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FOREWORD

A study team to make study of the problems of rural employment was constituted in the Ministry of Agriculture & Irrigation under the chairmanship of Shri R.N. Azad, Joint Secretary, Department of Rural Development.

The report of the study team contains useful data on rural employment and should serve as a good reference material pertaining to this important subject. In view of the emphasis being laid by government on removing unemployment and mitigating under employment in the rural areas within a definite time-frame, the report of the study team assumes added importance.

Sd/-

(S.C. VARMA)

SECRETARY,

Ministry of Rural Reconstruction

GOVERNMENT OF INDIA,
MINISTRY OF RURAL RECONSTRUCTION,
KRISHI BHAVAN,
NEW DELHI.

OCTOBER 24, 1979

INTRODUCTION

1. At a meeting of Secretaries held on the 16th July, 1975, to consider some aspects of rural development and employment, it was decided that the Department of Rural Development may, in consultation with the Planning Commission and others concerned, make a quick study of the problems of rural employment. Accordingly, the Department of Rural Development constituted a Study Team under the chairmanship of Shri R. N. Azad, Joint Secretary. A copy of the Ministry of Agriculture and Irrigation (Department of Rural Development) Order No. M. 21018/9/75-RME dated the 28th July, 1975, is at Annexure I. The composition of the Study Team was as follows:—

- (a) Shri R. N. Azad
Joint Secretary
Department of Rural Development ... *Chairman*
- (b) Shri V. B. Easwaran
Joint Secretary (Plan Finance)
Ministry of Finance
(Department of Expenditure) ... *Member*
- (c) Shri S. P. Taneja
Director of Employment Exchanges
Department of Labour & Employment
Ministry of Labour & Employment ... *Member*
- (d) Shri R. Vengu
Deputy Secretary
Planning Commission ... *Member*
- (e) Shri Bhagwan Ram
Joint Commissioner (Training)
Department of Rural Development
... *Member-Secretary*

Shri V. B. Easwaran, Joint Secretary (Plan Finance), in the Ministry of Finance, participated in the preliminary meetings of the Study Team before it proceeded on tour to Maharashtra and other States, but could not join the Team on

tours and in subsequent deliberations owing to other pre-occupations. Shri T. C. Dutt, Joint Secretary (F&A), Ministry of Finance (Department of Expenditure), became a member in place of Shri V. B. Easwaran. The Study Team coopted Shri D. Aurora Director (DPAP) and Shri G. C. Mathur, Assistant Commissioner, in the Department of Rural Development, as members.

Terms of Reference:

2. According to the original Terms of Reference, the Study Team was required to obtain first-hand information on the implementation of Employment Guarantee Scheme of Maharashtra, its organizational pattern, wage rates, and operational, administrative and financial aspects with a view to suggesting necessary measures for ensuring that at least one adult person in every rural family is provided gainful employment as an unskilled labourer for about 250 days in a year on productive works for the creation of durable community assets within a radius of not more than 4 to 5kms of his village on wages which may be equal to or slightly lower than the average wage for unskilled labour prevailing in that area.

3. The Study Team held its first meeting on the 2nd August, 1975. At this meeting the Team felt that besides studying the Employment Guarantee Scheme of Maharashtra, it would be necessary to study similar schemes in operation in some other States also, e.g., the Land Army Organization of Karnataka, the scheme named as "Right to Work" being operated in Gujarat State etc. Subsequently, while the Team was on tour of Maharashtra, Shri V. S. Page, Chairman, Maharashtra Legislative Council, with whom the Team had a detailed discussion about the problems of rural unemployment in the country and the Employment Guarantee Scheme, also suggested a study of the "Right to Work" scheme of Gujarat State. The Study Team also decided to call on Shri B. Sivaraman, Member, Planning Commission, before undertaking field visits as he had recently studied the implementation of the Employment Guarantee Scheme in Maharashtra.

4. The Team called on Shri B. Sivaraman on the 5th and the 8th August, 1975, and held very useful discussions with him. During these discussions, Shri Sivaraman agreed that the Team should not confine itself to the examination of Employment Guarantee Scheme of Maharashtra State alone, but that it should study similar programmes of some other states

also. In this connection, Shri Sivaraman mentioned the efforts made recently by Rajasthan Government to mobilize labour from drought affected districts of western Rajasthan to the Rajasthan Canal Project for employment as part of scarcity relief measures. It was also suggested to study the test relief works of West Bengal which are an annual feature. Accordingly, the Team decided to visit the States of Maharashtra, Gujarat, Rajasthan, West Bengal and, if possible, Karnataka to study the various programmes relating to Rural Employment in these States. The Chairman of the Team called on the Cabinet Secretary who approved of the enlarged scope of the study.

Field Visits and Discussions

5. The Team visited Maharashtra from the 10th to the 14th August, 1975. During this tour, the Team saw a number of works being executed under the Employment Guarantee Scheme in the Districts of Poona and Ahmednagar and also held detailed discussions with the concerned officers and non-officials, including the Presidents of Zila Parishads, about the various aspects of the implementation of the scheme. The list of works studied is given in Annexure II. On the 14th August 1975, the Team held detailed discussions with the Special Secretary, Planning Department of the Government of Maharashtra and other senior officers. Later, the Team called on Shri V. S. Page, Chairman of the Maharashtra State Legislative Council for a detailed discussion on the basic concepts that led to the initial formulation of the earlier Integrated Area Development Scheme and the present Employment Guarantee Scheme. Subsequently, the Team called on the Chief Minister, other concerned Ministers, and the Chief Secretary, Government of Maharashtra.

6. On the 23rd August, 1975, the Team proceeded to Jaipur and had detailed discussions with the Agricultural Production Commissioner (who was also holding charge of the post of Relief Commissioner) and other concerned officers. The discussions centred on the administrative, financial and organizational arrangements made for mobilization of labour from some of the scarcity affected districts of western Rajasthan for work in the Rajasthan Canal Project. Shri R. C. Sood, Agricultural Production Commissioner, Rajasthan, during discussions emphasised *inter alia* that ultimately the problem of rural unemployment could only be solved through intensive agriculture and in this connection highlighted the new extension technology being adopted in Chambal Command Area.

7. The Team visited Gujarat on the 27th and the 28th August, 1975. On the 27th, the Team had detailed discussions with the officers of the Government of Gujarat on various aspects relating to implementation of the "Right to Work" scheme. The Team also called on the Chief Minister and the Minister for Panchayats. On the 28th August, the Team visited Baroda and Panchmahal Districts. In Panchmahal District, the Team visited an Ambar Charka Centre at Zhalod which is being run by Panchmahal Zila Vikas Sangh and Bhil Seva Mandal.

8. The Team visited West Bengal from the 3rd to the 5th September, 1975. On the 3rd and the 4th September, the Team visited a number of works taken up under Scarcity Relief Programme in Bankura and Purulia districts and held discussions with the concerned officials. On the 5th, the Team held discussions with the officers of the State Government at Calcutta.

9. The Chairman of the Team visited Bangalore and discussed with the concerned officers the operations of the Land Army Organization of Karnataka on the 14th and the 16th September 1975, and saw its working in the National Park Project.

10. The list of Ministers, officers and non-officials with whom the Team held discussions is given in Annexure III.

Consultation with Experts

11. We were thus able to cover a fairly representative cross-section of the States and could visit a number of works being taken up under different programmes. Prof. Dandekar, Director, Gokhale Institute of Economic & Politics was also good enough to spend a day with us during our tour of works in Poona and Ahmednagar Districts and gave a number of suggestions. The Team also had the benefit of discussion with Shri Vijendra Kabra of the Asian Trade Union College, New Delhi, which is undertaking pilot projects for setting up cooperative villages of agricultural labour with the objective of drawing the surplus labour from land and putting them into permanent employment in productive works. Some members of the Team had an opportunity to discuss with the Economists, entrusted with the study of the Pilot Intensive Rural Employment Project, various aspects relating to the operation of the projects.

Acknowledgments

12. We would like to express our grateful thanks to the State Governments of Maharashtra, Rajasthan, Gujarat, West Bengal and Karnataka and to the concerned officers for helping the Study Team with all the relevant information, for arranging field visits and for giving all necessary assistance to us.

We are particularly grateful to Shri B. Sivaraman, Member (Agriculture), Planning Commission, and Shri B. D. Pande, Cabinet Secretary, for giving us valuable guidance as to the manner in which the Team should handle the task entrusted to it. We would like to express our gratitude to the Chief Ministers of Maharashtra and Gujarat and to other concerned Ministers of these States for having spared their valuable time for holding discussions with us. Their suggestions have been of immense value to the Team.

The Team was privileged to have had discussions with Shri V. S. Page, Chairman, Maharashtra State Legislative Council. We are indeed grateful to him for making a lucid expose of the philosophy and conceptual thinking behind the Employment Guarantee Scheme of the Government of Maharashtra.

The Team received considerable help and valuable advice from others also, prominent among whom were Shri V. Subramanian Special Secretary, Planning Department, Government of Maharashtra; Dr. M. S. Pawar, Vice-Chancellor, Mahatma Phule Krishi Vidya Peeth, Rahuri; Shri S. C. Chaudhri, Chief Executive Officer, National Sample Survey Organization and Additional Secretary, Cabinet Secretariat, Government of India; Shri V. Kabra, Director, Asian Trade Union College, New Delhi; Dr. Raj Krishna of Agricultural Economics Research Centre, University of Delhi and Smt. Devaki Jain, Economist. To them we would like to express our thanks.

