The world is still predominantly rural, especially the developing world. In spite of industrialization and urbanization, a vast majority of people in the world depend upon agriculture and its allied activities for their livelihood. In India three-fourths of population lives in rural areas. The rural India is vexed by high incidence of poverty, widespread unemployment and under-employment, fragile food security and lack of infrastructural facilities. This has been leading to exodus of rural masses to urban places. Direct provision of wage employment is obviously an attractive instrument for poverty alleviation and income generation. Wage employment programmes have sought to achieve multiple objectives. They not only provide employment opportunities during lean agricultural season but also in times of floods, droughts and other natural calamities. They create rural infrastructure which supports further economic activity. These programmes also put an upward pressure on market wage rates by attracting people to public work programmes there by reducing labour supply and pushing up demand for labour. Ever since Independence, ‘Rural Development’ is prioritized in the government plans and policies. Over the years, rural development has emerged as a strategy, designed to improve the economic and social life of a specific group of the rural poor. Rural Development programmes have accelerated economic growth with wider participation of people and most equitable distribution of its gains. During the last six decades of planning era, a number of policies and programmes were initiated and implemented to revitalize the rural economy. Beginning from the Community Development Programme, launched way back in 1952, to National Rural Employment Guarantee Act (NREGA) the latest one in this row, a series of programmes have been directed towards this rural
development and, in this process, most disadvantaged sections of the society have been accorded high priority. In this chapter an attempt has been made to examine the rural scenario and how far the past rural employment programmes were able to achieve desired objectives.

Rural Set-up

India is predominantly a rural economy. But now rural India is not what it was in 1947 when we began our 'tryst with destiny'. According to 2001 census 72.22 percent of Indian population is residing in rural areas. The government of India is facing the daunting task of providing sustainable income and employment opportunities to a major section of the population, especially lower-income households. Though the percentage of the rural population shows a moderate decline over the years, the absolute figures show a large rural base of the country. The table-1.1 gives a clear picture of the rural population trends since 1951.

Table-1.1

<table>
<thead>
<tr>
<th>Year</th>
<th>Number in Crore</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1951</td>
<td>29.86</td>
<td>82.71</td>
</tr>
<tr>
<td>1961</td>
<td>36.02</td>
<td>82.03</td>
</tr>
<tr>
<td>1971</td>
<td>43.90</td>
<td>80.09</td>
</tr>
<tr>
<td>1981</td>
<td>52.38</td>
<td>76.66</td>
</tr>
<tr>
<td>1991</td>
<td>62.88</td>
<td>74.30</td>
</tr>
<tr>
<td>2001</td>
<td>74.16</td>
<td>72.22</td>
</tr>
</tbody>
</table>


It is evident from the table 1.1 that the percentage of the rural population is declining decade by decade. But the decline during 1961 is less
than one percent when compared to the other decades. It is more than 3 percent in 1981, over previous decade. In six decades of the study the rural population is reduced by more than 10 percent. The cause for this phenomenon can be attributed to the fact that some of the rural families migrated to the nearest towns for their employment and education of their children.

When one thinks of our country, what strikes us most is the appalling poverty of our rural population. Poverty is the most critical and crucial problem confronting by India. It is viewed both in absolute and relative sense. In the absolute sense, it means the inability to obtain the minimum standards of consumption necessary for one's bare existence. In the relative sense, poverty is said to exist with reference to the consumption standard of other persons or groups. The most common measure of poverty is to count the number of persons below the poverty line and express it as a percentage of the total population in the country. This is known as Heads Count Ratio (HCR). ‘Poverty Gap’ and ‘Squared Poverty Gap’ indicate the ‘Severity’ and ‘Depth of Poverty’ respectively. On the contrary the ‘Gini Co-efficient’ reflects inequality in the distribution of income.

Table 1.2 clearly indicates that poverty has declined over the period from 1983 to 2004-05, but still a large chunk of Indian population is suffering from absolute poverty. However, the inequality in the distribution of income as reflected by Gini Co-efficient has worsened particularly during the post-liberalization period, both in rural and in urban sectors.
In rural India, another deplorable fact is the widespread unemployment and under-employment. Out of the total rural labour force, cultivators and agricultural labourers accounted for 69.7 percent of the rural male and 79.9 percent of rural female labour force in 2001 census.

Table - 1.2
Estimates of Poverty and Inequality in India (percent)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Headcount Ratio</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rural</td>
<td>46.5</td>
<td>39.0</td>
<td>37.2</td>
<td>28.7</td>
</tr>
<tr>
<td>Urban</td>
<td>43.6</td>
<td>32.6</td>
<td>32.6</td>
<td>25.9</td>
</tr>
<tr>
<td>Poverty Gap</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rural</td>
<td>12.6</td>
<td>9.29</td>
<td>8.5</td>
<td>5.8</td>
</tr>
<tr>
<td>Urban</td>
<td>11.4</td>
<td>10.2</td>
<td>8.0</td>
<td>6.2</td>
</tr>
<tr>
<td>Squared Poverty Gap</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rural</td>
<td>4.87</td>
<td>3.23</td>
<td>2.84</td>
<td>1.76</td>
</tr>
<tr>
<td>Urban</td>
<td>4.4</td>
<td>3.8</td>
<td>2.9</td>
<td>2.0</td>
</tr>
<tr>
<td>Gini Coefficient</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rural</td>
<td>30.4</td>
<td>29.9</td>
<td>28.6</td>
<td>30.5</td>
</tr>
<tr>
<td>Urban</td>
<td>33.9</td>
<td>35.0</td>
<td>34.4</td>
<td>37.6</td>
</tr>
</tbody>
</table>

