with attitudinal changes also facilitate their social development.

Rural poverty is inextricably linked with low rural productivity and unemployment, including underemployment. Hence, it is imperative to improve productivity and increase employment in rural areas. Moreover,
more employment needs to be generated at higher levels of productivity in order to generate higher output. Employment at miserably low levels of productivity and incomes is already a problem of far greater magnitude than unemployment as such. It is estimated that in 1987-88 the rate of unemployment was only 3 per cent and inclusive of the underemployed, it was around 5 per cent. As per the currently used methodology in the Planning Commission, poverty for the same year was estimated to be 30 per cent. This demonstrates that even though a large proportion of the rural population was 'working' it was difficult for them to eke out a living even at subsistence levels from it. It is true that there has been a considerable decline in the incidence of rural poverty over time. In terms of absolute numbers of poor, the decline has been much less. While this can be attributed to the demographic factor, the fact remains that after 40 years of planned development about 200 million are still poor in rural India. In 1987-88, the rural poverty line in terms of per capita monthly expenditure was Rs. 131.80.6 The average incidence of rural poverty conceals wide inter-state differences which suggests that greater attention needs to be paid to the regions which have a greater concentration of the rural poor. In recent years, several issues have been raised about the methodology of poverty estimation, both by professionals and State Governments. An Expert Group appointed by the Planning Commission is looking into these issues relating to the definition and measurement of poverty.

The decline in rural poverty is attributable both to the growth factor and to the special employment programmes launched by the Government in order to generate more incomes in the rural areas. Hence, in its more limited interpretation, rural development has been confined to a direct attack on poverty through special employment programmes, area development programmes and land reforms. These will be reviewed in this chapter. In addition, the role of the Panchayati Raj Institutions and voluntary
organizations in the implementation of these programmes has also to be kept in view. A review of the on-going programmes is presented in the first part of the Chapter. In the second part, the approach and strategy for the Eighth Plan are spelt out.

**Social Protection:**

Within the social protection umbrella, public works have probably had the largest outreach. Public works schemes have been an important measure of poverty alleviation worldwide. In India, large scale public works were instituted as drought relief under the aegis of the British. The Famine Commission Report of 1880 established ‘famine codes’. These ‘scarcity manuals’ explicitly stated that it was the responsibility of the state in the event of natural calamities to provide employment to all at a reasonable distance from home, and gratuitous relief for those unable to work. Post-independence, rural wage employment programmes have been popular as a way of providing relief at times of crisis, and preventing costly adjustments such as the sale of land and livestock or distress migration. Where durable assets are created, there is a contribution to rural infrastructure. These programmes can put an upward pressure on market wage rates by attracting people to public works programmes. While public works programmes to provide employment in times of distress have a long history, there was only a major thrust to wage employment programmes after self-sufficiency in food grains was attained in the 1970s. A major criticism of wage employment programmes has been that they generate relief-type employment rather than employment through the creation of productive assets, without which they cannot contribute to the generation of sustainable and productive employment. Within the many public works schemes that have been experimented with in India, the Employment Guarantee Scheme in Maharashtra has a special place.
Rural Employment and Self-Employment:

According to the World Bank, almost 30 per cent of the Indian population is living on less than $1 a day, and the percentage of rural poverty is likely to be much higher. While there have been many attempts to combat poverty, their limited success implies that we need a new and innovative strategy.\textsuperscript{8} The National Rural Employment Guarantee Act may be just what we need. It certainly has the potential to improve the livelihood of millions of rural poor, but the Government must take some steps to ensure that this programme does not become yet another chapter in India’s history of unfulfilled promises.

The labour surplus economy like that of India requires a definite strategy for creating employment opportunities within the rural sector, without mass displacement, and with little investments to create non-land-based self-employment avenues. Unemployment, disguised or seasonal, is a potent factor forcing the helpless households below the poverty line. No single program can enhance the employment opportunities in rural India. And such programs have to be separate from the ‘wage employment’ programs like the Rural Employment Generation Programs or the Food For Work Programs administered by the state. Programs like road building, maintenance of village tanks, land conservation for providing wage employment should continue. This is required to inject purchasing powers into the rural households, who in turn would be generating the demand for the products and services offered by the self-employed persons in the rural sector.

Self-employment programs are meant for the educated or semi-educated youth and others who have the desire to take up trading or servicing activities in the villages. There are many examples of the initiatives taken by both the Government Sector and the Third Sector in
encouraging the self-employment ventures in different parts of the country. Many NGOs have developed their own schemes for promoting self-employment among various groups of people. Some of the public sector banks have also taken the initiative of setting up separate institutions for fostering self-employment. There is the case of an experiment successfully made by two public sector banks jointly with an NGO. The Self-Help Groups promoted by the micro-finance agencies also have made some contribution to the solution of rural unemployment. The changes brought about in the living conditions of the beneficiaries as a result of the self-employment venture are not, however, adequately documented.