We also express our sincere appreciation for the assistance and advice given by officers of Governments of Maharashtra, Rajasthan, Gujarat, West Bengal and Karnataka, and of Government of India. Mention may be made of Shri D. G. Tungare, Joint Secretary, Planning Department, Government of Maharashtra; Shri R. C. Sood, Agricultural Production Commissioner, Rajasthan; Dr. S. C. Jain, Employment Adviser,

(viii)

Government of Gujarat; Shri G. S. Banerjee, Secretary, Relief and Welfare Department, Government of West Bengal; Brig. V.P. Naib, Managing Director, Karnatāka Land Army Corporation Ltd., and Shri Ram Saran, Director (Economics & Statistics), Ministry of Agriculture & Irrigation.

We are grateful to all of them as also to many others who assisted the Team in its task and are not being mentioned by name.

(Sd.) R. N. Azad,	<i>Chairman</i>
(Sd.) T. C. Dutt,	<i>Member</i>
(Sd.) S. P. Taneja,	<i>Member</i>
(Sd.) R. Vengu,	<i>Member</i>
(Sd.) D. Aurora,	<i>Member</i>
(Sd.) G. S. Mathur,	<i>Member</i>
(Sd.) Bhagwan Ram	<i>Member-Secretary</i>

NEW DELHI

25th November, 1975

CHAPTER I

REVIEW OF IMPORTANT RURAL EMPLOYMENT SCHEMES

1.1 In the area of employment, planning has generally proceeded on the assumption that economic growth will result in increased employment opportunities and that accelerated rate of economic growth will be able to meet substantially the employment requirements of the growing labour force. Experience of implementation of the plans over the last two decades has, however, revealed that growth in employment opportunities has not kept pace with the employment requirements of the growing labour force. Thus, there is increasing emphasis now on taking up programmes for providing additional employment opportunities to the weaker sections of the community. The draft Fifth Plan has specifically referred to the need for massive employment generation for making then maximum dent on poverty.

Rural Manpower Programme

1.2 In normal years, a large scale public works programme, in the strict sense of the term, has been taken up only twice during the last two decades, firstly, during 1960-69 and, secondly, during 1971-74. The Rural Works/Manpower Programme implemented during 1960-69 was taken up primarily on a pilot basis. After the Second Agricultural Labour Enquiry 1956-57, the Government thought in terms of utilising surplus manpower for capital formation. A pilot project for utilizing rural manpower was accordingly taken up at the end of the Second Plan in selected blocks. The project was extended to 1,000 blocks and continued till the end of 1968-69. The outlay for the project was, however, provided on a very limited scale and there was a great deal of uncertainty about the availability of funds. The basic objective of the project was to alleviate the conditions of agricultural labourers in areas suffering from acute unemployment and underemployment. The total expenditure incurred on the programme over a period of nine years was Rs. 35.06 crores resulting in the generation of 1370.21 lakh mandays of employment. The implementation of the programme resulted in the creation of valuable community assets in the form of additional area brought under minor irrigation, soil conservation and afforestation, flood protection and

anti-water-logging measures etc. and additional mileage of roads constructed. Mention may also be made of the Rural Industries Projects taken up in 1962-63. The main objective of the programme was to enlarge non-farm employment opportunities and increase industrial production in rural areas. The programme is being continued and is proving to be an important instrument for self-employment opportunities in rural areas.

Crash Scheme for Rural Employment

1.3 In 1971, Government was seriously concerned with the unemployment problem and came to the conclusion that normal programmes could not meet the unemployment problem adequately and special measures were necessary both in rural and urban areas. Accordingly, a number of special employment programmes were taken up of which, for the rural unemployed, the most important was the Crash Scheme for Rural Employment. This Scheme was taken up for implementation during the last three years of the Fourth Five-Year Plan. There were two objectives behind the scheme. The first was that at least 1,000 persons should be provided employment in each district through labour intensive works and the second was creation of durable assets as it was considered that even in the best developed district there will be pockets of rural poverty and that it will always be possible to find at least 1,000 agricultural labourers in any district. The scheme was implemented in all the rural districts of the country. On this rationale, the allocation was also uniform for each district at Rs. 12.50 lakhs. The annual outlay for the scheme was Rs. 50.00 crores, and over a three year period it was Rs. 150.00 crores. So far as the immediate objective of provision of direct employment is concerned, it was achieved. As a matter of fact, most of the States exceeded the targets set for them. The total expenditure incurred under the programme for three years was about Rs. 122.63 crores resulting in generation of 3158.92 lakh mandays of employment. In regard to the qualitative aspect of the works, a major criticism levelled is that many of the works were small, were not durable, they were scattered, were not planned properly, were unproductive and not fully integrated with the development of the area. The States also had to strike a balance between providing employment and taking up large self-generating assets, in places as near to the residence of the workers as possible. A basic weakness was the preponderance of roads which was to

the extent of 70% of the outlay. A criticism which was levelled is that the roads constructed were 'katcha', supervision was not adequate, there was no provision for maintenance, a road constructed was not necessarily part of a Master Road Plan or District Road Plan etc.

1.4 Both the earlier Rural Works Programmes and the Crash Scheme for Rural Employment were by their very nature *ad hoc*. They had a limited coverage, and resources were spread thinly over a wide area. Consequently they could not make a major impact on the unemployment situation in the country. Some of these aspects were reviewed by the Bhagavati Committee on Unemployment*. The Committee suggested that some Action-cum-Study Projects should be initiated in selected blocks to study the problem of employment, response of workers to employment opportunities etc. The following is an extract from the Interim Report of the Committee submitted in 1972:

"Further, the scheme (CSRE) as at present conceived, is not likely to throw sufficient light on the magnitude and nature of the problem in the rural areas and the size of resources needed for providing adequate employment for all persons seeking work. The Committee feels that it is necessary to undertake some pilot projects in small compact areas in selected districts. These projects should deal with all aspects of development and should progressively be able to provide employment in different economic pursuits to every person offering himself for work in that area. The projects should not concern themselves exclusively with agricultural development but with development in other sectors also. Such pilot projects should be undertaken as action-cum-study programmes so that the problems faced in their implementation under differing conditions may be highlighted. The lessons and data made available from them would provide guidance for planning more comprehensive programmes of employment in future."

Pilot Intensive Rural Employment Project

1.5 Government accepted this suggestion and started 15 pilot projects under the scheme known as P I R E P from November 1972, for a period of three years as Research-cum-Action Projects. The Projects were expected to be completed

*Report of the Committee on Unemployment, Ministry of Labour and Rehabilitation (Department of Labour and Employment), Government of India, May, 1973.

in October 1975. The evaluation of these Projects has been entrusted to a number of Economists in the country under the supervision and guidance of a Committee set up under the chairmanship of Prof. Dantwale. At a meeting of the Economists entrusted with the study of these projects held on September 25-27, 1975 the results available so far were reviewed and discussed. According to the programme formulated for the Projects, a survey was to be carried out of all the persons in need of work in the block. Thereafter, arrangements had to be made for registration of the workers and finally projects to absorb this labour had to be prepared and employment offered to those who had registered. The experience was not uniform. In a number of projects, those who registered for work were very much less than the number shown in the survey. Again, all the persons registered did not turn up for work. In some cases the demand for work was ad hoc and works had to be adjusted according to availability of labour. In most cases there was inadequate planning of the Projects and very little integration with the district programmes. The administrative and organizational arrangements also did not lend themselves to such an integration. Finally, the material component was inadequate in a number of cases to provide for durable and self-generating assets. There was, however, exception in one or two blocks where the number of local labourers who came forward for work was very small, and outside labour from nearby districts was utilised for the works. It was, however, reported that this phenomenon was not peculiar to the particular scheme and even in normal years, the labour from outside usually comes for employment in those districts.

Drought Prone Areas Programme

1.6 While formulating the Fourth Five-Year Plan, Government took note of the fact that the Central Government annually provide about Rs. 25.00 crores in the budget as assistance to famine affected areas. It was considered that bulk of this amount can be so deployed in the areas chronically affected by drought as to generate considerable employment in the rural sector largely related to a pre-planned-programme of rural works. The individual schemes of rural works thus drawn up were to be integrated, on the one hand, with the general programmes of agricultural development in the areas concerned, and, on the other, with specific programmes of development for sub-marginal farmers and agricultural labour. In pursuance of this, a Rural Works Programme for chronically

drought affected areas with an outlay of Rs. 100.00 crores during the Fourth Plan period was taken up. The programme was initially aimed at mitigating the severity of scarcity conditions by organizing labour intensive and production-oriented works. The scheme was implemented in 54 districts and certain contiguous areas in another 18 districts spread over 13 States, and an expenditure of about Rs. 92.00 crores was incurred during the Fourth Plan period resulting in generation of about 1500 lakh mandays of employment. Under this scheme, Master Plans for each district were prepared and attempts were made to evolve some sort of integration. However, by and large, this integration was not satisfactory and the programmes were mostly sectoral with major emphasis on employment. Although the roads component was not as pronounced as in the Crash Scheme for Rural Employment, it was sizeable. It was also noted that in a number of States, small works were taken up which could not make any impact. The following is an extract from the Report of the Departmental Rural Development on this programme:

"The earlier approach was on labour intensiveness; all schemes within the programme were designed to provide employment without a defined approach to solve the drought problem with a long term perspective. Employment generation through direct construction works cannot sustain the economy for a long time. It is essential that efforts should be made to lift the whole production system of these drought affected areas from stagnation into a progressive economic situation. The basic principle is the optimal utilization of land and water as a resource..."