Source: Himansu, EPW, February 10, 2007, p.498

Low income employment is a typical feature of the rural employment. As the poorer Section is so poor, they are forced to take up any job. The chronic unemployment is rare in rural areas. Bulk of the rural unemployment is basically under-employment or employment with low earnings. In rural areas, a special category, i.e, employed-and-poor is very large in number, than unemployed. It is because of growing ‘casualisation’ i.e., the rural labour force is seeking employment through ‘daily wage labour’ as distinct from self-employment or regular salaried employment. Further casualisation among female workers is more discernable than male workers.
‘No work’ and ‘Low wages’ for a longer period are the root causes for the distressing conditions of the poor. The majority of the poor in India is living in rural areas and belongs to the categories of landless agricultural and casual labourers, marginal and small farmers, rural artisans, etc. A large section of them belongs to SC, ST and Backward Castes. Solving the problem of unemployment and underemployment among these sections is the only answer to mitigate the misery of the rural masses.2

As observed by The National Sample Survey Organization (NSSO) 60\textsuperscript{th} Round Survey (2004), unemployment rates on the basis of current daily status were much higher than those on the basis of usual status implying a high degree of intermittent unemployment for many workers. The rural unemployment rates were higher than those in urban areas. For details, see table-1.3.

<table>
<thead>
<tr>
<th>Status of Unemployment</th>
<th>Rural</th>
<th>Urban</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>Usual-Principal Status</td>
<td>24</td>
<td>22</td>
</tr>
<tr>
<td>Current Weekly Status</td>
<td>47</td>
<td>45</td>
</tr>
<tr>
<td>Current Daily Status</td>
<td>90</td>
<td>93</td>
</tr>
</tbody>
</table>

Source: NSSO Estimates (60\textsuperscript{th} Round), 2004.

The table 1.3 makes it clear that under the category of usual principal status of unemployment, the urban areas are dominating the scene with 53 percent, where as it is only 23 percent in case of rural areas. Under this category, the unemployment rate of male in urban areas is nearly double and in case of female it is more than three times.
In case of current weekly unemployment status also urban areas dominate over the rural areas. But the variations are not as large as the usual principal unemployment. Here urban male as well as female unemployment is higher than their rural counterparts. In the case of current daily unemployment rates, rural areas have a small margin over the urban areas. But in case of female urban areas dominate the scene.

According to Dr. Swaminathan’s "Food Insecurity Atlas", India has the largest absolute number of undernourished people in the world. In India, income poverty is 26 percent and the nutritional poverty is 56 per cent. Poverty is a major threat faced by food insecurity and sustainable progress in poverty elimination is critical to improve access to food in rural areas. It is necessary to target those people and areas suffering mostly from hunger and malnutrition and identify causes and reach out remedial action to improve the situation.\(^3\)

The analysis of the incidence of poverty across the Indian States indicates that poverty is very closely linked to the absence of economic and social infrastructure. Investments in rural infrastructure have been reported to have a significant impact on the increase in economic activities in the area and consequent reduction in poverty. Availability of the infrastructure has also gone a long way in redressing the regional imbalances.

The rural youth are in dire need of appropriate and satisfying jobs within the villages. But unfortunately the process of displacement of Indian agriculture has led to increasing reliance on non-farm activities of urban centers, which in turn resulted in the exodus of rural labourers to urban areas.
Higher man-land ratio, under-employment at the place of origin, pull of higher wages, opportunities for education and training and lack of infrastructural facilities are some of the reasons for migration.4

Rural Development-A Birds' Eye View

Rural development is an elastic concept and everyone interprets it in his own way. Rural Development as a concept is not a new one. It has received a lot of attention even much before Independence. The problem of rural reconstruction however was concretized by Mahatma Gandhi. He lays stress on the total drudgery and sub-human living conditions in the villages of India.

The term 'rural', consists of two elements, one is the living one, i.e., human beings and the other is non-living i.e; infrastructure around them. Various scholars and institutions have tried to define rural development, giving emphasis on one or other element.

World Bank (1975) laid the exact focus of rural development when defined it as a strategy designed to improve the economic and social life of a specific group of people i.e., the rural poor.5

On the same line, it was opined by Uma Leli that "rural development is improving living standards of the mass of low income population residing in rural areas and making the process of their development self-sustaining."6

The major programmes of the Rural Development could be grouped under five major heads viz., (1) Generation of Employment: Self and Wage, (2) Rural Infrastructure Development, (3) Area Development Programmes, (4)
Programmes for Social Welfare and Social Security, and (5) Minimum Needs Programme. However, very often Government's concept of Rural Development is limited to Anti-Poverty Programmes implemented by the Ministry of Rural Development. Rural Development is a broader concept and Poverty Alleviation Programme is a major sub-set of it.

The poverty alleviation and employment generation programmes in India have been re-structured and re-designed with a view to generating employment and income. The major schemes of poverty alleviation could be grouped under two heads, viz., (1) Self-Employment and (2) Wage Employment.

Self-Employment Programmes

Lack of assets is a major source of poverty in rural areas. Since radical land redistribution has not been possible, so the second best solution was to transfer non-land productive assets that would generate incomes for the poor through self-employment programmes. Hence the Integrated Rural Development Programme (IRDP) was started in 1980-81 in all the blocks of the country and it continued as a major self-employment scheme by way of providing subsidy coupled with bank credit on soft terms to enable rural poor households to create income-generating assets for supplementing their income. Subsequently TRYSEM, DWCRA, etc., were introduced as special programmes of IRDP to take care of the specific needs of rural population.

The IRDP and allied programmes including the GKY were merged into a single programme known as SGSY (Swarna Jayanti Gram Swarozgar Yojana) on 1st April, 1999. The SGSY aims at bringing every assisted family above the poverty line in three years by organizing them into Self-Help
Groups (SHGs) through a mix of bank credit and government subsidy. This aims at building the self-confidence of the poor through community action, collective decision-making, prioritization of their needs and resources so as to improve their collective bargaining power and as a result empowers them socially and economically. SGSY tries to integrate various agencies—Districts Rural Development Agencies (DRDA), banks, line departments, Panchayat Raj Institutions (PRIs), Non-Governmental Organisations (NGOs) and other semi-Governmental Organisations.

