CHAPTER - ONE

THEORETICAL BASE OF THE STUDY

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1.1 Introduction

The national economy of India is a mission-driven economy. In the realm of rural development the mission is to provide urban amenities in the rural areas. With a view to achieving integrated rural development, the living legend of our times, His Excellency, the President of India, APJ Abdul Kalam has floated the concept of PURA that is Providing Urban Amenities in Rural Areas. It is conceived around four types of connectivities namely,¹

(1) Physical Connectivity: providing low cost buses enabling the people and the goods to move from village to village and village to school, health centres, farming areas, warehouses, agro-industries and other commercial centres,

(2) Electronic connectivity: introducing tele-education for farmers and villagers, tele-medicine, e-market, e-governance, e-commerce, etc,

(3) Knowledge Connectivity: connectivity in education, health care, vocational training, satellite application for crops, water and forest management, environment perfection and co-operative product marketing, and¹

(4) Economic Connectivity: The physical, electronic and knowledge connectivity bring forth the economic connectivity through small scale industries, agri- and food processing, warehousing, renewal energy and village markets.
This will generate employment opportunities, women empowerment and improved quality of life. These connectivities will make the villages closer to any part of the world.

The success of PURA primarily rests on the intensity of the commitment to tackle the problem of rural poverty. High incidence of poverty, poor calorie consumption, illiteracy and epidemics have left the village dwellers to grow less productive and helpless.

It is, therefore, the removal of rural poverty should be accorded the highest priority. According to M.K.Gandhi,

"India is not to be found in few cities but in more than seven lakhs of villages. If a village perishes, India too will perish."

Poverty breeds poverty, poverty anywhere is a threat anywhere. It is, therefore, necessary to design rural-led employment-oriented planning for the development of villages.

1.2 Rural Development

1:2.1 Historical Perspective

The concept of rural development is not new to India. History stands testimony to the fact that our kings took a lot of interest in enhancing the socio-economic conditions of the
villagers. During the reign of Chandragupta a village was treated as the smallest unit of administration. He took keen interest in the development of roads, water tanks, etc., so called a great task of constructing the drinking water wells, roads, water tanks, etc.

Allauddin Khilji (1266 to 1316 AD) introduced the concept of “Mandi System”. He firmly believed in administering the prices of the agricultural produce so as to benefit the poor farmer. During the reign of Sher Sha Suri (1472 to 1545 AD) Village Administrators called Grama Mukhiya were appointed to look after the well being of the villages. During the reign of Akbar, the Great (1556 to 1605 AD) efforts were made to construct the water wells, roads, etc.

1:2.2 Rural Development During British Period

During British period the Viceroy of the eminence of Bentink John Lorence, Rippon introduced several reforms. John Lorence (1864-1869) helped to restore stability and revive northern Indian agricultural productivity.

1:2.3 Indian Experiments (1920-1952), Sriniketan (1921)

The Nobel Laureate Rabindranath Tagore established the Institute of Rural Reconstruction in 1921. The prime objective of the Institute was to educate the Indian farmer in modernizing the
methods of cultivation. It organized the demonstrations to educate the farmers. It holds the distinction of introducing the new breeds of cows, poultry and village crafts.

**Gurgaon Experiment (1927)**

Being moved by the poverty stricken conditions of the villagers, their filthy dwellings, ignorance and illiteracy including the uncertainty of rainfall. Brayne, the then Deputy Commissioner of Gurgaon district introduced the Gurgaon Scheme. He was instrumental in setting up a rural based institution to train the guides. These guides were saddled with the responsibility of improving the agricultural practices and the living conditions of the villagers. He introduced the model farms using the improved seeds.

### 1:2.4 Rural Development Under the Leadership of Mahatma Gandhi$^5$ (1931)

The Man of the 20\textsuperscript{th} century, Mahatma Gandhiji firmly believed in the development of villages. In his view, the prosperity of India lies in the prosperity of the villages. He advocated for the use of Khadi, handmade paper, rural sanitation, upliftment of backward classes, removal of untouchability, use of natural care and provision of education to the villagers.
1:2.5 Baroda Experiment (1933)\(^6\)

Under the leadership of V. T. Krishnamachari the scheme of rural reconstruction was launched in Kosamba in Navasari district of Baroda.

The Baroda experiment aimed at effecting an improvement in all aspects of rural life. It aimed at developing poultry farming, sericulture, bee keeping, village roads, drinking water facility, etc. The village panchayat was saddled with the responsibility of the rural development.