1.7 Towards the end of the Fourth Five Year Plan the programme was changed from a Rural Works Programme to an Area Development Scheme. However, by the time the decision was taken, most of the funds had been committed for various sectoral programmes including roads and the change was more conceptual than operational. The Task Force on Integrated Rural Development which examined this in 1973 suggested a radical restructuring of the programme with emphasis on area development and along with it the development of the rural poor in the area with certain clearly well-defined priorities. This is now being attempted in the Fifth Five Year Plan. In regard to roads, the Task Force referred to above, had to say as follows:

"In any area development programme, it is normal to think that an integrated strategy will give the pride

of place to development of infrastructures such as rural roads. We have deliberately given a somewhat low priority to this aspect. This is because under various on-going programmes, including drought relief works, a lot of expenditure has already been incurred on road construction. Under the DPAP, it was stipulated that not more than 25 per cent should be spent on rural roads. However, it is found that, in several DPAP districts, nearly 50% or more have been spent on rural communications. It is obvious that there is need for soft pedalling in this respect. We are informed that the Central Coordination Committee on Rural Development and Employment has recently decided that no further expenditure on roads should be admissible from the funds of DPAP. We share the considerations which have prompted this decision. We may add that efforts should be made to utilize the funds under Minimum Needs Programme for such infrastructure requirements."

SFDA & MFAL Programmes

1.8 An important scheme, though not specially employment oriented but directed to small farmers, marginal farmers and agricultural labourers with a view to improving their economy, is the central sector scheme of Small Farmers' Development Agencies and Marginal Farmers and Agricultural Labourers Development Agencies. The emphasis in both the schemes is on self-employment through diversification of the farm economy. In addition there was a limited rural works component of the scheme for marginal farmers and agricultural labour. This scheme which was in operation in about 85 districts in the Fourth Five-Year plan has now been expanded to cover 160 districts in the Fifth Plan. At present the Rural works component has been deleted from this programme in the Fifth Plan. To the extent some of the marginal farmers and agricultural labourers are enabled to take to subsidiary occupations and improve their economy, there will be less pressure for wage employment.

1.9 The special employment programmes and the half-a-million jobs programme taken up in the last year of the Fourth Plan are not being dealt with as their focus was not specifically on rural employment as such.

1.10 Besides the special employment programmes taken up by the Central Government, the Study Team has looked

into some of the important special employment programmes taken up by State Governments during recent years. These are the Employment Guarantee Scheme of Maharashtra, 'Right to Work' Scheme of Gujarat, Labour-cum-Development Banks of Kerala, Organization of Land Army in Karnataka and mobilization of labourers of the drought affected districts for work on the Rajasthan Canal Project.

Employment Guarantee Scheme of Maharashtra

1.11 The Employment Guarantee Scheme is in operation since 1st May, 1972 as a part of the 15-point programme formulated by the State Government. Conceptually, however, the scheme goes back to the earlier scheme of Integrated Area Development (known as the Page* Scheme) taken up initially on a pilot basis in 1965 but later extended and made complementary to the central scheme of Small Farmers and Marginal Farmers. To start with, the scheme was taken up on a pilot project basis and covered a village. It was later on extended to a block and then to a district. The scheme was sanctioned as a part of the 15-point programme and came into force throughout the State with effect from May 1, 1972. The State Government experimented with the idea of providing a guarantee of employment for a number of years before the Guarantee Scheme in its present form was finalised. The experience of drought relief works during 1971-74 has also been built in in the scheme.

The following points made by Shri Page, architect of the scheme, are worth of note:

- (i) Guarantee concept irrespective of the economic status of the participants based on the basic principle of 'Right to Work'.
- (ii) Work and wages to be linked; it is not merely a wage giving scheme; seven hours whole-time work is envisaged.
- (iii) *Quantum of Wages:*
 - (a) Wage should be based on the calorie requirements of the man translated into his staple food, e.g. jowar in case of Maharashtra. It is assessed that daily calorific requirement is 2250 calories i.e. 625 grams of jowar.

*After Shri V.S. Page, Chairman, Legislative Council of Maharashtra, author of the Scheme.

- (b) Above quantity is to be doubled in terms of cash for meeting other requirements of the individual.
- (c) Family is presumed to consist of two adults and three children. The family budget should be worked out and divided by two. Dividend should be the wage rate.
- (iv) Works undertaken have to be productive which should preferably produce 'his' essential requirements—primarily 'his' staple food.
- (v) States taking up scheme on the EGS pattern for the first time should take up pilot projects in selected areas to start with.
- (vi) Special mobilization of resources for a scheme like EGS by the States themselves is very important.
- (vii) A scheme like EGS will ultimately ensure the effective implementation of the Minimum Wages Act as the farm holders will be compelled to pay above the wages under the EGS. At the same time, EGS will not result in diversion of labour from normal agriculture because under the EGS the persons are being made to work (a) away from the village; (b) on hard and measured work; (c) a work which normally the labourer would not prefer to normal agricultural work. For example, earth-digging as compared to weeding.

Under the scheme, a guarantee of work is being given by the State Government to all able-bodied adults in the rural areas (since extended to work seekers in 'C' class Municipal Areas also) desirous of rendering unskilled manual labour for wages at rates prescribed according to the task schedule, but are unable to find any work anywhere either through gainful self-employment or wage employment on farm or other allied activities or in the normal plan/non-plan activities. The objective of the scheme is to provide to persons an opportunity of honourably earning a livelihood through wage employment on rural public works and at the same time utilize the surplus labour resources for building up productive community assets which would promote economic growth. Expenditure on the scheme was under Rs. 2.00 crores in each of the years 1972-73 and 1973-74 as a massive drought relief programme had been taken up during these years and the operation of the scheme was suspended during this period. The expenditure for 1974-75 was about Rs. 15.00 crores. A sum of Rs. 50.00 crores has

been provided for the year 1975-76. A sub-plan for Employment Guarantee is to be formulated for each district as an integral part of the district plan. Finance for the scheme has been allocated through the district and from the state sector provision on a 50 : 50 basis. The type of works selected for implementation are to be such that community assets of productive nature like percolation tanks, minor irrigation works, land-shaping and levelling, contour bunding, *nala* bunding, afforestation are taken up which promote agriculture, animal husbandry, forestry and other allied activities in the primary producing sector which in turn will increase the job opportunities in the rural areas. Works under the scheme are executed departmentally and not through contractors. Works have to be labour intensive, that is, to have unskilled wage component of the order of about 60% of the total cost of the work. The guarantee is given at the district level but operationally it is at the Panchayat Samitis/Block level. The two most notable features of the scheme are (1) an assurance of employment to those who offer themselves for employment and (2) mobilisation of 50 per cent of the resource required for the implementation of the scheme through additional taxes consisting of tax on professions, trades and callings, surcharge on sales tax, employment guarantee cess on urban immovable property, employment guarantee surcharge on motor vehicles, surcharge on land revenue and employment guarantee cess on all irrigated holdings.

1.12 Since the Maharashtra Government scheme is a massive one, the Study Team spent considerable time in studying it with a view to understanding it fully and also saw a number of works being executed on the ground. The scheme has been evolved over a period of time and considerable thinking in planning and organization have gone into it. While there are certain deficiencies of which the State Government is fully conscious and is rectifying them, the Study Team gained the impression that for the first time the whole scheme of rural works is being brought on a systematic basis. In fact, the State Government has very recently appointed a high power Evaluation Committee with Shri P. K. Sawant as chairman. During the field studies the Team observed that supervisory staff was inadequate, many schemes after completion would benefit more the medium and big farmers, some areas were getting saturated with smaller type of schemes within easy access, some workers were working part-time to supplement their income, there could be better selectivity in regard to beneficiaries etc. Also, there is need for a more rational

allocation of resources as between different areas and shift in priorities towards selection of works which are more productive and small farmers and other weaker sections derive major benefit from the works chosen.

1.13 Under the Scheme no work can be commenced unless (i) the full requirements of labour on various farm operations and other allied activities in the rural areas are met, (ii) labour is deployed on the existing Plan or non-Plan construction works within the Panchayat Samiti area or in the adjoining Panchayat Samiti area wherever possible, and (iii) full employment potential of existing works in progress or of incomplete productive works is exhausted. This is to ensure that the working of the scheme should not adversely affect the on-going plan works, farm operations and other normal economic pursuits in the area. The Employment Guarantee Scheme is thus basically a scheme for the residual labour force. And if, by any chance, in actual operation in any area it be not so, the Team feels that the EGS must operate within these parameters.

Labour-cum-Development Banks of Kerala

1.14 The Government of Kerala have undertaken a scheme entitled Labour-cum-Development Banks. The scheme envisages a self-financing development agency for the execution of quick-yielding labour intensive and productive rural development projects—financed by funds initially advanced by Government towards cash expenditure and the deferred wage component of labour—the full cost of which, according to the original proposals, is to be recouped from the beneficiaries within three years from the fructification of the projects and then ploughed back for further productive investment or similar projects. The scheme envisages Panchayats playing an important role, and initial financial support from the Government playing a secondary role. The scheme is being implemented in Ernakulam district since July 1973 and was subjected to evaluation by the Evaluation Division of the State Planning Board. The following findings need to be noted:

- (1) In the original scheme of the Labour-cum-Development Banks, it was assumed that the labour component of the schemes taken up would be nearly 60 per cent but the labour component of all the schemes taken together comes to only 57 per cent of the total cost.

- (2) The deferred wages constitute 22.4 per cent of the total wage bill while the scheme envisaged 50 per cent deferred payment.
- (3) Average wages earned per manday by the workers engaged by the bank work out to Rs. 7.40. Even after deferring 1/3 rd of the wages, they are able to have Rs. 5/- in cash as take home wage.
- (4) All the workers engaged under this scheme have opened savings bank accounts with the bank for the wage deferred by them.

1.15 The scheme has advantages like mobilization of labour, involvement of local organization, recovery of the cost from the beneficiaries, deferred payment of wages etc. At the same time, there are certain points which have to be given deeper thought. The solidarity required from different classes of people may not be very easy to achieve. The extent to which labour will agree to deferred payment over a period of time is also to be assessed. Although financial institutions are supposed to come forward so far the schemes have been financed by the Government. The success of the scheme is, therefore, dependent on funds advanced by Government being repaid and, thereafter, being re-deployed for further productive works. It is too early to take any definite view of the success of such a Scheme to enable consideration of the model for its wider application.