**Wage Employment Programmes**

Another set of programmes, known as wage employment programmes, form an important component of the anti-poverty strategy aimed at providing employment opportunities during lean agricultural season and also in times of flood, drought and natural calamities. These programmes fulfill the twin objectives of creating rural infrastructure to support further economic activity and the generation of employment opportunities.

Wage employment programmes were in existence since 1977 when the Food for Work programme was taken up. This was renamed as NREP (National Rural Employment Programme) in 1980 and RLEGP (Rural Landless Employment Guarantee Programme) was launched in 1983. These two programmes were later merged in 1989 into the JRY (Jawahar Rozgar Yojana). Earlier the IAY (Indira Awas Yojana) and the MWS (Million Wells Scheme) were included in JRY. Both these schemes were made independent in 1996. JRY has been strengthened and restructured as JGSY (Jawahar Gram Samridhi Yojana) with effect from 1st April, 1999. The primary objective of JGSY is to create demand driven durable community assets with employment generation as a secondary objective.
Important Employment Generation Programmes

Employment generation, particularly in rural areas, is the most challenging task for planners and policymakers in India. The unemployment situation has worsened with ever growing population.

The main objective of the various five-year plans was to create employment avenues for millions of rural people every year. The number of unemployed in rural areas is reportedly increasing at the rate of nearly one million a year. The problem can be solved in the near future if only rural employment increases from the present 2.2 percent to 2.6 percent per annum.

The rural labour force is adversely affected due to meager wage rates and rising unemployment. The government sought to improve the plight of the rural labourers by implementing:
1. special programmes for supplementing work opportunities,
2. programmes for increasing labour absorption in agriculture. While the former provides temporary relief, the latter is crucial for long-term employment growth. But programmes so far implemented to enhance the labour absorption capacity from the agricultural sector have failed to reach the point of success. The list of major employment programmes are given in the following paragraphs.

Rural Works Programme

The Rural Works programme was taken up towards the end of 1960-61 in 32 community development blocks on a pilot basis for utilising rural manpower to provide employment for 100 days to at least 2.5 million persons.
by the last year of the Third Five Year Plan, especially in areas exposed to pronounced seasonal unemployment and under-employment. However, due to resource constraints, a little over 20 percent of the outlay of Rs.150 crore, originally envisaged could be provided and the programme ended in 1968-69, resulting in generation of 137 million man-days of employment.

This centrally sponsored scheme for employment generation suffered from serious irregularities in implementation besides providing scope to unscrupulous politicians and their allies in the bureaucracy for illegal gratification. The delivery system has also been defective and ineffective. No significant changes in the administrative structure have taken place since the days of Rajiv Gandhi as Prime Minister. The State Governments have been working on strategies to collect central funds for various employment schemes and divert them for various other unintended purposes. The canon of accountability is skirted.

**Crash Scheme for Rural Employment**

The Crash Scheme for Rural Employment (CSRE) was initiated in 1971-72 for generating employment opportunities in rural areas. It lasted for three years. During this period, it is supposed to generate employment to the tune of 3.150 lakh man-days. Its achievements are related to minor irrigation works, land development including reclamation, soil and water conservation, groundwater recharging, drainage and water-logging and flood protection. It also contributed to the development of pisci-culture and the extension of roads and culverts.
The CSRE was designed to generate on an average 2.5 lakh man-days of employment in every district. According to the guidelines, the projects were to be labour-intensive and to promote the development of districts. The cost of material, equipment, etc., was not to exceed 25 percent of the total cost. The scheme was administered by the Department of Rural Development at the Centre and its counterparts at the State level.9

Pilot Intensive Rural Employment Projects (PIREP)

The Pilot Intensive Rural Employment Projects (PIREP) was launched as an action-cum-research study in 1972 for a period of three years in 15 selected blocks in the country and one block was selected from each of the major states. In order to understand the nature of poverty and unemployment in rural India, the blocks were selected based on the diversity in their agro-climatic conditions.

The works selected under PIREP have been directly related to agricultural operations. The states were made responsible for the actual implementation of PIREP. The programme gave top priority to minor irrigation strategies and roads.

However, PIREP has not produced results commensurate with the investments made. The programme faced the same problems experienced in the implementation of the earlier programmes, namely RWP and CSRE.

Employment Guarantee Scheme (EGS)

The Employment Guarantee Scheme (EGS) was launched by the Government of Maharashtra in May 1972, but because of relief works till 1973-74, the implementation of the programme was not a high priority issue
till 1974. Hence the Government of Maharastra made legislation in December 1974. The EGS aimed at providing employment to all those who seek it with special emphasis on daily wages. The aim is to provide manual jobs particularly during the lean and dry season.

The EGS has been in operation in the rural areas as well as in the areas of ‘C’ class Municipal Councils since 1972-73. The salient features of the programme are noted below:10

- All adult persons are covered under the programme
- The guarantee is given at the district level, though operationally works are normally provided within the Panchayat Samiti/Mandal area;
- The person in need of work has no choice with regard to the nature of work;
- The employment seeker has to get his name registered under the scheme;
- Failure to provide employment creates the liability on the state for payment of unemployment allowance at the rate of Rs. 2 per day;
- Only productive works are permitted under the scheme; for instance, to minimize the recurrence of drought in the state, by taking up moisture conservation and water conservation schemes on a priority basis.
- The wages are paid on the piece rate basis;
- Ex-gratia payment up to Rs. 5,000 is admissible in the case of death or disablement of a worker during work and;
- Welfare amenities are provided to workers such as potable water, crèches, rest shades, first aid facilities etc.
It was stipulated that 40 percent of EGS expenditure should be wage expenditure and the remaining 60 percent for all other expenses i.e. cost of materials, tools, planning and supervision etc.\textsuperscript{11}

The EGS has in essence contributed to the stabilisation of incomes of the poor. It also prevented, to some extent, rural-urban migration. It has been noticed that the delivery system has fared much better in areas where voluntary organisations are active.