At any rate, while demanding a full-fledged NEGS, it is worth emphasizing that in the absence of a strong movement of the poor peasantry, even a full-fledged NEGS would in practice be little different from the three-decade-old Maharashtra EGS. While in theory the Maharashtra government guarantees rural employment without restriction to all those who demand it, there is little scope for the unorganized and socially oppressed poor and landless peasantry to voice a demand for employment works, let alone compel their implementation. The Maharashtra government parades this silence as proof of the limited demand for such employment. Thus in Maharashtra, a state with declining agricultural production and appalling levels of poverty, malnutrition and unemployment, only a fraction of the fund collected for the EGS is actually used for rural employment, and the remaining amount is instead systematically and illegally diverted by the state government to other heads.

**Employment Opportunities For Rural Labour Force:**

Employment opportunities in rural India need to be increased. Rural employment in India has been synonymous with the employment in agriculture sector; however, with the demographic pressure on land and
limited opportunity of expanding cultivated area, role of non-farm sector is becoming important. For the sake of economic / earning opportunities rural sector can be further grouped into farm and non-farm sector. The relative size of the rural non-farm sector in terms of employment is small; this accounts for only 11 per cent of total work force in the country; while its urban counterpart, that is, urban informal sector, employs around 22 per cent of total work force of the country.  

The small base of non-farm sector and large rural population, in fact, indicates towards employment potential in the rural non-farm sector. The onus of absorbing the growing labour force on non-farm sector further increases, as the most recent Government statistics on employment indicates decline in absolute number of usual status worker in agriculture, though this decline is not unexpected in a developing economy. The process of rural development has in fact, not created enough employment opportunities for rural labour force. This disconcerting trend has to be reversed by creating more employment opportunities in the farm and non-farm sector. The reversal, however, requires proper policy prescription for these sectors; the present study is an attempt in this direction.

**Quality of Employment:**

The category of employment, self-employed, regular and casual also explains quality of employment. The quality is as important as the quantity of employment and in the rural sector disguised unemployment is the most important issue while analyzing quality of rural employment. The NSS data presents a comparative account of usually employed persons and persons employed on the basis of current daily status (CDS) during a year; this difference reveals disguised unemployment in the rural sector. This information is available separately for males and females in rural and urban sectors of India. Under employment here means that persons though
employed on the basis of usual status is not getting sufficient employment in man days to be termed employed on the basis of CDS. A comparison of underemployment across categories of workers suggests that underemployment is the highest for rural females. A relatively high disguised unemployment is a well-recognized problem of Indian agriculture; employment of women is often specific to particular agricultural operations like harvesting, their employment is less frequent as compared to male, a high disguised unemployment for female is therefore obvious.

**Initiatives for Employment:**

Though greater productive employment is generated in the process of economic growth itself, direct state intervention is often required to provide supplementary employment to those, who are bypassed in the process of growth because of certain reasons. Government has initiated several employment generating programmes on limited scale during the earlier decades of planned development; the sixth plan beginning in 1980-81 has taken some strong initiatives for generation of employment. Subsequently, employment- generating programme have become part of our planned development. The employment generating programmes largely fall under two broad categories; self-employment generating and wage based employment- generating programmes. The first set of employment generating programme attempts to remove chronic unemployment by providing economic asset to the beneficiary while the second group of programmes provide supplementary employment to the target group of persons to stave-off seasonal unemployment.

The examples of wage based employment generating programme are National Rural Employment Programmes (NREP) and Rural Landless Employment Generating Programme (RLEGP) launched during the sixth plan. In the year 1989-90 two wage-based employment generating
programmes were merged into a single wage-employment programme Jawahar Rozgar Yojana (JRY). The JRY with various modifications from time to time existed till the year 1999, when it was renamed as Jawahar Gram Samridhi Yojana. In the year 1993-94 Employment Assurance Scheme (EAS) was introduced in identified backward blocks by Union Government; though similar programmes as that of Employment Guarantee Schemes (EGS) in Maharashtra has existed since long. The JRY provides employment at the market wage unlike EGS, which provides employment at the minimum wages only. Apart from provisioning of employment, one of the important objectives of the wage-based employment generating programmes has been creation of rural assets. Some review study reports that a significant proportion of rural assets created under these programme were transitory in nature. \(^{10}\) Rural roads often made with mud without concrete and tar is generally washed away during the rainy season. Again the kind of assets being created under this programme has some distributional impacts; for example high priority on wells in JRY as compared to soil conservation has benefited large farmers more than the small or landless rural persons.