Mobilization of drought labour on Plan works in Rajasthan

1.16 Rajasthan Government attempted acceleration of the work on the Rajasthan Canal Project in the wake of the drought of 1974. This was intended to create additional employment for persons affected in the districts faced with severe scarcity conditions in western Rajasthan. Instead of opening relief works in the affected districts, the State Government mobilised a large number of famine affected people for work on the canal project site.

1.17 The State Government took the following steps to encourage labour to move from their homes to the Rajasthan Canal Project which involved distances even up to 400 kilometers:—

- (1) Though relief works were started from October, 1974, and the worst affected areas naturally included the

western desert districts of Barmer, Bikaner, Churu, Ganganagar, Jaisalmer, Jodhpur and Nagpur, it was decided that relief employment to people of these districts would be provided only on the R.C.P. No other works were started in these drought affected districts during the period October, November and December. So far as Ganganagar district is concerned, even during January, 1975, works of other categories were not started. In the other six districts some relief works were started in January 1975 only. Their number had to be gradually increased thereafter because the conditions in these districts further worsened and people could not be entirely made dependent on R.C.P.

- (2) For the months of October, November and December, 1974, as also thereafter, district-wise ceilings of labour were fixed. The Collectors were asked to move labour to the R.C.P. keeping these labour ceilings in view.
- (3) The Government paid for transportation of this labour from the tehsil headquarters to the R.C.P. area, gave food allowance @ Rs. 5/- each per head to the labourers and their dependents, and Rs. 5/- per head as advance to enable the workers to purchase their rations etc. on reaching the Canal Project sites. This advance was to be deducted from their wages subsequently.
- (4) From December onwards, R.C.P. labour was issued foodgrains at 12 kg. per head per month from fair price shops as compared to the usual monthly quota of 2 to 3 kg. in the rest of the State.
- (5) The R.C.P. authorities were required to provide small hutments for this labour. The cost of such hutments was to be borne by the R.C.P. Special medical facilities were also arranged.
- (6) The R.C.P. was also asked to appoint extra staff to supervise and look after the welfare of these persons.
- (7) Gift supplies of medicines, nutritive foods and clothes etc. were also received and were made available to R.C.P. relief labour.
- (8) Return journey of this labour was also arranged and paid for by the State Government. The arrangements

for this return journey were made by Collector, Bikaner, and other district Collectors. Food allowance @ Rs. 5/- per head for the way was also given. This return journey was permitted in the month of June 1975, as first rains had taken place in the beginning of the month mitigating the drought conditions in their home districts.

1.18 As a result of the facilities thus made available and the intensive efforts made by the district administrations to persuade labour to go to the R.C.P., a sizeable number of workers went to work there. The month-wise figures of employment of relief labour on the R.C.P. during the period October 1974 to July 1975 were as follows:

1. October, 1974	10,200
2. November 1974	14,200
3. December 1974	22,100
4. January 1975	30,600
5. February 1975	31,000
6. March 1975	32,000
7. April 1975	37,700
8. May 1975	36,000
9. June 1975	38,058
10. July 1975	21,000

(All relief works were closed down on 31st July 1975)

1.19 The working conditions at a place too far from the homes present their own difficulties for poor village folk who have to leave their old folks and cattle etc. behind, particularly when the migration is very transitory. Hence, despite all these efforts of the State Government, including provision of some incentives, hutments and medical facilities etc. at the work site, labourers did show considerable reluctance towards migration. As a result, the State Government had to provide work by opening some relief works within the districts also from January 1975 onwards when the scarcity conditions worsened in the drought affected districts.

1.20 The Study Team was impressed that the State Government of Rajasthan could organize large scale mobilization of drought labour for work on an important on-going plan project. In the course of the discussions, it was mentioned that 60 per cent of the labour was from within the district in which

the canal project was being executed and 40 per cent was from the other districts some of which were very far off as already mentioned. A point which was made was that the labourers who were moved from other districts were generally those who traditionally migrate in drought periods for work as they have not much stake in agriculture or cattle rearing in their owing villages. A doubt, therefore, obviously arises whether in a normal crop year such type of large scale mobilization would be possible even in States like Rajasthan where there is a long tradition of migratory labour. However, the Team is of the opinion that in states and regions having large surpluses of labour force, such mobilization in an organized way for work on big plan works will be in the overall interests of the economy.

Land Army Organization of Karnataka

1.21 Land Army Organization set up in Karnataka for the execution of public works programmes deserves mention. It needs to be clarified that organization of Land Army is only in the nature of an implementing agency and not a special employment programme. Created as an informal implementing agency to start with, it has now been constituted into a Corporation under the Indian Companies Act. The basic aim of the Land Army is to train unemployed youth in the art of working together, make them better employable, and their deployment in development works in and around the villages. Inculcation of a sense of discipline in the working youth and imparting them training in certain basic trades connected with the rural economy so that they can find employment are very welcome features of the scheme. The works executed by Land Army are generally characterised by three significant features which may not be usually found in other agencies. These are speed, economy and high technical standards which have been achieved due to strict supervision, the training of staff as a disciplined force and developing the quality of leadership in them, integrity, and technical competence in the field imbibed through upgrading of skills. Land Army projects were launched at 15 centres spread over 13 districts during 1971-72 at a total outlay of Rs. 44.35 lakhs. During 1972-73, the activity of the Land Army was extended to three more districts. Five more projects were launched during the year and the total outlay for works sanctioned was Rs. 94.09 lakhs. During 1973-74, the Land Army concentrated on spill-over works. Against the sanction of Rs. 24.00 lakhs, the expenditure was Rs. 41.10 lakhs. The Land Army has also embarked upon

integrated development projects in three districts on pilot basis. The objective is the total economic development of the area taking into consideration all aspects of development. During this period, a total of Rs. 103.63 lakhs were spent and 38 MI works, 183 KMs of roads and 34 school buildings were constructed besides training over 1,100 young men as artisans.

1.21 (A) In August, 1974, the Land Army Directorate was converted into an autonomous Corporation under the Indian Companies Act. The aim of the Corporation as laid down in its Memorandum of Association is rural development in all its socio-economic aspects. While continuing to execute works entrusted by various Government departments, the savings land Army makes after meeting all the expenses—it does make substantial savings even working at schedule of rates the Land Army spends such savings on taking up additional development works and on labour welfare measures like provision of balwadies, schools for children of labourers, medical care and child nutrition etc. The land army has recently embarked upon a bold experiment amongst a group of villages benefiting under the command area of one of its minor irrigation works by organising a Farmers' Association under the leadership of the Land Army. These associations take up, by collective effort and self help, land development agricultural operations using the latest techniques and establishment of khadi and village industries to explore fully local agricultural production and to give employment to the landless. Finance would be arranged by the Land Army partly by its Development Fund but mainly through Banks. There is tremendous enthusiasm amongst the villagers to come together and work for their development. It is proposed to start similar Farmers' Associations in the command area of 14 other minor irrigation projects, being executed by the Land Army which will be completed during the next two years. By June, 1978, it is expected that ten minor irrigation works would be completed and ten Farmers' Association covering about forty villages would be functioning effectively.

Test Relief Works in West Bengal.—

1.22 The Team studied in detail the operation of the Test Relief Works in West Bengal. The rationale for the scheme is that a sizeable section of agricultural labourers remain idle for nearly four months and even under optimum conditions the existing rural economy cannot find adequate opportunity of employment for so much of surplus labour

population and, consequently, relief works have to be organized every year in almost all the districts. Wages are paid partly in cash and partly in kind out of the wheat donated by Voluntary Agencies (mainly CARE, though the total quantity cannot be said to be much, it being usually about 10,000 M.Ts. only in the year).

The following Table gives the year-wise expenditure on Relief including Test Relief Works from 1966-67 to 1974-75:—

TABLE

Year	Total expenditure incurred on account of		Total expt. under various Gran. & Loan Heads including G.R. & T.R. (Rs. in lakhs)
	Gratintous Relief (Rs. in lakhs)	Relief Works (Rs. in lakhs)	
1966-67	432.32	143.72	994.66
1967-68	462.13	183.78	1,267.69
1968-69	183.80	275.96	846.68
1969-70	188.75	212.80	927.88
1970-71	392.23	134.85	1,128.56
1971-72	627.13	195.46	1,739.27
1972-73	588.37	713.80	1,683.74
1973-74	400.00	217.05	914.71
1974-75	1,021.12	367.64	1,604.39

For 1975-76, there is a provision of Rs. 2.00 crores in the contingency plan. Schemes are initially prepared by a Committee consisting of the BDO, the local MLA or his representative and the Anchalik Pradhan. A large number of petty schemes get included. This list is then approved by the S.D.O./D.M. The Team gained an impression that not much technical expertise goes into the preparation of the schemes and also in supervision during implementation. This impression was confirmed during the field visits. A large number of works could not be justified either technically or from the socio-economic point of view. Payment is disbursed by a paymaster. The utility of this functionary was not clear.

Further, there is a preponderance of roads and tanks. Needless to say, there has been no attempt to integrate the relief works with the on-going plan schemes. However in April 1975, the State Government has issued certain guidelines to the departmental officers for introducing this concept while starting works.

"Right to Work" Scheme of Gujarat.—

1.23 The scheme 'Right to Work' operated in Gujarat aims at providing employment to unskilled workers who seek it and the scheme is in operation since 2nd October, 1969. In the initial stages, it was confined to works pertaining to multi-purpose, major, medium and minor irrigation; capital projects; and the district level roads and soil conservation works included in the Fourth Plan. Under this arrangement, the District Development Officer in each district was appointed Coordinating Authority for the scheme in the district. The concerned implementing officers were directed to send reports giving information regarding name of the project, location, required number of labourers, workers already on works, number of vacancies available etc. to the concerned District Development Officer. A person seeking work was expected to approach District Development Officer for getting work and the District Development Officer, after taking into consideration the reports received from implementing officers, was expected to direct the work-seeker to the works where employment opportunities existed.