It may be noted that the poor could derive countable benefits if there is agricultural development due to EGS assets. It is necessary to stipulate that a socio-economic cost-benefit analysis of each proposed project be taken up - for a proper selection of the projects to meet the various objectives of the scheme.

**Food for Work Programme (FWP)**

The Food for Work Programme (FWP) was taken up in April 1977 as an integral part of the strategy to tackle the problem of rural unemployment and poverty. The works taken up under the scheme were aimed at creating durable community assets and strengthening the rural infrastructure. The Central Government issued detailed guidelines to the State Governments for planning, implementation and monitoring of the programme.

The major objectives of FFW programme were:\textsuperscript{12}

\begin{itemize}
  \item to generate additional gainful employment to a large number of unemployed and underemployed persons, both men and women, in the rural areas, which will improve their incomes and consequently their nutritional levels,
\end{itemize}
to create durable community assets and strengthen the rural infrastructure, which will, result in higher production and better living standards in the rural areas and
utilisation of surplus food grains for the development of human resources,

The Panchayat Raj Institutions were authorised to execute work under the programmes. The State Governments and union territories were given the discretion to entrust the execution of works under the scheme to voluntary agencies of repute and standing.

The states were also given freedom in the implementation of FW programme. Broadly, the states have adopted the following three methods:
in some states, the bureaucratic machinery was used to implement the programme,
some states used the political machinery (the panchayats) to implement the programmes and
In many states, private contractors were sold the rights to use the food grains and organise projects.

A nation-wide evaluation of the programme exposed a number of deficiencies in its implementation. These include erratic disbursement of food grains, delay in measurement of earthwork, non-durability of assets created under the programme, inadequate technical support and lack of supervision leading to dilution of the technical specifications at the stage of implementation. Moreover, the programme was implemented on an ad-hoc basis. No attempt was made by the states to prepare a shelf of projects taking into account the local needs.
National Rural Employment Programme (NREP)

The National Rural Employment Programme was launched in October 1980 in the place of the erstwhile FW programme. NREP was made an important part of the Sixth Plan in April 1981. It was implemented as a centrally sponsored programme on 50:50 financial sharing basis between the Central and State Governments. The NREP had also the similar objectives as the FW programme. The basic objectives of the programme were:

- provision of gainful employment opportunities for the unemployed and under-employed persons in the rural areas; and
- strengthening the infrastructural facilities in rural areas through construction of public utility assets.

It was further laid down that:
- the NREP must create permanent assets;
- the expenditure against labour and material component of the schemes included in the programme should have a ratio of 60:40 respectively;
- at least 10 percent of expenditure should be on the works specifically benefiting the weaker sections, and
- at least 10 percent expenditure should be on afforestation.

The programme was implemented through the District Rural Development Agencies (DRDAs). The works were to be taken up for execution on the basis of a series of projects and annual action plans prepared by the DRDAs. Works were mainly executed through Panchayati Raj Institutions. Workers were to be paid minimum wages fixed under Minimum Wages Act. Part of the wages was paid in terms of subsidised food grains.
Rural Landless Employment Guarantee Programme (1983)

The Rural Landless Employment Guarantee Programme (RLEGP) came into being on 15th August 1983. The wage and material cost ratio was 50:50. The wages were to be paid both in cash and kind.

The specific objectives of RLEGP were:

- improving and expanding employment opportunities for the rural landless with a view to providing guarantee of employment to at least one member of every landless household up to 100 days in a year; and
- creating durable assets for strengthening the infrastructure in rural areas.

The objectives and stipulations under RLEGP were similar to those of NREP. But, RLEGP was limited only to the landless, with guaranteed employment of 100 days.

Funds were earmarked specifically for certain activities-25 percent for social forestry, 10 percent for works benefiting only the SCs and STs and 20 percent for housing under Indira Awaas Yojana.

Studies revealed a number of loopholes of RLEGP. It was suggested that only those villages should be selected for this programme, which are predominantly inhabited by scheduled castes and landless labourers. But there was no systematic selection of villages for field operations of the programme.\(^{13}\)
The objective of the scheme was to guarantee employment to at least one member of every landless agricultural household upto 100 days, but no record was maintained to ensure that the beneficiary got employment of 100 days in a year.

**Jawahar Rozgar Yojana (1989)**

The Jawahar Rozgar Yojana (JRY) was launched on April 1, 1989 by merging NREP with RLEGP. JRY was financed by the Centre and the States in the ratio of 80:20. It developed as the most important scheme for employment generation meant for those below the poverty line. 60 percent of the total allocation on a project under this scheme was earmarked for payment of wages and the balance 40 percent for purchase of materials. The scheme provides for creation of durable community assets such as roads and irrigation canals.

The primary objective of JRY was to generate additional gainful employment for the unemployed and under-employed persons, both men and women, in the rural areas. Creation of productive community assets for strengthening rural infrastructure was another major objective of JRY. The secondary objective of JRY was to bring about an improvement in the overall quality of life in the rural areas.

JRY was implemented by the village panchayats all over the country. Over 440 lakh families below the poverty line were intended to benefit from this scheme. The programme was to provide employment to at least one member of each poor family for 50 to 100 days in a year in the vicinity of places of their residence.
Salient Features of JRY

It was stipulated that, out of the total funds allotted, 5 percent should be on administrative expenses and 10 percent on maintenance of assets. The remaining amount was to be distributed on the following lines: 30 percent on the economically productive assets, 20 percent on social forestry works, 15 percent on million wells scheme and 20 percent on other works including roads and buildings.