The National Employment Policy has recently been finalized in consultation with ILO which aims to mainstream employment generation in all policy making. Central Government is fully aware of the unemployment situation in the country. The 11th Five Year Plan provides a framework to restructure policies to achieve a new vision based on faster, more broad-based and inclusive growth. It aims at making employment generation an integral part of the growth process and devise strategies to accelerate not only growth of employment but also of wages of the poorly paid. The 11th Plan document approved by National Development Council has projected that 58 million job opportunities on Current Daily Status are likely to be created during the 11th Plan period. Besides, Governments of India is
implementing various special employment generation and poverty alleviation programmes in both rural and urban areas to increase employment opportunities.\textsuperscript{11}

**Employment Guarantee Scheme in Maharashtra:**

The Employment Guarantee Scheme (EGS) in Maharashtra is the longest surviving programme of its kind. It is unique because its design and execution exhibit unusually clear goals and a consistent approach. The scheme grew out of the pilot experiment – known as the *Page scheme* after V.S. Page – in Sangli, Maharashtra in 1965. In 1970, it was extended to cover 11 districts and in 1972 to the entire state. Employment was guaranteed to all able-bodied adults who came forward for it. It was implemented by the existing administrative system in the state at very little additional cost.\textsuperscript{12} It was the largest state-sponsored public works programme focused on the poverty alleviation, and guaranteed gainful employment to all adults above 18 years of age in rural areas and ‘C’ class municipal councils. Selection for employment was based on willingness to undertake unskilled manual work on a piece-rate basis and self-targeting. The important short-term objective was to add to household income based on employment and, in the long term, to contribute to the development of rural infrastructure and create sustained employment opportunities. There were provisions like an unemployment allowance, shelter and first aid, and there was to be no discrimination on the basis of gender or caste. The benefits of EGS were many: employment and income earning opportunities, food security for the poor, income stabilization and parity of wages between men and women. Some of the lacunae identified are:

- The gap between commencing work and getting paid.
- Non-availability of continuous employment.
- Leakage due to under-utilization of the fund.
• No unemployment allowance or compensation for anyone involved in the scheme.

• Low awareness of entitlements.

• An absence of linkages between works and larger plans for the district.

In addition, the upgrading of skills provided for under the Act was not achieved, so people remained dependent on the EGS for employment. Workers on a particular site could often not be found after the 15 days it took to pay wages and calculation of wages was subjective. As work is done by a group of men and women, calculating each individual’s share of wages – especially women’s – is subjective and depends on the team leader who is usually male, as well as on co-workers.

Expected benefits in the form of equalization of wages and increased access to income did not materialize. Women were unable to claim maternity benefit because they have to prove 75 days of work, and shifting work sites and inadequate records made this difficult. As work sites are temporary, shelter and crèches were not provided and there were no toilets near or on the EGS sites. EGS funds were under-utilized, and EGS expenditure failed to keep pace with the receipts. The inability of the programme to break the connection between contractors and labourers meant that the EGS did not replace on-going established work patterns, migration and debt bondage, but rather allowed those without work – primarily women – to earn something to supplement household income.

The Maharashtra experience is often cited for non-payment of minimum wages. This perhaps explains to an extent the absence of a perceptible impact on rural poverty in Maharashtra. Despite increases in capital formation, which now includes farmers’ private land, real wages
for agricultural labourers in Maharashtra with the highest (or second highest) per capita income have remained among the lowest in the country. Despite having implemented the EGS for such a long time, rural poverty in Maharashtra was higher than the national average until 1993–4. It was argued that the reason could be that the wages were fixed at such low rates that they made very little difference from the prevailing market rates. Further, he suggests that the percentage of poor women seeking work under the EGS has been on the rise, presumably due to the unwillingness of men to work at such low wages.

**Resources of EGS:**

The EGS act levied a special professional tax on all salaried persons in Maharashtra, which was agreed upon by all parties in 1976 under the plea that urban people should share the tax burden of the rural poor and make a sacrifice to provide employment for them during lean seasons. Since 1976, this tax has been collected and reported under a separate head in the state balance sheet and annual expenditure statement. The act also states that the government would provide a matching grant for the amount collected. Over the last few years, the tax amount has risen handsomely (Rs 1,500 crore during 2006-07), proving that the size of the salaried class has increased substantially.¹³

However, the government failed to match the amount as per the law and thus came under criticism. During the same period, the government machinery that implements the EGS has become lethargic, under the plea that there is no demand for EGS work on the one hand and on the other, there is a saturation of possible worksites, implying that a lot of infrastructure has already been built and thus, there is no scope for more.
MEGS to NREGS:

The MEGS was set up with the objective of providing unskilled manual work to those who cannot find work so as to provide a basic minimum level of subsistence. The purpose was to ameliorate distress – not to enable people to escape from poverty. Therefore, although work was to be provided on demand, poverty reduction was constrained by:

- low wages for given work;
- limited number of days of work per person actually provided;
- no up-gradation of skills; and
- schemes that were limited in their ability to transform the level of development of the areas where projects were initiated;
- limited community mobilization for demanding work, leading to limited coverage of workers, especially outside the few districts in which works were concentrated and during non-drought years;
- and limited administrative systems for monitoring and tracking the implementation of the scheme.

Therefore, despite several decades of the scheme being in operation, 31 percent of the population of Maharashtra is below the poverty line.