1.24 In order to create additional employment opportunities, a special provision of Rs. 2.50 crores was included in the State's Fourth Plan for taking up labour intensive schemes or works for the relief of unemployed and under-employed in rural areas.

1.25 With a view to providing employment to old and infirm, whose mobility is severely restricted, at their residence or near about, a new direction was given to the scheme and labour intensive Ambar Charkha Centres have been started under the scheme since 1971-72. Since the scheme envisaged providing employment to unskilled workers, as far as possible in the talukas of their residence, a new arrangement was evolved simultaneously. Under this arrangement, the scope of the scheme was widened and selected district level schemes, programme for accelerated development of backward talukas, water supply schemes, state highways and national highways

and central government schemes like rural works programme in chronically drought affected areas, crash scheme for rural employment, small farmers' development schemes and schemes for marginal farmers and agricultural labourers were covered under the scope of the scheme. Also, according to the revised arrangements the job-seeker is not called upon to approach the District Development Officer but he may approach the Village Panchayat Secretary and get himself registered with him. The Panchayat Secretary sends the list of persons seeking employment to the Taluka Development Officer. The District Development Officer, who continues to be the District Coordinating Authority under this revised arrangement, receives reports from the implementing officers. He analyses these reports taluka-wise and supplies the information to the Taluka Development Officers. On the basis of this information, the Taluka Development Officers guide the job-seekers to works where the job opportunities exist. From August 1971, when this arrangement was introduced up to 31-3-1975 about 4,65,752 persons had requested for employment and all of them were provided with work. During the scarcity period of 1974-75, a number of relief works had to be started throughout the State providing employment to unskilled workers in drought affected areas. Since jobs were readily available the standing arrangement for registration with village panchayat secretary became rather dormant.

1.26 Against the Fourth Plan provision of Rs. 250.00 lakhs, an expenditure of Rs. 64.50 lakhs was incurred during the Fourth Plan. As mentioned above, since 1972 the activities undertaken under the scheme with the help of the specific provision are related to Ambar Charkha Centres. At the end of 1973-74, 44 Ambar Charkha Centres were in operation giving employment to 3,028 persons.

1.27 The scheme has been continued during the Fifth Plan and a provision of Rs. 100.00 lakhs has been made in the Plan. In 1974-75, the expenditure incurred under the scheme was Rs. 21.87 lakhs for 54 Ambar Charkha Centres in operation providing employment to 3,688 persons.

1.28 At present, the scheme is exclusively confined to work on Ambar Charkha. In this limited sphere, however, good work has been done. The Study Team understands that the State Government is now reviewing the whole scheme to make it broad-based to encompass different types of works in rural areas.

1.29 The Study Team has given in considerable detail the available experience in the field of rural employment, not with a view to criticising any particular scheme but mainly to highlight the fact that in employment strategy, no single model could be applicable to the country as a whole because of the very diverse physical, economic and social conditions. There are a number of good features in many of the schemes. The efforts of Government will have to be in both providing opportunities for larger self-employment and for devising suitable programmes for wage employment. A combination of several measures is needed to achieve success and these will have to vary from State to State and from District to District or region to region.

CHAPTER II

PROPOSALS FOR ADDITIONAL EMPLOYMENT GENERATION

2.1 In devising a model or models for a large scale programme of Rural Employment, the Study Team came across two view-points—both held strongly. One view was that a sizeable portion of the rural labour must be syphoned off from seeking work purely on agricultural operations and provided continuous work in the rural areas. The other view was that some work always available to the rural labour in agricultural operations and other rural development programmes and that additional employment not necessarily of a continuous nature has to be provided. Without going into the relative merits of the two views the Study Team found unanimity that in the immediate future a sizeable programme for rural employment was inevitable. This is also borne out by the operation of the Pilot Intensive Rural Employment Project and also in the course of field visits where large number of labour are coming forward for work even in areas where special programmes like the DPAP are being taken up.

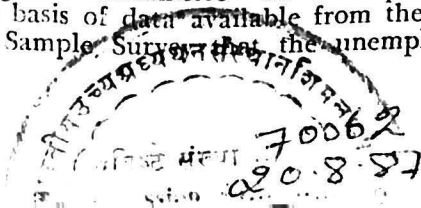
2.2 In a planned economy, employment has to be an off-shoot of growth and over a period of time the two should converge. The long range solution of rural unemployment and underemployment lies in intensification of agriculture (including livestock production, dairying, poultry, fishery, etc.), rural industries, and self-employment schemes. Till that stage of rural development is reached, a separate Rural Works Programme for the residual or spill-over labour force, with additional funding and focus on employment is, therefore, necessary for quite some time to come. However, to minimise distortion which is likely to result from purely wage employment works, these are to be conceived within the framework of the overall development process and properly integrated with the area development programmes already in operation. If viewed and conceived as part of Integrated Rural Development, the special rural works programme can lead to accelerated development of land and water resources in the rural areas and contribute to larger productivity besides providing stable and gainful employment to the labour force in need of it. Also, it is to be borne in mind that problems of urban poverty are a reflection or spill-over of the rural poverty.

2.3 The Study Team is required to suggest measures for ensuring that at least one adult person in every rural family is provided gainful employment as unskilled labourer for about 250 days in a year. The latest data available on unemployment in the rural sector is from the 27th round of the National Sample Survey under which a countrywide comprehensive survey on the nature and extent of employment and unemployment was conducted during October 1972—September 1973. The preliminary data indicates some broad results which aggregate to about 5,000 million unemployed mandays in rural areas. This can be taken as a broad indication of the magnitude of the problem of the total unemployment in the rural areas. However, further analysis would be necessary as to why, for instance, the number of unemployed mandays reported in Kerala is 621 million as against 202 million for Madhya Pradesh. The data, however, is in respect of all persons residing in rural areas including self-employed persons engaged in some of the rural industries, the educated youth in rural areas, etc. A recent survey has indicated that about 45% of those registered at the Employment Exchanges belong to rural areas and about half of these had probably some kind of schooling. It is, therefore, difficult to precisely quantify as to how much of these 5,000 million unemployed mandays would have to be absorbed if, for instance, rural works programme was launched.

2.4 Another approach could be to use the data available from the 23rd round of the National Sample Survey on monthly per capita expenditure for different classes of rural households (1968-69). The analysis of this data shows that the bottom 30% with consumption levels up to Rs. 21/- per capita per month had unemployed mandays of the order of 2,500 million.

2.5 According to the 25th round of the National Sample Survey carried out between July 1970 and June 1971, the estimates of unemployed mandays for the non-cultivating wage earner households having no cultivated land during the reference period July 1969 to June 1970 and the lowest 10% of the cultivating households works out to about 930 million mandays. This strata of the rural households form roughly about 20% of the rural population.

2.6 The Bhagavati Committee on Unemployment had estimated, on the basis of data available from the 19th round of the National Sample Survey that the unemployed would



be roughly about 9 million and another 9.7 million persons who had worked for less than 14 hours a week could also be treated at par with the unemployed. The Team was told, however, that the data available as per the 19th round of the National Sample Survey was not amenable to reduction in terms of the number of persons unemployed.

2.7 The Fifth Five Year Plan has stated that the bottom 30% should be enabled to increase their consumption level by increased income through larger employment. It is difficult to quantify precisely the mandays of employment required to provide 250 days of employment for one member in each family for the bottom 30% of the households. The various estimates* given above would indicate the size of the problem. While in actual practice it would be difficult operationally to ensure that only one person in each family is provided work, for purpose of estimation we are assuming that roughly half the labour force may have to be provided work. We have separately suggested a minimum wage rate of Rs. 3/- to each unskilled worker per day and also proposed that wage and material component should be in the ratio of 60 : 40. In other words, to create one unskilled job on a productive work it would cost Rs. 5/-. While first effort should be to absorb some segment of the unemployed in rural areas through self employment programmes, major portion will have to fall on the agricultural and allied sectors. On a rough estimate, therefore, the provision of employment to at least one adult person in each family for 250 days will require a minimum expenditure of Rs. 200.00 crores for the bottom 20% of the population. This figure can be refined only after the data from the 27th round is completely analysed and examined. With the sharp increase in the rate of growth of population since the forties, the rate of growth of additions to labour force has been so large that the backlog of unemployment has been mounting in spite of substantial investments in the Plans. Though precise estimates of the employment potential in the Fifth Plan are not available, according to all indications available, this trend is not likely to be reversed during the Fifth Plan period. However, in the absence of any estimates for any later period the Team has per force confined itself to the problem as was projected by data emerging from the 25th

*The Draft Five year Plan 1978-83 brought out by the Planning Commission has estimated present unemployment (as in March 1978) to be 20.6 million person years; 16.5 million in the rural areas and 4.1 million in the urban areas.

and 27th rounds of N. S. S. which relate to periods July 1970—June 1971 and October 1972—September 1973, respectively. Thus the Team has come to the conclusion that, not only the additional labour force which will appear on the market every year but also the backlog as revealed by the 25th and 27th rounds of the N.S.S. will have to be reckoned with till such time as the economy gathers enough momentum to generate full or nearfull employment.