The wage component was kept at 50 percent, the rest being on materials, administration and maintenance. Wages were paid partly in cash and partly in kind, i.e. food grains (wheat and rice). The ratio of distribution of food grains should not exceed 1.5kg. per man-day. The food grain component of wages should be given as far as possible on the site itself.14

Central assistance was provided to the states on the basis of proportion of the rural poor in a State/Union Territory to the total rural poor in the country.

The criteria for the distribution of resources to village panchayats from the districts were on the basis of the population of the village panchayat. Under JRY, strategies were worked out to prevent diversion of resources from one district to another. Likewise, diversion of funds from a village panchayat to another village panchayat was also not permissible. However, additional allocations can be considered for those districts which are reported to be performing better within the overall state allocations.
There was provision for 'social audit' at the village panchayat level. For this purpose, meetings of village panchayats should be held every month at a fixed time and place to consider issues regarding planning, execution, monitoring and supervision of JRY.

Much criticism was levelled against the delivery mechanism. It was said that only about 57 percent of the money was left to the panchayat to spend. The remaining was to be decided at the block level as a result of this, the accountability disappeared. This was so because government officials get frequently transferred and in some states, the duly elected panchayat system was absent.

**Jawahar Gram Samridhi Yojana (JGSY) (1999)**

The JRY was converted into the rural infrastructure programme with a new name, Jawahar Gram Samridhi Yojana (JGSY) in 1999. Cost sharing ratio between the centre and states was 75:25. The primary objective of this scheme was the creation of demand driven community village infrastructure including durable assets at the village level and assets to enable the rural poor to increase the opportunities for sustained employment. The secondary objective was to generate supplementary employment for the unemployed poor in rural areas. Funds were to be spent by the village panchayat for which they were meant. Diversion from one village panchayat to another was not allowed. The JGSY was to be a rural infrastructure rather than the wage employment scheme by changing the accounting procedure and relaxing the 60:40 funding ratio where 60 percent was to be spent on labour.\(^\text{15}\)
It also created considerable confusion within states, with the Centre empowering panchayats with the poor to spend up to Rs. 50,000 on a scheme, without technical and administrative sanction. All the JRY funds were sent directly to panchayats on the basis of population.

The panchayat should become planning and guiding machinery at the local level. Group activities were encouraged to reduce the chances of misuse of funds.

**Concept of MGNREGS (2006)**

As the earlier programmes did not yield satisfactory results in eradicating rural poverty, a new programme was convened to mitigate rural poverty. The Parliament under UPA Government enacted a law to provide minimum 100 days of employment in a financial year to rural poor. The National Rural Employment Guarantee Scheme (NREGS) was renamed as Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) on 2nd October, 2009, on the eve of Gadhi Jayanti. Now this has emerged as one of the important tools for rural development and for combating hunger, poverty, unemployment and under employment. MGNREGS is being appreciated as the boon for rural transformation in India. Its main objective is not only to reduce rural poverty and unemployment but also to enhance the livelihood security of people in rural areas by generating wage employment through works that develop the infrastructure base of that area. The social security measures make the right to work as a fundamental right for the first time in India. The scheme provides an indispensable lifeline to the millions of poor in rural areas. The government, through this scheme,
aims at removing poverty in rural areas. The MGNREGA is lauded as the 'path breaking' and the most important piece of legislation in free India. After 4 years of its completion many states have achieved minimum to moderate success.

Review of Literature

The literature on MGNREGS is abundant. But it is not so with regard to administrative aspects of the programme. However, an attempt is made to review a few important studies on this Scheme with a view to identify research gaps and issues for further study.

Indira Hirway, (2004)\textsuperscript{16} in his scholarly article entitled, "Providing Employment Guarantee in India-Some Critical Issues" discussed the employment guarantee plan announced in the common minimum programme has been designed to protect the interests of the poor by detailing the rules of the guarantee and imposing penalties for non-compliance. It has also drawn heavily on the Maharashtra Employment Guarantee Act, which has been in operation for 30 years. It identifies two major drawbacks of the proposed programme. They are its unrealistic underlying assumptions and short-term vision. The provisions of the employment guarantee programme should be strengthened to achieve the objectives of poverty reduction, construction of productive assets and promoting mainstream employment.

Santhosh Mehrota (2004)\textsuperscript{17} in his commentary on "Job law can sharply cut poverty this decade" expressed that rural employment guarantee programme will yield immense benefits. Labour-intensity can be high in watershed development, land regeneration, and prevention of soil erosion.
He further adds that a jobs programme that focuses on such work would not only protect the environment, it would enhance land productivity and promote rural employment in the future. Such a plan would also have positive second-round effects on household incomes, by raising agricultural wages and investment in human capital. Besides, improving watershed development, it could reduce damage to life and property caused by frequent flooding. He argues that the employment guarantee is therefore being penny wise and pound foolish.

Arun Bagchee, (2005)\textsuperscript{18} in his article entitled, "Political and Administrative Realities of Employment Guarantee Scheme," says that there are essentially two lessons to be learnt from Maharashtra's Employment Guarantee Scheme. One, the programme was initially very successful because it enjoyed a commitment widely shared across the political spectrum. Second, it needs strong departmental inputs in terms of planning; budgeting and technical supervision should involve local government and be responsive to needs of the poorest. It may be difficult to replicate the same political commitment in India of 2005. Yet, the case for an employment guarantee remains strong because it is unacceptable that despite the country approaching middle-income status there are 250-300 million people desperate for work and better livelihood.