Like the MEGS, the NREGS too is expected to create productive assets to then ensure development of rural areas through employment of unskilled labour. In addition to the direct income support it provides, it also serves as a mechanism for channelizing resources for development of land and water and promoting rural connectivity in conjunction with Bharat Nirman.

Title of Research Study:

“A Study of Performance Evaluation of Maharashtra Employment Guarantee Scheme with Special Reference to Marathwada Region”
Objectives of the Study:

The specific objectives of this study are:

1. To focus on various poverty alleviation programmes of India and Maharashtra State.
2. To study the need, importance, aims and objectives of employment guarantee scheme of Maharashtra.
3. To examine the role of State Government in administrating of Maharashtra Employment Guarantee Scheme (Act).
4. To analyze in detail the budgetary provision and expenditure of the scheme.
5. To study the methodology adopted in the selection of beneficiaries by the authorities and bring out lacuna involved in it.
6. To study the socio-economic impact of MEGS on beneficiaries in Marathwada region.
7. To find out the problems faced by implementing authority and beneficiaries and suggest important measures on the basis of findings.

Hypotheses:

The following hypotheses will be considered for testing:

1. There will be a need of Employment Guarantee Scheme in Marathwada Region for socio-economic development of rural people.
2. Socio-Economic condition is improved by implementing the EGS scheme in Marathwada Region.
3. Worksite facilities are not provided to the workers such as drinking water, crèches, rest shade, first aid facilities etc. at the work place.
**Research Methodology:**

The study is based on Primary and Secondary data. This data will be collected from various sources. The secondary data will play a very important role in evaluating the MEGS. The researcher will try to collect the secondary data from the following sources:

1. District Rural Development Agency of Marathwada region.
2. District Statistical Reports in Marathwada.
3. Published Annual Reports from Ministry of Rural development, Budget documents of Central and State Government and various plan documents.
4. Statistical data from Commissioner Office Aurangabad.
5. Panchayat Samiti, Zilla Parishad, Municipal Council, etc.
6. Published Research Work on the subject, Reference books published by various publishers.
10. News papers

Primary data is collected from the 1700 selected beneficiaries (Respondents) from 34 villages of all the district of Marathwada region. First of all; from every district 50 per cent talukas is selected then one village select from every taluka and 50 beneficiaries is selected from each village. The structure of sample selection is purposive sampling method as follows.
Table No. 1.01

List of Samples Selection from Marathwada Region.

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name of District.</th>
<th>No. of Talukas (50% of Talukas)</th>
<th>No. of Village Selected</th>
<th>No. of Beneficiaries</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Aurangabad</td>
<td>9 (4)</td>
<td>4</td>
<td>200</td>
</tr>
<tr>
<td>2</td>
<td>Jalna</td>
<td>8 (4)</td>
<td>4</td>
<td>200</td>
</tr>
<tr>
<td>3</td>
<td>Parbhani</td>
<td>9 (4)</td>
<td>4</td>
<td>200</td>
</tr>
<tr>
<td>4</td>
<td>Hingoli</td>
<td>3 (2)</td>
<td>2</td>
<td>100</td>
</tr>
<tr>
<td>5</td>
<td>Nanded</td>
<td>16 (8)</td>
<td>8</td>
<td>400</td>
</tr>
<tr>
<td>6</td>
<td>Latur</td>
<td>10 (5)</td>
<td>5</td>
<td>250</td>
</tr>
<tr>
<td>7</td>
<td>Osmanabad</td>
<td>8 (4)</td>
<td>4</td>
<td>200</td>
</tr>
<tr>
<td>8</td>
<td>Beed</td>
<td>7 (3)</td>
<td>3</td>
<td>150</td>
</tr>
<tr>
<td></td>
<td>Total:</td>
<td>70 (34)</td>
<td>34</td>
<td>1700</td>
</tr>
</tbody>
</table>

For the collection of primary data the questionnaire will be prepared and filled up after visiting sites or at homes from beneficiaries. The data collected from primary sources will analyzed in tabular and graphical form with the help of useful statistical tools.

**Scope and Limitations of Study:**

Government of Maharashtra and Government of India launched a number of employment guarantee scheme in the state and region but the researcher has selected only Maharashtra Employment Guarantee Scheme
for the micro study. The study is limited to all the districts of Marathwada Region. The study is a focus on implementation strategy of State Government; finding out the problems in implementing, the scheme problems faced by beneficiaries, and various obstacles therein. As far as the study period is concerned the data will be collected from the year 2000-01 to 2009-10.

The present study at the outset reviews trend of rural employment in India. The study broadly consists of trend of rural employment in India, reviews Government policies related to rural employment in the country and Maharashtra State and make some suggestions and policy recommendations for augmenting rural employment in India. The focus is on the Maharashtra government schemes only. It is not possible to map the special programmes of all the States. It must be noted here that some of the progressive States have added additional components or given further subsidy to enhance the benefits of the central schemes.