2.8 The incidence of unemployment is not spread uniformly over all the States and the districts. In irrigated areas with intensive agriculture and in such of those districts where special projects with significant rural employment component like the Drought Areas Programme, Command Areas Development, etc. are being taken up, the incidence will be relatively less. In its appraisal report, the World Bank has attempted some quantification of the employment which will be available in the six districts under the DPAP where financing is being done by the Bank. This shows a figure of about two million mandays in each district per year both on construction and on development. In the districts selected for operating the Small Farmers Programme some of the marginal farmers will be enabled to intensify and diversify their farm operations and to that extent their dependence on wage employment should reduce. If the rural works programme, which was a component of this scheme during the Fourth Plan is also re-introduced, as it is likely to be, this will also, to some extent, mitigate the problem. We, therefore, feel that if a total programme of about Rs. 200.00 crores is taken annually, it should be possible to make a satisfactory dent on the problem. As we are indicating in another chapter, the resources for this Programme have to be shared fifty-fifty by the Centre and States—the Central liability will be accordingly Rs. 100.00 to Rs. 125.00 crores with a corresponding liability for the States. The allocation of special assistance to States should not, however, follow a uniform pattern but be based on certain objective criteria like the percentage of agricultural labour and the marginal farmers to the total rural population, percentage of irrigated area, etc. Similarly, in allocating the resources to the districts, the States should follow certain objective criteria and take into account the special programme already under implementation in different areas. The Team is also of the view that in case of States which have not had long experience of large scale labour intensive productive works like Maharashtra, should take up rural employment scheme on a pilot basis to start with in districts included in the new integrated rural development programme and later

on, build upon it as the experience is gained. The requirement of funds for the first one or two years would, thus, be considerably less.

2.9 The choice and location of projects is often beset with difficulties. Experience of the Crash Scheme for Rural Employment and the Pilot Intensive Rural Employment Projects has shown that greater care could have been taken in locating the projects. As pointed out earlier, construction of rural roads has formed an important feature of all public works schemes taken in the past. The Estimates Committee and the Public Accounts Committee of Parliament, the Programme Evaluation Organization of the Planning Commission and the Task Force on Integrated Rural Development have pointed out that undue emphasis has been given to roads. The arguments have been that roads are taken up in quite a number of other programmes; the material component is so insufficient that it is not possible to make the roads durable and according to standard specifications; maintenance is unsatisfactory; and, above all, for this type of work, which is easiest to take up, no detailed planning or preparation is usually gone into. We would, therefore, suggest that a very low priority should be given to the construction of roads under this programme except in very inaccessible areas where opening of communications is the first necessity for development.

2.10 The Fifth Five Year Plan has laid stress on area development through an integrated approach of which rural development and employment should be the basic objectives. Logically, therefore, the programmes to be undertaken out of this special allocation will have to be integrated with the development of the area and should form part of the development plan of the area. This was a serious lacuna in the earlier rural works programme, the crash scheme for rural employment and even in the pilot rural intensive rural Employment projects taken up during 1972-75. In its tours of different States, the Study Team found strong support for integrating employment programmes with the normal development programmes of the area and a shift from a purely employment approach to the development approach. Expertise, though in varying degree, is now available with the States for preparing area development programmes. Detailed master plans have been prepared or are in the process of being formulated for Drought Prone Areas Programme, Small Farmers Projects, Hill Area Development Programmes, Command Area Programmes, etc. It should not, therefore, be difficult for the State Governments to prepare master plans for development for maximum utilisation of the land and water resources of

the area and ensuring that the special employment programmes broadly fit into such area development plans. In case the required expertise is somewhere not available, or is inadequate, it should be quickly built up.

2.11 There will often be a conflict in the choice and location of the projects. While the projects should be durable, create community assets, be self-generating and fit into the integrated development of the area, sometimes they may have to be balanced along with social costs and benefits. Some weightage may also have to be given to local opinion, though there are obviously advantages and disadvantages of this factor. On the one hand, there will be greater involvement of the local community and, on the other hand, the choice of works is likely to be made purely by partisan considerations. In this conflict between the immediate and long term benefit to the community a balance has to be struck. Also, there has to be an adequate safeguard that influential persons and other vested interests do not manage to drive exclusive or major benefits from the public works taken up under special employment schemes as the Team did observe at some places, notably in West Bengal. While a uniform model is not possible, the emphasis should be on economic criteria in selecting the works. Experience of the earlier programmes has brought out very clearly that many of the petty works could not stand the test of technical scrutiny and were more or less a waste. The arguments usually advanced in favour of taking up such petty works were that these provided work within a convenient distance to the rural labour and in a short time. While appreciating that productive works should be found for rural labour as near their homes as possible, we should not ignore the fact that in view of the constraint of resources the works should be of maximum utility. This would necessarily mean restricting the works to some minimum level, say, costing Rs. 25,000/-. The work of this size would ordinarily provide employment for about 50 persons continuously for about 100 days. If in a group of villages 50 persons do not offer for unskilled wage employment, there is no need to take up special works in that area.

2.12 Under the Rural Manpower Programme taken up during 1960—69, emphasis was placed on taking up labour intensive works not requiring use of high technical skills. Even in the case of road, it was stipulated that these should

be link roads connecting a number of villages with the main marketing centres. The Government of India did not prescribe any limits in respect of the expenditure to be incurred either on wages or on materials. Under the initial proposals for C.S.R.E., it was suggested that 50 per cent of the expenditure on a project should be incurred on material and the remaining 50 per cent on wages. Finally, it was decided that 80 per cent should be on labour component and the remaining 20% on material, equipment, etc. During implementation, this was found unworkable for constructing durable assets and it was decided that up to 50% of the outlay for a district could be spent on projects having a labour material ratio of 60:40. It was, however, stipulated that the overall ratio between the total expenditure on labour and total expenditure on material for the district as a whole should be 70:30. Under Pilot Intensive Rural Employment Project taken up for a period of three years in 15 selected blocks throughout the country, the overall labour material ratio was initially kept at 70:30. It was, however, not found possible to adhere to this ratio in the third and final year of the project and expenditure on materials had to be substantially raised with a view to ensuring the durability of the assets. Accordingly, the overall ratio was kept at 60:40 but the State Governments were allowed to spend larger amounts on material in case of certain individual schemes. Under the Employment Guarantee Scheme of Maharashtra, the labour employment ratio is to be kept at 60:40. During its field visits to Maharashtra and discussions with the State Government officers, MLAs, MPs, and other non-officials, the Study Team found that the ratio was working satisfactorily and the assets being created were expected to be productive and durable. The Study Team suggests a low priority for roads and would put maximum emphasis on productive and self-generating works. For rural works of productive nature, a material component of 40 per cent should be adequate. In the following chapter, the type of productive rural works which can be thought of for different areas have been suggested.

2.13 In all the rural works programmes taken up so far, the labour has been generally paid wages at the prevailing off-season rate. Under the crash scheme for rural employment, wages were to be fixed in such a manner as to equal to the off-season rates for agricultural labour and could not exceed Rs. 100/- per month. Care was to be taken to see that wages were not fixed in such a manner as either to induce people to give up employment which they had already secured and to

seek employment in the projects or to fail to attract unemployed and under-employed people. The maximum wages were fixed at Rs. 4/- per day. In those cases where payments were made on the basis of quantum of work done, the wages depended entirely upon the output of labour and could be more than Rs. 4/- per day or Rs. 100/- per month. This system worked satisfactorily and generally there have been no complaints from the States. Under the Employment Guarantee Scheme of Maharashtra, the average wage per person for seven hours work per day has been prescribed at Rs. 3/-. During discussions, the officers of the state government clarified that in prescribing the wage rate of Rs. 3/- the State Government had taken into consideration the calorific requirements for the worker and his family and depending on the increase in the prices of foodgrains, the wages were subject to revision. It was also pointed out that wages of Rs. 5/- was not the maximum to be paid per worker per day and the workers could earn higher wages if it was justified by their out-turn. During field visits, the Study Team, however, noted that the average earning per labour per day was generally around Rs. 2/- and in some cases it was even Rs. 1.20 or so. At the other extreme there were certain cases reported from the Pilot Intensive Rural Employment Project where the prevailing wage rates were quite high, for example, Rs. 7/- or Rs. 8/- per day, the wages offered under P.I.R.E.P. which were lower than even the off-season rates were not attractive and all persons who had registered for work did not avail themselves of the work opportunities. The Study Team would, therefore, suggest the slack season wage rate with a maximum of Rs. 4/- per day for a normal work of seven hours. However, where wages are paid on the basis of outturn, which should be the practice for every measurable work, they could be more according to the actual output of work. The Study Team was advised that this rate would be fair considering from the current national income point of view, particularly when it is viewed as providing relief to a wage earner who would otherwise have got nothing to go by. The Study Team does not, therefore, think that this would amount to any exploitation of labour by the State. Where adequate number of people do not come forward to work on these off-season wages, no special works programme should be started in that area as obviously there is no need for such a programme.

2.14 Another feature noticed in the operation of the P.I.R.E.P. has been that, in certain areas, the works had to

be adjusted according to the availability of labour, and demand for jobs was sporadic. This combined with lower wages offered affected the progress of works. However, this has not been the experience of other rural employment programmes nor in respect of works taken up under the Employment Guarantee Scheme of Maharashtra. Where there is acute unemployment, these factors are not likely to operate.