In addition to these, a number of village reconstruction programmes were launched to better the quality of life of the villagers. These programmes include:

(1) Firka Development Scheme – Madras (1946),
(2) Mahewa – Etawah Pilot Project (1948)\(^7\), and
(3) Sarvodaya Plan (1952).
(4) Grow More Food Campaign (1952),

1:2.6 Rural Development Programmes in Post-Independence era

After winning over political independence in 1947, the Government of India has launched a number of programmes for reconstructing the villages. These programmes include:
(1) National Agricultural Extension Services (NAES), (1953),
(2) Applied Nutrition Programme (ANP), (1958),
(3) Panchayat Raj (PR), (1959),
(4) Hill Area Development Programme (HADP), (1962),
(5) Tribal Area Development Programme (TADP), (1963),
(6) Intensive Agricultural Programme (IAP), (1964).

Since poverty is the chief malady obstructing the rural development programme, therefore, the government is concentrating on poverty alleviation programme as an instrument accelerating the process of rural development.

1.3 Unemployment

The problem of unemployment is the global problem. India is not an exception to this. There exists high percentage of unemployment both in urban and rural economy of India.

According to the Draft Fifth Five Year Plan\(^8\), "unemployment refers to all able bodied persons willing to work mentally and physically, are not getting any job".

According to Peter Sinclair\(^9\), "Unemployment is like an elephant, easier to recognize than to define. Unemployment is often thought of as the excess supply of labour".
Cross Crain opines that, "unemployment puts a brake on attainment of economic and social objectives, thus it represents, senseless waste of productive power\textsuperscript{10}. Thus unemployment represents a senseless waste of productive resources.

1.4 Nature of Unemployment

(a) Rural Unemployment

The chief occupation of the village India constitutes agriculture. The seasonal character of agriculture has resulted into the problem of unemployment. There exists the problem of seasonal unemployment, under-employment and disguised unemployment.

(b) Urban Unemployment

The urban unemployment is the offshoot of rural unemployment. The seasonal character of agriculture and too much pressure on land holdings have resulted into a mass exodus of population from rural areas to urban centre. This migration is not the reflective of the "pull" of job opportunities in urban centres but the "push" of abject poverty, helplessness and misery. In addition to this, there exists the problem of unemployment amongst the educated one.
1.5 Concepts and Estimate of Unemployment

The National Sample Survey Organisation (NSSO) has developed and standardized concepts and the definitions of labour force, employment and unemployment suitable to Indian conditions. These concepts have been accepted by the Planning Commission for analysing the dimension of unemployment problem.

The three concepts\textsuperscript{11} of unemployment developed by NSSO are:

(i) The Usual Status Unemployment,
(ii) The Current Weekly Status Unemployment, and
(iii) The Current Daily Status Unemployment.

(i) The Usual Status Unemployment

This measures the number of persons, i.e., persons who remained unemployed for a major part of the year. Thus, the activity status is determined with reference to a long period than a day as or a week. Thus, it appropriately measures 'open unemployment'
(ii) **Current Weekly Status Unemployment**

It implies that the measurement of the number of persons who did not find work even for an hour on any day during the survey week, it is an appropriate measurement of 'seasonal unemployment'.

(iii) **Current Daily Status Unemployment**

This concept measures the activity status of a person for each day of the proceeding 7 days. A person who worked at least for one hour but less than four hours was considered having worked for half a day. It is an appropriate concept devised to measure 'under-employment'.

The NSSO has furnished the classified information pertaining to unemployment rate at different stages of survey. It is presented in Table 1.1.

The four different unemployment rates emerging from successive NSSO surveys corresponding to each of the four measures are summarized in Table 1.1. The extent of unemployment varies considerably depending on the measure chosen. The unemployment rate for the 1999-2000 is as low as 2.23 per cent based on the UPSS definition, but it rises to 7.32 per cent based on the CDS definition. It also reveals a disturbing
feature of an apparent rise in unemployment rates in 1999-2000 compared with 1993-94. The UPSS measure shows a modest increase in the rate of unemployment from 1.90 per cent in 1993-94 to 2.23 per cent in 1999-2000, but the CDS measure shows a sharper increase from 6.03 per cent to 7.32 per cent for the same period. More importantly all four measures show an increase in unemployment rate reversing the decline witnessed in the previous period.
It can be generally observed that:

(1) people may have a preference for white collar jobs rather than jobs, which involve manual work. This is particularly true among educated job seekers,

(2) there is a strong preference for secure wage employment in the organized sector (especially in government) over other forms of employment in the unorganized sector or self-employment, and

(3) there is also preference for employment in urban areas rather than rural areas because urban areas provide in many ways greater access to other facilities. Unemployment rates are traditionally higher in urban areas than in rural areas, partly because of the greater dominance of the organized sector.