**Chapter Scheme:**

The following is the chapter scheme of the study:

1. Introduction, Review of literature & Research Methodology.

2. Employment Guarantee Schemes of India and Maharashtra.

3. Need and Importance of the EGS,


5. Performance of MEGS.

6. Impact of MEGS on beneficiaries of Marathwada Region.

7. Findings and Suggestions.
Review of Literature:

1) **A World Bank study (1980)** shows that rural unemployment and underemployment in Maharashtra amounted to roughly 620 million workdays in 1978. EGS provided about 120 million person-days in 1977/78. EGS thus took care of about 20 percent of the unemployment and underemployment in the state in that year.

2) **Kanzara Datar's study (1987)** shows that the reported contribution of EGS employment to the total employment of the participants was about 50 percent in the survey villages. Thus, if the results of the micro studies are accepted, the impact on employment for participating laborers is impressive by any standard.

3) **Deolalikar and Gaiha (1993)** also examine targeting performance in these two villages. This study indicates that the scheme effectively targets young female agricultural workers who are household heads, who come from low-income and low-asset households, and who have low levels of schooling.

4) **Chadha G. K. (1994)** focused on the rural areas of developing countries are not only underdeveloped in terms of their physical infrastructure but also contain a larger proportion of the poor's population as compared to the urban areas reflecting the underdeveloped social infrastructure. A majority of the rural population does not have access to the limited social services and amenities, such as safe drinking water, education, electricity, and health services, and is thus struggling for survival. After the Second World War, some of the East Asian countries launched poverty alleviation programmes and attempted to reduce unemployment and underemployment by promoting the rural-based industries. Their experience reveals that the rural economy cannot grow only through agriculture growth. Sustainable growth requires the creation of non-farm job opportunities.
that will raise the level of employment and income and, consequently, the standard of living. In the absence of such activities, farm unemployment increases and a large proportion of the jobless labour force tends to seek jobs in the urban informal sector, which creates problems of slums, poverty, and crime in the urban areas. Comprehensive field surveys are generally required to identify the areas which lie in the lower strata of the development ladder and to suggest effective targeting of welfare measures for alleviating poverty.14

5) A study undertaken by Gaiha (1996) reveals that the EGS was mis-targeted contrary to the conclusions of the former researchers. According to these studies, over 48 per cent of the EGS participants in 1979 were poor. In 1989, the share of the poor among EGS participants was a little over 27 per cent. Thus the proportion of non-poor rose more than moderately. Gaiha's conclusions are based on data sets for two villages in Maharashtra (viz., Shirapur and Kanzara). First, this evidence may not be true for the entire Maharashtra. Secondly, the poverty lines used by the author appear to be much lower than official poverty lines. Most of the other evidence shows that EGS well targeted to the poor.

6) Nayyar Rohini and Alakh N. Sharma (2002) - Rural Transformation In India — The Role of Non-farm Sector: Published by Institute for Human Development, New Delhi. In this study authors discussed that especially after the success of China and other East Asian countries, Indian policy makers have been paying greater attention to the potential of the rural non-farm sector in contributing to the output and employment in rural India. This is clearly evident in the Tenth Five-Year Plan. This volume is a collection of the papers presented at a workshop on the role of the RNFS organized by the
Institute for Human Development and the Planning Commission in collaboration with the Department for International Development (DFID) and the World Bank in 2001. It is probably the most comprehensive volume ever to be published on the RNFS in India.

7) **Sanjay Savale (2003)** concludes in his article that - Even in the era of diminishing relevance of nation state and welfare state, state is still very important in providing social justice to its needy, backward and poor citizens and Globalization and the parallel flows of socio-economic change have not provided sufficient inputs for the poor sections. Rural unemployment and unemployment from unorganized sectors is still a matter of serious worry. Poor centered livelihood security programmes like wage employment programmes are still very relevant. In fact their role has become crucial in the psudo-competitive, neo-liberal world. Poor implementation, however, cannot realize the social justice promised by the Rural Wage Employment programmes. It is due to adversities of socio-economic conditions of the rural poor, powerlessness and very weak social and information networks. Reasonable realistic right based provisions, development of skills and capability of the poor, capacity building of the local Panchayats, the civil society organizations, improvised implementation, , social auditing, organizations and mobilizations of the poor can play important role to empower the rural poor and to ensure social justice. Identification of the hardcore poor by transcending gender and caste neutrality and focusing, concentrating specially on them is so pivotal to make these programmes better development options and just safety nets.15