Mobilisation of Labour for Plan Projects:

2.15 It has been noticed that, despite high degree of unemployment/under-employment, specially seasonal, prevalent in rural areas, certain large plan works are experiencing shortage of unskilled labour. Example of such works are Rajasthan Canal Project and Sharda Sahaik Project in U.P. During the drought of 1974-75, the Government of Rajasthan found that there was demand for work in the drought affected districts. Instead of opening local relief works to provide job opportunities to the affected population, they found it more advantageous to transport such people to the Rajasthan Canal Project site and offer them work there. This lessened the burden on the State exchequer by obviating the necessity of opening local relief works. At the same time, the need for labour by the Rajasthan Canal Project authorities was also met to a certain extent. This kind of mass transport of employment seekers to big plan projects is not a normal feature. In Rajasthan also it was attempted for the first time during the drought of 1974-75, and has not been attempted since then owing to normal rainfall in the State. This shows that only in the case of acute scarcity can there be willingness on the part of the employment seekers to travel long distances to find work. There may be Areas where all the workers may not find employment even during periods of normal rainfall and at the same time there may not be any possibility of taking up special employment programmes. It may then be possible to organise available surplus labour in such areas and take them to the plan works which are experiencing shortage of labour. Arrangements for stay, health care and other welfare amenities for the workers may be made by the project authorities as was done in the case of Rajasthan Canal Project during the year, 1974-75.

Social security measures

2.16 Despite best efforts, it is felt that the special works schemes proposed in this Report cannot take care of the

employment problems on a continuing basis. The magnitude of the problem is such that it will probably take a very long time to provide employment to unskilled persons in rural areas on a stable and continuing basis. It is, therefore, necessary to ensure that a provision is made in the shape of group insurance scheme to take care of atleast the partial needs of such workers during periods of idleness between spells of employment. Fifty per cent of the premium of such insurance can be deducted from the wages of the beneficiaries, and 50 per cent contributed by the Government. Details of the scheme can be worked out by the Ministry of Finance in consultation with experts on the subject.

Muster-rolls saving schemes for such workers can also be considered. For example, Syndicate Bank has a scheme under which very small savings even to the extent of 25 paise per head per day is collected from the savers and put in deposit on their behalf. Feasibility of bringing such workers under such a scheme has also to be considered. It may be difficult for such workers earning a maximum amount of Rs. 100/- per head per month to save 25 paise per day on continuing basis when the continuity of employment is not assured. Any such scheme will have to be modified in their case to enable them to contribute a sum smaller than 25 paise per day.

Integrated Rural Development:

2.17 It has been realised that the problem of rural unemployment is essentially a problem of rural development. Further the strategy of Integrated Rural Development enunciated adopted by the Government of India based on decentralised micro-level block planning as full employment as its basic objective. Action plans to implement the new strategy of Integrated Rural Development in 2300 out of 5004 blocks in the country are being drawn with the following objectives:—

(a) The objective being full employment within a certain time frame the programme must provide gainful employment to persons below the poverty line in the village community such as marginal farmers, landless labourers, artisans, scheduled castes and scheduled tribes and women through productive means.

(b) These employment opportunities should be created through making optimum use of the existing local resources—

human, animal, plant, soil, water, mineral and other resources: science and technology has to be fully harnessed to achieve these objectives.

(c) The programme should be simple enough to operate and in terms of capital and material investment cost-wise cheap enough to ensure that it is self-sustaining and capable of being replicated under similar or varying conditions.

(d) The main thrust will be on individual family beneficiary approach so as to bring the families living below the poverty line above it.

(e) Apart from Agriculture (in its wide sense) there will be great emphasis on village and cottage industries. There must be full involvement and participation of the people for this purpose voluntary agencies will be fully associated.

2.18 Basic objective is to improve the productivity of the rural areas so that continuing employment is generated in agriculture and allied sectors. Coupled with this, steps are also under way to reorient the development administration and management systems in the country for a proper planning and more effective implementation of programmes relating to rural development and rural employment.

2.19 The application of science and technology to rural areas under I.R.D. should, if feasible, include study of existing unskilled jobs/chores in the countryside with a view to make such tasks less painful and unpleasant.

2.20 Finally, the Study Team would emphasise that it will be necessary to continue this programme for a number of years to give some stability to the rural poor until our economy becomes diversified and sufficiently developed to take care of the employment needs. Above all, the ad-hocism of earlier programmes must be avoided. As our economy grows the outlays under this programme should become less and less, and, thus, the number of persons offering themselves for work on Special Employment Programmes will itself be indicative of the need for their continuance or otherwise in any area. And, that should indeed be considered as a happy day in the economic history of the country or a region if people in sizeable numbers do not come forward for work at the slack season wage rates.

CHAPTER III

TYPES OF PROJECTS FOR RURAL WORKS PROGRAMME

3.1 Need may arise any time for opening special work in a particular rural area for providing employment to persons who are not absorbed in the work projects in the private and public sectors including farm operations and on-going plan projects. In such a situation, the Team is of the view that the first step should be to explore the possibilities of expanding and accelerating such on-going plan projects in the area which have got a sizeable employment potential. Also, the plan projects having employment potential which are proposed to be taken in the future years should be pre-dated and started.

3.2 After the above exercise has been done and full potential utilised, if still there is labour force for which work has to be provided, special rural works will have to be opened in the area. These works to be productive and self-generating would include all categories of minor and medium irrigation works, soil and water conservation, grassland and pasture development, afforestation, development of irrigation commands, etc.

3.3 Minor irrigation projects to be chosen should be such which have a large employment potential such as construction of dug-wells, *bandies* and tanks, desilting of tanks, etc., like wise, for development of irrigation commands, emphasis should be on development of field channels constructions of link roads for opening the hinterland and connecting the markets.

Review Committee on the Pilot Intensive Rural Employment Projects constituted under the Chairmanship of Prof. M. L. Dantawala has recommended:—

- (i) The entire planning strategy should become employment oriented.
- (ii) All projects satisfying the test of financial viability and technical feasibility should become an integral part of district Planning.

- (iii) The State Government should enlist a few multidisciplinary team of persons well versed in formulating a comprehensive district plans into which special programme could be integrated.
- (iv) Reduction in poverty and unemployment can be achieved at a quicker pace with the backing of local leadership and involvement of people's participation.

3.4 Human resources should be treated as a national asset which has so far not been fully utilised. There is great potential for utilising this human resource for land development in India which will not only provide stable and gainful employment to the unemployed masses and improve their quality of life but will also raise the productivity of the land. The works would include land shaping and land development; soil and water conservation; reclamation of saline, alkaline, acidic, ravine and water-logged lands etc.

3.5 It has been estimated (i) that out of the total geographical area of 328 million hectares, as many as 90 million hectares are affected by water erosion and another 50 million hectares by wind erosion. Further, approximately about 7 million hectares of once fertile lands have been effected by water-logging and salinity or alkalinity. Similarly, there are large tracts of ravenous land in Uttar Pradesh, Madhya Pradesh and Rajasthan which can be reclaimed and put to productive use (ii) Reclamation of such lands will provide gainful employment to a large number of workers—both skilled and unskilled.

3.6 Thus, there are vast areas of land in the country which are wanting attention. A shelf of schemes on principles of watershed and drainage should be prepared on the basis of pre-surveys and adequate data in respect of soils, rainfall, runoff, vegetative cover, agricultural practices, etc. Such schemes should have priority in implementation of rural employment programmes. It is essential that for planning and project preparation latest methods given by science and technology are utilised.

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- (1) Vohra, B.B. 'Land and Water management problems in India' Training Volume 8, Training Division, Deptt. of Personnel and AR, Cabinet Secretariat, New Delhi, March 1975.
 - (2) Ravine Reclamation programme, Report of the Working Group on Ravine Reclamation for Decolt Infested Areas of U.P., M.P. Rajasthan, Ministry of Home Affairs, Government of India, New Delhi, October 1972.
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3.7 Total planned development of catchment or sub-catchment would include lands of small and marginal farmers as also sub-marginal and undeveloped land allotted or being allotted to the landless agricultural labourers. The small farmers and these new allottees will not be in a position to develop the land on their own. The Team feels that the land owners in these cases should be encouraged to develop their lands by meeting a part of the cost out of public funds. A suitable formula may be devised by which these poor land-owners are enabled to sustain themselves while working on development of their own lands. This principle has already been accepted under SFDA, DPAP, Command Area Development, Tribal Area Development and Hill Area Development programmes.

3.8 There are areas in the country like in states of West Bengal, Bihar, Orissa and Eastern U.P., etc., where work on soil and water management, development of water sheds or reclamation of ravine land may not be possible on a vast scale as is possible in States like Maharashtra, Andhra Pradesh, Karnataka Gujarat, Madhya Pradesh, Rajasthan Bundelkhand region of Uttar Pradesh, etc. These are the areas characterised by high concentration of population, and very small holdings without much fallow land. In such areas, implementation of master plan for floods and drainage schemes is suggested. There are already master flood plans in most of the states which are subject to floods. These may, however, require updating. Implementation of the schemes forming part of the master flood control plan and the drainage schemes will be productive and should be preferred to taking up construction of bunds and drains here and there on purely ad-hoc basis. The team understands that there is a 20 year Road Plan for most of the areas. As suggested in para 2.9 road works should have a low priority and may be taken up only when the possibility of taking directly productive works, like irrigation works, etc., has been exhausted, except in hilly and tribal areas where construction of a road may be a priority item. The study team would, however, also like the implementing agencies to consider not only to view the economic worth of roads but also the social worth while an investment decision is to be made. In a cost benefit analysis conducted in Trithala Block, Palghat District, Kerala by the India Institute of Management Ahmedabad, it has been found that the cost benefit ratio for the irrigation projects was as high as 9.33 (particularly for lift irrigation schemes) whereas it was only 1.84 for rural roads. The Institute was however, quick to point out that this did not

necessarily imply that investment in minor irrigation works in development programmes was necessarily the best and the sole choice. All it meant was that the pay off was highest in irrigation. In implementing rural development projects, the intangible benefits have to be considered and weighed properly in project selection. For the planned development of different sections of the community, the distribution of benefits to weaker sections also needs to be taken into consideration.