1.6 Causes of Unemployment

There are number of causes responsible for the problem of unemployment. These include the alarming growth of population, jobless growth, phenomenal growth in labour force, poor agricultural land and labour productivity, improper implementation of land reform measure, usage of outdated technology, low industrial productivity, inappropriate education system, etc.
1.7 Nexus Between Unemployment and Poverty

There is a close relationship between poverty and unemployment. The major causes of poverty are unemployment. Therefore, an attempt is made to explain the relationship between poverty and unemployment.

Employment plays a dual role. First of all it provides an individual with an opportunity to participate in society and enhance his sense of worth and dignity. Secondly, it provides income and generates output. Assefa Bequale and David Freedman (1979) say, "Employment facilitates access to essential goods and services in one of two ways either indirectly through the provision of income in the case of money earning employment or directly in the case of production for self consumption. The latter is of special importance in the developing countries, especially in the rural areas, where a substantial but varying proportion of activity is directed towards the production of food for family or village consumption or of other basic goods and services that are not bought and sold". According to them, "low levels of well being in developing countries as reflected in low incomes and the high incidence of malnutrition, illiteracy, disease, etc., are both the result and the cause of serious unemployment in these countries".
Tadaro (1979) holds that there is a close relationship between high levels of unemployment and under-employment on the one hand, widespread poverty and unequal distribution of income on the other. He argues that "those without regular employment or with only scattered part-time employment are usually also among the very poor".\textsuperscript{14}

However, he rightly admits that "it would be wrong to assume that everyone who does not have a job is necessarily poor, while those who work full time are relatively well off".

There is a high degree of co-efficient of correlation between unemployment and poverty. There exists poverty because the people are unemployed. Unemployment malady which makes a person to develop deprivation towards food, clothing and shelter. It even marks the creative abilities embedded in human organism.

In the wake of this ground reality, there is a pressing need for designing poverty alleviation programmes which aim at generating employment to the masses.

1.8 Theoretical Background\textsuperscript{15}

This theoretical background is devoted to critically review some comprehensive paradigms of development and examine their relevance to the present study.
1:8.1 Rosenstein – Rodan’s Theory of ‘The Big Push’

According to this theory, there is a minimum level of resources that must be devoted to a development programmes if it is to have any chance of success. Launching a country into self-sustaining growth is like setting an aeroplane off the ground. There is a critical ground speed, which must be passed before the craft can become airborne. The essence of this theory is proceeding ‘bit by bit’ will not add up its effects to the sum total of the single bit. An atmosphere of development may arise only after a critical minimum level of investment has been reached.

Thus, in the rural areas people also faces problem of seasonal unemployment. To solve this, the programme of JRY aimed at employment generation and asset creation at rural area will provide a Big Push for the rural economy for the all round development and wage generation. Thus, this theory is applicable for present study.

1:8.2 Leibenstein’s – Critical Minimum Effort Thesis

The critical minimum effort thesis developed by Harvey Leibenstein states that “if sustained development is to be generated, it is necessary that the initial effort or the initial series of efforts must be above a certain magnitude. In other words, not
all efforts to raise per capita income will lead to economic development. There are some that are too small to do so". The need for a minimum effort arises to overcome internal and external diseconomies of scale, to overcome income-depressing obstacles which may be generated by the stimulants to growth and to generate sufficient momentum in the system so that to enable the poor household to rise above the poverty line once for all, it is necessary that the household be assisted sufficiently, so that the critical minimum level of investment is required to generate sufficient income. Needless to say, the critical minimum level of investment in the form of wages and assets will help the rural people to solve their problem of daily life and improve upon the poverty condition. This critical minimum level of investment in the form of wages and assets will lead to earn income and develop the village to some extent.

1:8.3 Ragner Nurkse's Balanced Growth Theory

Ragner Nurkse has given a theory regarding vicious circle of poverty. The theory aims at solving the problem of poverty by increasing capital formation in the country. Nurkse writes, "underdeveloped countries suffer from large scale disguised unemployment. A large part of population engaged in agriculture could be removed without reducing agricultural output. To have
a balanced growth in the country, we have to use capital, which can create new jobs and will lead to the solution of the problems like unemployment and poverty”. He says, “country is poor because it is poor”. The term vicious circle as it applied to the environment in undeveloped countries refers to an inextricable inter-relationship of cause and effect.

For the underdeveloped country like India to solve the problem like poverty and unemployment need the capital formation. This theory seems to be relevant to the present analysis because it aimed at solving the problem of poverty and unemployment through capital formation in the form of wages and assets. The present study also aims at studying JRY as a solution to rural unemployment through generation of wage employment and creation of social community assets.