8) **Desai Vasant (2005)** in his book focused on Rural Development in India is an important segment of economic development. Although, thousands of crores of rupees have been spent on rural development
during the last 57 years, the problem is as grave as it was. Yet, the importance of this subject has enhanced. Rural India is real India. Over Seventy-six per cent of the total population of India lives in villages. Rural India still contributes about half of the national income. Agriculture is the basic occupation which sustains the rural areas. Rural development is not simply an economic proposition; it has social, psychological and cultural dimensions as well. It is a multi-dimensional as well as multi-directional concept. To be precise, rural development is a programme designed to improve the socio-economic living conditions of the rural poor. It aims also at raising their cultural level and reorienting their rich traditions. It seeks to achieve increase rural production and productivity, greater socio-economic equity and a higher standard of living for the rural poor. It is partly ameliorative and partly development-oriented. Development is interlinked with motivation, innovation and the active participation of the beneficiaries, inter-alia, this calls for organization and management. Rural development recognizes the importance of improved food supplies and nutrition, as well as the importance of such basic services as health, housing, education and expanded communications, which will go a long way in enhancing the productivity of the rural poor. Moreover, it aims at providing gainful employment, so that the rural people too may contribute their mite to the national product. Rural development implies a fuller development of existing resources, including the construction of infrastructure, such as roads and irrigation works, the introduction of new production technology, the revival of traditional arts and crafts, and the creation of new types of institutions and organizations. The study presents a kaleidoscopic review of varied aspects of rural development.\textsuperscript{16}

9) Rangacharyulu (2005) edited a research book on National seminar
held at Hyderabad on “Guaranteed Employment for the Rural Poor” focused on the need of Employment generation Schemes in India for rural people. In this book he tries to focus on various poverty alleviations programmes implemented in India and their success. In this book he put forward number of valuable ideas, suggestions and recommendations to the policy planner for the implementation of the programmes.

10) **Srijit Mishra & Manoj Panda (2005)** concludes that - Maharashtra is among the richest states in India in terms of per capita income, yet incidence of poverty in the state remains close to the national average. The state's economy grew at a faster rate than the all-India average during 1980-1 to 1992-3, but it slowed down a bit during 1993-4 to 2003-4 due to poorer performance of agriculture and industry. Agriculture's contribution to GSDP has come down to 12 per cent in 2002-3, but more than 50 per cent of total workers are still engaged in this. Cropping pattern has been shifting to greater value addition non-cereal crops like fruits, vegetables, oilseeds and sugarcane. Composition of manufacturing has shifted towards more capital-intensive sectors. Communication, transport and public administration have accounted for large part of service growth. The benefits of this growth process have, however, not spread equally across social groups or regions, which partly explains prevalence of high poverty compared to other states at similar mean income. The much talked about MEGS has had limited success and its coverage across districts/divisions is not proportionate to the share of poor. Despite these developments, rural poverty has reduced from 38 per cent in 1993-4 to around 24 per cent in 1999-2000. Given current investment flows, the overall growth potential of Maharashtra does look bright for the medium run. But, distributional implications of the emerging growth pattern across
sectors suggest that the poor might not benefit proportionately from the growth process. The lessons that Maharashtra provides is that growth has to be more broad-based and inclusive, and that intervention through social welfare programmes like MEGS should be designed to suit the local resource base of poorer regions for faster poverty reduction. 17

11) S. Mahendra Dev – (2005) in his study on India's (Maharashtra) Employment Guarantee Scheme: Lessons From Long concludes that - now it is well recognized that the instrument of rural works programs (RWP) has become an important component of strategies to alleviate poverty and hunger in many developing countries. The case for RWP lies in the self-targeting nature of the schemes. Also, discriminations prevalent in some agricultural labor markets can be avoided in public works programs. In India, employment provision has been used extensively as a tool for protecting entitlements for centuries. Since the fourth century B.C., when Kautilya, the ancient Indian political economist, wrote his Arthasastra, India's rulers and governments have emphasized public relief works, particularly during famine. Employment in public works later became the main element of strategies for famine prevention in India and it has proved effective (After India's independence in 1947, there were many central government-sponsored schemes, beginning with the Rural Manpower Program in 1960. The most important program at the state level is the Maharashtra Employment Guarantee Scheme (EGS), which was introduced in 1972. The Maharashtra EGS is one of the most researched and discussed programs in the country. The United Nations Development Program's (UNDP) Human Development Report (1993) commends Maharashtra's EGS as one of the largest public programs in the developing world. Compared to the programs in other countries, the EGS has been in existence for a long time—20 years. The rest of the
states in India and the other countries in Asia and Africa are eager to learn from the scheme's success, particularly its sustainability over time. The EGS is an especially interesting example of a public works program for poverty.¹⁸

12) **Rishi Muni Dwivedi (2005)** concludes that India inherited a dismal economy from the British rulers at the time of Independence in 1947. Even after almost six decades of developmental efforts, India is a low-income developing economy, facing the twin formidable problems of unemployment and poverty. Apart from low level of per capita income, factors affecting physical quality of life index are also reflective of poverty in India. The post-Independence economic development of India has focused on removal of poverty and unemployment. Various programmes/schemes were launched from time to time by the Central and State Governments to ameliorate the sufferings of the people, particularly rural population. In the wake of economic reforms, while the economy has performed well in terms of growth rate of GDP, its performance in the form of human development indicators has been unsatisfactory. Social sectors like health, family welfare, education, training, employment, women empowerment and rural infrastructure have lagged behind in the race for better standard of living. The study explains and examines various programmes and schemes of the Government of India to improve the living conditions of the vulnerable sections of Indian society and comments on their implementation.¹⁹

comprehensive introduction to various facets of Indian labour since 1947. It describes demographic trends, employment policies and strategies, consist.  