Jeans Dreze (2005)\textsuperscript{19} in his article entitled "Employment Guarantee Act: promise and demise" discussed the pros and cons of the then proposed Act he expresses three common fears. One is that the money will be wasted due to widespread corruption. The second fear is that Employment Guarantee Act will lead to financial bankruptcy. The third fear was that the
government will get entangled in endless litigation, as holders of aggrieved labourers take the local authorities to court. To dispense these fears, however, he said that the proposed Act aimed at empowering the disadvantaged, and included extensive safeguards against and dereliction of duty from the concerned authorities.

T.S.Papola, (2005)\textsuperscript{20} in his article entitled, “A Universal Programme is Feasible”, hopes that it is feasible to have an employment guarantee programme covering all rural households and offering work to all persons, on all the required days, in all districts right from the beginning at a cost lower than the one being projected for a restricted programme. A universal programme will be closer to the spirit of a guarantee and reduce the bureaucratic problems in administering a restricted programme.

Bela Bhatia and Jean Dreze (2006)\textsuperscript{21} in their article entitled, “Employment Guarantee in Jharkhand: Ground Realities” presented a survey report in two district of Jharkhand. In their survey they found many serious flaws in the implementation of the National Rural Employment Guarantee Scheme.

They also discussed various aspects of the implementation of NREGA in the light of their field investigation. Judging from their field they stated that there is no doubt that the coming into force of NREGA has become a matter of great interest in rural areas. There is growing awareness of the promise of “100 days of employment for every household” and widespread demand for job cards. They further say that, even though there is growing public awareness of NREGA as a new initiative to provide rural employment, there is
very little understanding of the basic features of the act in the survey area. In their survey they identified a range of problems and irregularities emerged in relation to wage payments. Four issues they specially mention like, fudging of muster rolls, flawed work measurement, non-payment of minimum wages and delays in wage payments.

Jos Chathukulam and K. Gireesan (2006) in their article entitled "Political Economy of Pre-Launch Preparedness of NREGA in Kerala" analysed the implementation of different Wage Employment Programmes (WEPs) in the State of Kerala and various other aspects connected with it, before taking up the Kerala Rural Employment Guarantee Scheme (KREGS) in the state. They identified that the lack of ownership by the State Government, local bodies, political parties and by the third sector organizations, had adversely affected the implementation of the WEPs. They analysed the implementation of KREGS in the Palakkad district of Kerala. In the implementation of the programme they identified administrative defects like non-adherence to the time line for preparation of Action Plan, procedural issues and issues of hierarchy. They also identified political defects like lack of seriousness among political parties and political affiliated organizations. In view of this, they make several suggestions. The important among them are noted below:

1. There is a need for wide ranging discussions between elected members of PRIs and leadership of major political parties for drawing maximum mileage by executing the scheme creditably, efficiently and transparently, thereby contributing to the reduction of poverty.
2. Implementation of KREGS should not be viewed as the exclusive responsibility of RDD and PRIs alone. There is a need for developing total synergy between different stakeholders like third sector, civil society organization, educational institutions, academicians, etc.,

Kiran Bhattay (2006)\textsuperscript{23} in his article entitled "Employment Guarantee and Child Rights", makes a survey of NREGP in Dungarpur district of Rajastan. He recalls NREGA guidelines with regard to children at work. The NREGA clearly states that a woman should be deputed to look after young children at the work site whenever five children under the age of six are present.

Karuna Vakati Aakella, Sowmya Kidambi (2007)\textsuperscript{24} in their article entitled, "Challenging Corruption with Social Audits", opined that social audit—a transparent, participatory and active evaluation process—has the potential attack on the corruption that plagues anti-poverty programmes.

They identified several challenges in the process of institutionalising social audit. To begin with, the administrative machinery which has till date functioned under the Official Secrets Act and in turn used it as a cover for the inefficiencies and misuse of the system will now have to learn to work under the new Right to Information Act where the public has full access to information. They will also have to learn to be accountable to the public instead of just the higher ups within the administration.

Anish Vanaik (2008)\textsuperscript{25} in his commentary on "NREGA and the Death of Tapas Soren" discussed and analysed the corruption practices in the implementation of NREGP scheme in Hazaribagh district of Jharkhand. He
narrated the story of Tapas Soren, a tribal of Birakhap, who committed self-immolation, impoverished by the constant demand for bribes by local officials for work done under the NREGP. Only a couple of hours before his suicide, Mr.Soren had met the Block Development Officer (BDO) of Churchuad Panchayat to discuss matters relating to a 20ft well that was being constructed on his land under NREGP. He pinpointed the loopholes in NREGP like delay in payment, providing only 34 days of work in a year, low volume of works, etc.

Santhosh Mehrotra (2008)\textsuperscript{26} in his article entitled, "NREGA two years on: where do we go from here?" examines the performance of the National Rural Employment Guarantee Programme since its launch in mid-2005. He first in provides a summary of progress in certain areas and then highlights specific weaknesses of the scheme. To realize the major benefits of the NREGA he made suggestions.

V.Mohan Rao (2008)\textsuperscript{27} in his article entitled "Employment Guarantee Scheme is A Lifeline for the Vulnerable Sections", narrated salient feature of the NREGA and performance highlights of the programme. He boasted that the NREGP scheme gave a big boost to the water conservation. He further expressed that the implementation of NREGP in some of the naxal affected areas was very effective.

Siddhartha and Anish Vanaik (2008)\textsuperscript{28} in his essay on "CAG Report on NREGA: Fact and Fiction" presented different aspects of the CAG report that have either been insufficiently emphasized or ignored altogether, so far, along with an appraisal of the strengths and weaknesses of the report. They argue
that the report of CAG is half hearted performance audit. They further argue that the report has little to say about actual socio-economic outcomes, whether it is the impact of NREGA on poverty, or on women's empowerment, or on agricultural productivity. They suggest that NREGA outcomes ought to be assessed in terms of the socio-economic impact on the lives of people.