1.9 Historical Background of JRY

India is predominantly an agricultural country and its 78.00 per cent of population lives in rural area with farming as their main occupation. The All India Rural Credit Review Committee (AIRCRC) in its report warned, “if the fruit of development continues to be denied to the large number of rural community, while prosperity occurs to some, the tension of social and economic problems may not only upset the process of orderly be
peaceful change in the rural economy, but even frustrate the national efforts to step up agricultural production". Thus, all development efforts center around the human prosperity.

To achieve the objective of rural development, several programmes were undertaken, new approaches were developed and experimental and pilot projects were launched in the past. India has a very long history of experimenting with various approaches to rural development.

In 1952, the Government of India appointed the 'Grow More Food Inquiry Committee' (GMFIC) under the chairmanship of V.T.Krishnamachari to evaluate the campaign, with the recommendation that Community Development Programme (CD) was launched on 2nd October, 1952. The main emphasis was on development of self-reliance in the individual and initiative in the community for achieving desired goal.

There were some drawbacks in CDP and to improve upon the drawbacks the new project Intensive Agriculture District Programme (IADP) was introduced in 1960. The main aim in the long run was to achieve a self-generating break through in productivity and raise the production potential by stimulating the human and physical processes of change. A little later a similar programme, but less in intensity and thinner in staffing pattern
was started in 1964 known as Intensive Agricultural Area Programme (IAAP).

The Rural Manpower Programme (RMP)\textsuperscript{22} towards the end of 1960-61 in 32 Community Development Blocks on a pilot basis was the first major wage employment programme. The programme aimed at providing employment for 100 days at least to 2.5 million persons by the end of Third Plan.

During the Fourth Five Year Plan, a Crash Scheme for Rural Employment (CSRE) was launched for three years from April, 1971, with an annual outlay of Rs.50 crore. The objectives were to provide employment to at least 1,000 persons in selected area every year through labour intensive works and creation of durable assets. Along with CSRE, a Pilot Intensive Rural Employment Programme (PIREP) was started in November, 1972. The objectives were to provide additional employment opportunities to unskilled labour and creating assets.

The Drought Prone Area Programme (APAP) was started as Rural Work Programme (RWP) in 1970-71. The programme aimed at mitigating the severity of scarcity conditions by organizing labour-intensive and production-oriented works so as to generate additional employment in rural sectors.
Maharashtra Government introduced the Employment Guarantee Scheme (EGS) in 1972-73. It embodied a commitment by the state to provide work to a person who comes forward to offer labour. The scheme was intended to provide employment guarantee only in rural areas. The guarantee restricted to the provision of unskilled manual work and it limited to adults.

It was in 1977 a definite step was taken by the government and in April, 1977. Food for Work Programme (FWP) was started as a non-plan scheme to augment the fund of State Governments for maintenance of public works on which large investment had been made in the past by utilizing available stocks of food grains. It was decided to revamp and restructure the programme and accordingly the programme was renamed as NREP.

(a) The National Rural Employment Programme (NREP)

NREP was launched in October, 1980. The main objective of the programme was to provide employment of 300-400 million mandays per year for the unemployed and underdeveloped. Besides this, the NREP aims to create community assets for strengthening rural infrastructure. There was no doubt that NREP is a step in the right direction. To supplement it a new Rural Landless Employment Guarantee Programme (RLEGP) has launched.
(b) The Rural Landless Employment Guarantee Programme

RLEG23 was launched on the 15th August, 1983, with the objective of generating gainful employment, creating productive assets in rural areas and improving the overall quality of rural life. Preference in employment is given to landless labourers, women, SCs and STs.

Emergence of JRY

With a view to fostering rural development, the policy designers of India has introduced a series of programmes such as food for work programme, Integrated Rural Development Programme, Training of Rural Youth for Self Employment, etc.

The JRY is one amongst these programmes. It is the culmination of NREP and RLEG and saddled with the objectives of generation of wage employment, creating community assets and elevating the standard of living of the village dwellers. Introduced in the year 1989, the programme was under operation with changed title, namely, Jawahar Grama Samridhi Yojana (JGSY) with effect from 1st April, 1999. Moreover, now once again, it is under operation with slight changed title, namely, Sampoorna Grameena Rozgar Yojana (SGRY) with effect from 1st April, 2002.
References


4. Government of India, National Institute of Community Development (NICD), (1964), A set of papers on orientation course – Full Course Support on Community Development, Hyderabad, pp. 4-5.

5. Ibid., NICD, p. 8.

6. Ibid., NICD, pp. 10-11.