14) Gupta S. P. (2006) in his study entitled “Globalization, Economic Reforms and Employment Strategy. He express his views that composition of the labour force in the developing world is fast changing, with increasing youth in the labour force, particularly in educated segments. Around 80 per cent of those youth who are currently unemployed are well educated, and that number is increasing fast. This new scenario is becoming politically unsustainable since the educated youth mostly come from the rising middle class, with its inherent political and social clout.

15) K. Hanumantha Rao (2007) conducted a study on “Changes in the Structure of Employment in Rural Areas with the help of National Institute of Rural Development, Hyderabad. The study reveals the facts that the employment opportunities have gone up substantially in rural India as can be gleaned by the index of employment opportunities. Through distributive measures, there was ample scope for ensuring employment opportunity for at least to one person in all rural households. The local institutions need to be sensitized on this aspect to take care of equity dimension in labour markets. The criteria for allocations of funds for wage employment programmes have to be re-examined since poverty and unemployment are not perfectly correlated. A state Kerala could not gain much from JRY.

16) Chhaya Datar (2007) published a research article entitled Failure Of National Rural Employment Guarantee Scheme In Maharashtra in Economic and Political Weekly; her article offers explanations for why the National Rural Employment Guarantee Scheme has failed to take off in Maharashtra. She also discussed that the MREGS has not yet
picked up momentum because government machinery is paralyzed. In the present circumstances, the MREGS would acquire life only if there was a groundswell of the poor willing to pressurize the sarpanch and gram sevaks and make life impossible for the CEO and BDO. It was expected that the sarpanch and gram sevaks would be happy to receive such a large sum to develop village assets. But it is sad to know that they are resisting because of the increased burden and the lack of kickbacks through the contractor. The organizations in Maharashtra have been molded in old-time politics of demanding and protesting against the state but are not used to the politics of participation of the people to override the state. Their response to the suggestion of the “watershed” to be considered as a central theme for the EGS as highlighted in the report of the committee for restructuring the scheme was negative. Against this background, it is not surprising that they have not taken any initiative to educate the people in the new ethos and build their capacity to manage funds, build assets along with an opportunity to create livelihood for themselves. It is high time that something is done to wear out present amnesia and push the state to implement the scheme in a vibrant manner and reclaim the old glory of the innovative idea.21

17) C.A.K. Yesudian (2007) in his study entitled Poverty alleviation programmes in India: a social audit reviews the highlights the poverty alleviation programmes of the government in the post-economic reform era to evaluate the contribution of these programmes towards reducing poverty in the country. The poverty alleviation programmes are classified into (i) self-employment programmes; (ii) wage employment programmes; (iii) food security programmes; (iv) social security programmes; and (v) urban poverty alleviation programmes. The parameter used for evaluation included utilization of
allocated funds, change in poverty level, employment generation and number or proportion of beneficiaries. The paper attempts to go beyond the economic benefit of the programmes and analyzes the social impact of these programmes on the communities where the poor live, and concludes that too much of government involvement is actually an impediment. On the other hand, involvement of the community, especially the poor has led to better achievement of the goals of the programmes. Such endeavors not only reduced poverty but also empowered the poor to find their own solutions to their economic problems. There is a need for decentralization of the programmes by strengthening the panchayat raj institutions as poverty is not merely economic deprivation but also social marginalization that affects the poor most.

18) **Desai Vasant (2007)** concludes that Rural Development in India is an important segment of economic development. Although, thousands of crores of rupees have been spent on rural development during the last 57 years, the problem is as grave as it was. Yet, the importance of this subject has enhanced. Rural India is real India. Over Seventy-six per cent of the total population of India lives in villages. Rural India still contributes about half of the national income. Agriculture is the basic occupation which sustains the rural areas. Rural development is not simply an economic proposition; it has social, psychological and cultural dimensions as well. It is a multi-dimensional as well as multi-directional concept. To be precise, rural development is a programme designed to improve the socio-economic living conditions of the rural poor. It aims also at raising their cultural level and reorienting their rich traditions. It seeks to achieve increase rural production and productivity, greater socio-economic equity and a higher standard of living for the rural poor. It is partly ameliorative and partly
development-oriented. Development is interlinked with motivation, innovation and the active participation of the beneficiaries, inter-alia, this calls for organization and management. Rural development recognizes the importance of improved food supplies and nutrition, as well as the importance of such basic services as health, housing, education and expanded communications, which will go a long way in enhancing the productivity of the rural poor. Moreover, it aims at providing gainful employment, so that the rural people too may contribute their mite to the national product. Rural development implies a fuller development of existing resources, including the construction of infrastructure, such as roads and irrigation works, the introduction of new production technology, the revival of traditional arts and crafts, and the creation of new types of institutions and organizations.