B.K. Pattanaik, (2009)\textsuperscript{29} in his article entitled “National Rural Employment Guarantee Scheme: Some Preliminary Findings from Hoshiarpur District”, made an attempt to analyze the implementation of NREGS and equity and efficiency issues in Hoshiarpur district of Punjab. Initial findings of this study shows that the scheme has been successful in achieving the equity, while it’s efficiency is still a question to be effectively dealt by the implementers of the programme. The better nexus and coordination between the government and the panchayats would enable efficient implementation of the scheme at the village level.

Mamidipally Rajanna, Gundeti Ramesh (2009)\textsuperscript{30} in their scholarly article entitled “NREGP-Facet of Inclusive Growth-A Study of Karimnagar District in Andhra Pradesh” appraised that NREGP has become a beacon of light in the rural areas, and contributed substantially for the increased living and economic conditions by reducing the income balances in the rural area. Through their study they listed the following findings.

1. Increased living and economic conditions by reducing the income imbalances in the rural area.

2. Reduction of wage differences in various works by creating equal wages to male and female workers.
3. Ushed to meet the raising prices in the market.
4. Helped to overcome to certainty in the employment.
5. Work culture norms in bringing cohesiveness among the workers in the rural areas irrespective of caste and creed, gender and age.
6. As a subsidiary activity it helped a lot in improving the main occupation of the workers in enhancing their income levels.
7. Reduced the migration level to other areas.
8. Helped to some extent in reducing the disguised and seasonal unemployment.

Raj Kumar Siwach and Sunil Kumar (2009) in their article entitled, "Implementing NREGA in Haryana: A study of social audit", they explain the potentials not only to strengthen social security in India, but also strengthens community's mobilization to ensure better responsiveness of local government to community's needs and priorities. They made instigations into the programme in Sisra District of Haryana. They have selected five villages for the study. The basic aim of the Study is to investigate the impact of Social Audit in the selected villages. Keeping in view this objective, the following major findings come to the fore in their study. No regular meetings of Social Audit, poor participation of stakeholders, lack of mutual understanding and motivational spirit, incongruity between officials' dictates and ground realities, culture of antithesis, rising upsurge.

Shankar Chatterjee (2009) in his essay on "Rural Employment Programmes: Fuelling Development of Indian Economy", explained the striking features of Swarnajayanthi Gram Swarozgar Yojana (SGSY) and
National Rural Employment Guarantee Programme (NREGP). According to him the striking features of SGSY and NREGP are that, SGSY is based on group approach where NREGP in our rural households. He further says that both the programmes have been generating employment vis-à-vis community assets. Creation of assets enhances capital formation, which in turn helps to enhance GDP.

Jean Dreze and Christian Oldiges (2009) in their paper entitled, “Work in progress”, makes a comparison of the first two years of the implementation of the NREGA. They question accuracy of the official figures and calls for urgent scrutiny. They opine that independent large-scale surveys of the NREGA would be very useful. They identified that, there are crucial gaps in the present “Monitoring and Information System” (MIS).

Similarly, there is no systematic record of delays in wage payments. If labourers remain unpaid for weeks at a particular worksite, there is no trace of it in the MIS. This is one reason why long delays in wage payments persist in many states, causing immense hardship to NREGA workers and even inducing some of them to quit.

Vishnu Bhagwan (2009) his article entitled “National Rural Employment Guarantee Act: A SWOT Analysis” considered that National Rural Employment Guarantee Act as an Act of the people, by the people and for the people. In his paper he discussed the success and failure of the scheme as well as future prospects in all its pros and cons through SWOT analysis i.e. Strength, Weakness, Opportunity and Threat have been analysed and some theoretical as well as practical suggestions have been made.
It is evident from the above review of literature that quite a good number of studies have concentrated on NREGA legislation and its implications on rural poor. But these studies made a bird’s eye view of the programme at national level by taking two or more states as sample. Some of the studies focused on the major components of the scheme like social audit, administrative mechanism, etc while some of the studies remarked on the pros and cons of the scheme. But nobody has studied the functioning of the scheme in Anantapur District. Hence, the present study is an attempt to study on administration and implementation of MGNREGS in Anantapur district which is the most backward and drought prone area in Rayalaseema Region of A.P.

Significance of the Study

Unemployment and poverty are interrelated and hinder to economic growth of the country. In India, these are the two problems that are severe in rural areas. The effective implementation of the MGNREG Act launched in the year 2005 will bring satisfactory results in reaching the challenges of poverty, unemployment and building rural infrastructure. The study will undoutedly contributes for the improvement of the Programme, which has social, political and economic relevance in the country today. Hence, present study on MGNREGS is of paramount importance.

Need for the Study

The conditions of rural people especially agricultural labourers, small and marginal farmers, are quite deplorable, especially in the areas which are subject to frequent famines. Large number of small and marginal farmers in
these areas is sacrificing themselves due to failure of crops. On the other hand, agricultural labourers are migrating to nearest towns for works, where they are leading a miserable life. Keeping in view of all these factors, policymakers in India introduced various wage employment guarantee programmes. But they failed to yield desired results. The new UPA coalition Government at the centre in its Common Minimum Programme promised that it will enact a legislation, which guarantees right to work for unskilled rural people. As promised, the MGNREGA legislation got passed in parliament. But unfortunately, soon after its implementation, various studies and reports noticed several drawbacks in the scheme. Hence, it is desirable to find out to what extent the MGNREGS has really come up to the expectations of the rural poor. There are a few studies on NREGS, but they are not focused on the administrative aspect of the scheme in Anantapur District. Hence, the present study is an attempt to know how this programme is a landmark in the history of rural development, in eradicating poverty from the face of the Nation and providing employment to the rural poor not only in the study area but also in rural India.

**Objectives of the Study**

The specific objectives of the study are as follows.

1. To study the genesis and growth of wage employment programmes since India’s Independence.

2. To discuss the role of administrative agencies in implementation of various rural development programmes at Central, State and District level.

3. To describe Socio-Economic profile of the study area.
4. To evaluate the functioning and progress of the Scheme in the study area.

5. To examine the financial management of the programme

6. To analyse the perception of selected beneficiaries in study area, about the programme.

7. To suggest measures for the efficient and effective implementation of the Programme.

Scope of the Study

The study examines Administration of the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) which promises a revolutionary demand-driven, people-centred development, programme planning, implementation and social audit by Gram Sabhas and gram panchayats that can engender millions of sustainable livelihood following initial rounds of wage employment. But MGNREGA has had to battle against the legacy of an ignominious past. Rural development programmes over the last 60 years have been dependent on the munificence of the state. They have been implemented top-down/using labour-displacing machines and contractors who have customarily run roughshod over the basic human rights.

MGNREGA is poised to change all that. And there is no doubt that its promise has charged the hearts and minds of the rural poor with unprecedented hopes and expectations. But the first three years of the programme have also shown that MGNREGA suffers from many ills - leakages and delays in wage payments, non-payment of statutory minimum wages, work only for an average of 50 days per annum as against the promised 100 days. Hence the study points out the deficiencies and suggests
remedial measures to strengthen and streamline the programme for sustainable livelihoods of the poorer sections in the society.

Statement of the Problem

About 27 percent of the country’s rural population is poor as per the Planning Commission’s report of 1999-2000. For the poor in rural parts of the country, addressing their basic needs and livelihood is still an issue. Degradation of natural resources, deforestation, recurring droughts and calamities are threatening the livelihood of the poor laying tremendous pressure on their day-to-day survival. This is sometimes resulting in migration of poor from rural to urban areas increasing their risk. Keeping in view of this rural scenario, Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) was promulgated on September 5th 2005 by the Government of India. Hence the present study entitled "Administration of MGNREGS-A Case Study of Anantapur District" makes an attempt to assess the administrative implications of scheme and its impact on rural livelihoods.

Methodology

The methodological aspects of the study such as the area of the study, the universe of the sample, sources of data, analysis of data and the plan of the study have been detailed hereunder:

Sources of data

The data of the thesis is based on both primary and secondary sources. The primary sources material relates to the field survey conducted through interview schedule from sample beneficiaries relating to the implementation and eliciting their opinions on various aspects of the scheme.
in Anantapur District. Informal discussions were also made with the administrative officials who are linked with the programme on the practical problems being faced while implementing the programme.


As it is always not safe to take the published data at their face value, the data is analysed carefully to make use of material that is suitable and adequate for in this context of the present problem. The reliability of the data is suitably examined. After the collection of data from the above mentioned source, the researcher analysed and interpreted data and organized into various chapters.

Area of the study

The MGNREGS programme was formally launched in Anantapur District of Andhra Pradesh in February 2006. The implementation of the programme was simultaneously started in all 63 Mandals of the district. The district is the driest part of the state, where the rainfall is recorded below district normal. The dry condition of the district often results in the loss of crops, which in turn forces the agricultural labour as well as small and marginal farmers to migrate to different parts of the state, some times to the neighbouring States like Tamil Nadu, Karnataka etc, for livelihood. Under
these dire conditions, the launching of MGNREGS is considered by the labourers as a boon for their livelihood. As such, the district was purposely selected for the study to examine the pros and cons of the new wage employment programme.

**Sampling Design**

The MGNREGS programme has been extended to all sections of the society irrespective of rural families' economic, social and political status. All the revenue villages, hamlets in the district are covered by the programme. For effective study of the impact of the programme on beneficiaries, purposeful random sampling method was followed. For the collection of respondents' views and ideas on the impact of the MGNREGS scheme, one Mandal from each revenue division is selected by taking into account the financial, caste, demographic factors of the beneficiaries. From each selected Mandal 100 beneficiaries were selected by random sampling technique. So the universe of the sample constitutes 300. Table 1.4 gives the details of sampling.

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Name of the Revenue Division</th>
<th>Name of the Mandal</th>
<th>No. of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Anantapur</td>
<td>Urvakonda</td>
<td>100</td>
</tr>
<tr>
<td>2.</td>
<td>Dharmavaram</td>
<td>Tadimarri</td>
<td>100</td>
</tr>
<tr>
<td>3.</td>
<td>Penukonda</td>
<td>Bukkapatnam</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
<td>300</td>
</tr>
</tbody>
</table>
Tools of Analysis

The study is descriptive and analytical in nature. Therefore, the collected data has been presented in the form of tables, charts and appropriate graphs for analytical purpose.

Chapter Scheme

The thesis is organized into Eight chapters.

Chapter-I  :  Introduction and Methodology
This chapter contains a brief review of wage employment programmes in India and theoretical frame work of the study.

Chapter-II  :  Origin and growth of MGNREGS
This chapter examines the Origin and Growth of MGNREGS.

Chapter-III  :  Socio- Economic Profile of the study area
This chapter has focused on the socio economic profile of study area.

Chapter-IV  :  Administration of MGNREGS
This chapter elaborates the administrative structure of the Scheme at Central, State, District, Mandal and Village levels.

Chapter-V  :  Financial Administration
This chapter analyzes the financial management of the MGNREGS.
Chapter VI: Evaluation of the Scheme in the Study Area

This chapter evaluates the progress of the Scheme in Anantapur District, with special reference to sample Mandalas.

Chapter VII: Perceptions of the Beneficiaries on the Scheme

In this chapter the perceptions of the sample beneficiaries were presented and analysed.

Chapter VIII: Conclusions, Findings, and Suggestions

This chapter includes summary of conclusions, findings and suggestions made for streamlining the programme.
References


2. Ibid, p.156.

3. Ibid, p.158.


5. Ibid. p.2.


12. Ibid. p.250.


15. Ibid. p.85.