19) **Dipak Muzumdar and Sandip Sarkar (2008)** – in their study entitled **Globalization, Labor Markets and Inequality in India** concludes that - India started on a program of reforms, both in its external and internal aspects, sometime in the mid-eighties and going on into the nineties. While the increased exposure to world markets and relaxation of domestic controls has undoubtedly given a spurt to the GDP growth rate, its impact on poverty, inequality and employment have been controversial. The study examines in detail these aspects of post-reform India and discerns the changes and trends which these new developments have created. Providing an original analysis of unit-level data available from the quinquennial National Sample Surveys, the Annual Surveys of Industries and other basic data sources, the authors analyze and compare the results with other pieces of work in the literature. As well as describing the overall situation for India, the book highlights regional differences, and looks at the major industrial sectors such as agriculture, manufacturing and tertiary/services. The important
topic of labor market institutions – both for the formal or organized and the unorganized sectors – is considered and the possible adverse effect on employment growth of the regulatory labor framework is examined carefully. Since any reform of this framework must go hand in hand with better state intervention in the informal sector to have any chance of acceptance politically, some of the major initiatives in this area are critically explored.  


21) **Shah Amita & Aasha Kapur Mehta (2008)** concluded in their papers that with 301.7 million poor people, constituting 27.5 percent of the population, poverty reduction in India is clearly far slower than anticipated. Most chronically poor are landless or near landless, have a higher dependency burden and illiteracy level and depend on wages. The wage dependence of those in chronic poverty makes recent initiatives under the National Rural Employment Guarantee Scheme (NREGS) an important milestone in anti-poverty policies since India’s Independence. NREGS however, has roots in the Maharashtra Employment Guarantee Scheme (MEGS) – a flagship initiative of the
Government of Maharashtra that recognized, for the first time, the right to work and provided unskilled work on demand. It has been operational for over three decades. This paper tries to revisit the existing literature on the MEGS to identify and understand the issues that deserve special attention in the context of employment-induced poverty reduction in the Indian context. The central argument in the paper is that awareness generation and empowerment of the poor for the creation and operationalisation of demand for work are the two most critical preconditions for rights-based programmes such as MEGS and NREGS to deliver the desired results.  

22) The study undertaken by *Yadav H.R. – (2009)* carried out under the aegis of Natural Resource Data Management System (NRDMS) programme, attempts to address a wide range of issues concerning village development planning in India, with special reference to the Pratapgarh district in Uttar Pradesh. Describing the geographical location and religious-historical Importance of the district, it takes a close Look at the natural and Human Resources of the district as well as its economic and infrastructural indicators. It also makes a comprehensive Study of the village Level planning in Mangaura block. Finally, it analyses the impact of various Rural development programmes being implemented at village and block levels. 

23) *Kokare S. H. (2010)* concludes that total outlook of Maharashtra, some districts have worked in higher position because that area have unemployment, undeveloped Agriculture, drought position due to persons have got maximum works that’s why a lot of work done. While, some districts have worked in lower position because, in these districts most agriculture area have developed and there were other than EGS some other employment opportunities were available. Therefore, local peoples do not getting employment form EGS. However, in the
drought areas and lower developed districts this scheme plays very significant role to provide employment opportunities.\(^25\)

24) **K Hanumantha Rao & Bhushan Ambadkar (2010)** - The present study was carried out in six districts viz., Ahmednagar, Bhandara, Dhule, Gadchiroli, Nanded and Yavatmal, and in two blocks and two Gram Panchayats in each district, during 2006-07. The study addressed issues related to processes adopted for generating awareness among stakeholders and for registration, issue of job cards and employment generation. The field report examined the efficacy of the Government / PRI delivery systems in adhering to the guidelines and provisions of REGS. It also analyzed the extent and quality of community participation and inter- institutional coordination in planning, implementation, monitoring and Social Audit of the schemes and assessed the tangible and intangible benefits of REGS to the people and likely convergence of NREGS with other development programmes.\(^26\)

25) **Chandrasekhar C.P. and Jayati Ghosh (2011)** - in their study entitled *Public Works and Wages in Rural India* concludes that The small round surveys of the NSSO are usually not considered to be so good at capturing trends, because their smaller size makes them non-comparable with the quinquennial large surveys. However, the 64th Round was a much larger survey than normal (with a sample of 1,25,578 households: 79,091 in rural areas and 46,487 in urban areas, covering a total of 5,72,254 persons) and was concerned primarily with employment and migration. It therefore allows us to examine the effects of one of the biggest public intervention in rural labour markets in several decades: the Mahatma Gandhi National Rural Employment Guarantee Scheme (MNREGS) which was implemented from 2006-07 and by 2007-08 had formally spread to cover all the districts of the country.
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