3.9 Other categories of productive works under employment schemes could be afforestation, pasture development, fish-culture, etc. It has been demonstrated that fish-culture on modern scientific lines can be highly remunerative and at the same time it is labour intensive. In fact, there can be many a scheme which could be designed taking into consideration the local conditions and potential and emerging from the local genius. For instance, even clearing water tanks and irrigation channels of water hyacinth and turning it into compost could be thought of for the eastern states. In all the schemes, there should be criterion that the schemes are productive and they fit in into the overall area development plan.

CHAPTER IV

SELECTION OF AREAS

4.1 In its Interim Report, submitted to the Government in November 1975, the Study Team on Rural Employment had taken a global view without identifying areas in which the special employment programmes could be taken up. It had recommended an annual outlay of Rs. 200-250 crores to be equally shared between the Central and the State Governments. The report was considered by the Committee of Secretaries in a meeting held on January 29, 1976 under the Chairmanship of Cabinet Secretary. After considering the report, the Committee of Secretaries decided that the study Team may take further action as under:—

- “(1) The NSS data on Rural Unemployment gives break-up for 66 different regions. The Study Group may examine these data and identify the regions of relatively acute rural unemployment in consultation with the NSSO. It may also ascertain the magnitude of the problem in each such region, i.e. the number of persons to be provided employment on the basis of one adult member in every household in the bottom 30 per cent of the households.
- (ii) Having identified the regions and the magnitude of the problem in each such region in the manner indicated above, the Study Group may ascertain the employment potential of the on-going schemes/projects in that area be making necessary adjustments and work out the gaps which have to be filled in by intensification of the existing schemes or devising suitable additional schemes according to local conditions and requirements. It will also be necessary to determine and state the organisation responsible for implementation.
- (iii) The schemes for providing employment in rural areas may be:—
 - (a) major projects employing large number of labourers through contractors;
 - (b) local construction works and other rural works; and

- (c) self-employment schemes like horticulture, poultry, rural crafts, animal husbandry etc.
- (iv) Care will have to be taken to ensure that the schemes selected in each area are in accordance with the priorities, and are technically feasible, sound, economical and useful to the local community."

4.2 The Study Team considered the data available with the National Sample Survey Organisation for the 25th and 27th Rounds. The 25th NSS Round carried out between July, 1970 and June, 1971, collected data regarding the non-cultivating wage earner households having no cultivated land during the reference period July 1969 to June, 1970 and the last 10 per cent of the cultivating households whereas under the 27th Round data was collected for the entire rural population. On the basis of the 25th NSS data available, the study Team considered the districts where the percentage of unemployment/underemployment was 3 per cent or more and 5 per cent or more. Two lists of districts where unemployment/underemployment was 3 per cent or more and 5 per cent or more were prepared. The Study Team, however, felt that the state of unemployment should be viewed alongwith the prevailing consumption level to arrive at a more realistic situation. Accordingly, the Team took into account areas with Rs. 30 or less per capita consumption expenditure, which is just on the border of the poverty line, by superimposing these data on the data obtained from the 25th Round of the NSS survey. A list of these districts is at Annexure IV. About 104 districts came in the category of unemployment to the extent of 3 per cent and more and monthly per capita expenditure of Rs. 30/- or less. Of these, about 44 were within the category of 5 per cent or more. It was noticed that certain proverbially backward areas in Eastern Uttar Pradesh or Northern Bihar or West Bengal did not appear in this category. Interestingly, almost every district of Tamil Nadu is covered and so also of Kerala.

4.3 During its visit to Uttar Pradesh, the Study Team on Rural Employment discussed this question with the State Government officers. As part of the 27th Round, the State Government had collected districtwise data on the degree of unemployment/underemployment and had tabulated the data for each district. According to the information available with the State Government, there were 5 districts where the unemployment/underemployment was 5 per cent or more whereas there were 24 districts, where the unemployment/

underemployment was 3 per cent or more. During discussions, it was revealed that the All-India NSS data did not give a true picture of the prevailing situation in each district. The NSS data was available in respect of NSS regions'. Once a particular region was found to have unemployment/underemployment of the order of 3 per cent and more or 5 per cent and more, all the districts within the region, irrespective of the fact of variations in the degree of unemployment/underemployment for individual districts, were listed out for the purpose of coverage under the special employment programmes. Further examination of the data of in respect of Uttar Pradesh revealed that the percentage of unemployment/underemployment for none of the regions was 5 per cent or more and in case if the basis of selection of areas was unemployment/underemployment of the order of 5 per cent or more, none of the regions/district would qualify. However, if the data for individual districts was to be considered, there were three districts in Eastern region, viz., Ballia, Gorakhpur and Mirzapur, one district in Hill region, viz., Nainital and one district in Bundelkhand region, viz., Hamirpur, where the unemployment/underemployment was 5 per cent or more. Again, if the percentage of unemployment/underemployment for the region was considered, none of the districts in the Western region, would be eligible for coverage under Special Employment Programmes since the degree of unemployment/underemployment in the Western region was the order of 2.18 per cent. However, there were 6 districts viz., Agra, Aligarh, Bijnore, Mathura, Pillibhit and Rampur, where the degree of unemployment/underemployment was 3 per cent or more. The above information brings out the deficiencies in identifying areas with reference to the regions into which the NSSO has classified the entire country. It would have been desirable if States other than UP had also collected information for individual districts. In that case, the identification of the district with reference to the degree of unemployment/underemployment could have been made in a more logical manner. Till such time that other State Governments collect information for individual districts, the identification of districts for coverage under special employment programmes could be made on one of the following basis:

1. Degree of Unemployment/underemployment (3 per cent and more or 5 per cent and more) with reference to the data available as per the 25th or the 27th Rounds of the NSS.

2. Districts may be identified with reference to degree of unemployment/underemployment (3 per cent and more or 5

per cent and more with reference to data available as per the 27th Round of the NSS. The districts identified in such a manner may be superimposed on the districts where the per capita monthly consumption expenditure is Rs. 30 or less as per the 25th Round. This manner of identification of districts would also suffer from the defects of using NSS regions data.

3. Another way of identifying districts can be to identify all the districts falling in different regions in which the percentage of unemployment/underemployment is more than the All India average. For the purpose of identification of districts within a region, the difference between the highest degree of unemployment/underemployment for the district in the region minus the degree of unemployment and underemployment for the whole region may be taken and then working out the mean for the region. All the districts of the region where the degree of unemployment/underemployment is more than the mean may be selected for coverage, under the special employment programmes. This method assumes that information on the degree of unemployment/underemployment is available not only for the regions but also for the individual districts.

CHAPTER V

RESOURCE MOBILIZATION

5.1 The Team has given considerable thought to the question of mobilization of adequate resources for financing of the special employment programme envisaged by it. In the past, the special employment programmes, e.g., Rural Manpower Scheme; under the Third Plan, Crash Scheme for Rural Employment under the Fourth Plan, and Pilot Intensive Rural Employment Programme currently under implementation, have all been financed by the Central Government wholly. Also, these programmes were conceived by the Central Government. The state governments were entrusted with their implementation according to the policy and guidelines of the Central Government. Even the drought and flood relief programmes are financed partly out of central assistance. The time has now come for the States also to mobilize their own resources to meet part of the outlay on special employment programmes envisaged in this Report. The Team considers this essential in order to ensure that the State Governments have a positive stake and full sense of involvement in this programme and only really productive schemes are taken up under it. We would recommend that the Central Government should contribute 50 per cent of the outlay on programmes proposed by the state governments as central assistance in the shape of grants on the condition that the states themselves raise the remaining 50 per cent through special tax efforts. The proceeds of the special taxes may be credited to a special employment fund as has been done in the State of Maharashtra. In this connection, the Team would like to make a mention of the special taxes levied by the Government of Maharashtra by way of illustration. The States will, of course, have freedom to devise their own methods and determine the items for raising special resources in the light of local conditions.

5.2 In the financial year, 1975-76 the Government of Maharashtra had made a provision of Rs. 50.00 crores for the Employment Guarantee Scheme. The State Government had decided to make available Rs. 25.00 crores from the normal plan budget and to mobilize additionally Rs. 25.00 crores through the following means:—

- (i) A tax on professions, trades and employment. The tax on professions etc. was expected to yield a net

income of Rs. 10.42 crores after allowing for cost of collection and payment of compensation to such local bodies as were levying the tax so far.

- (ii) A surcharge of 6 per cent on sales-tax payable by dealers under the Bombay Sales Tax Act whose turnover exceeded Rs. 10.00 lakhs. This surcharge was expected to net in an amount of Rs. 7.20 crores.
- (iii) An Employment Guarantee Cess on urban immovable non-residential property at the following rates:

<i>Slab annual letting value</i>	<i>Rate of tax</i>
Where the annual letting value of a land or building is —	
(i) Rs. 75 or more but not more than Rs. 150/-	One per cent of the annual letting value.
(ii) More than Rs. 150 but less than Rs. 300/-	1.5 per centum of the annual letting value.
(iii) Rs. 300 or more but less than Rs. 3000/-	2 per centum of the annual letting value.
(iv) Rs. 3000 or more but less than Rs. 6000/-	2.5 per centum of the annual letting value.
(v) Rs. 6000 or more	3 per centum of the annual letting value.

This source was expected to yield an income of Rs. 1.30 crores.

- (iv) An Employment Guarantee surcharge on motor vehicles tax payable by private passenger cars under the Bombay Motor Vehicles Tax Act. The surcharge will be at 100 per cent in the case of imported cars and at 25 per cent in all other cases. The yield from this tax is expected to be Rs. 0.75 crores.

5.3 The agricultural sector was also required to contribute towards the cost of the Employment Guarantee Scheme through the following two taxes:—

- (a) A surcharge on land revenue at 50 per cent of the land revenue payable on all holdings which were larger than 8 hectares but not larger than 12 hectares and at 100 per cent of land revenue on all holdings above 12 hectares. The yield of this surcharge was expected to be Rs. 2.34 crores.

- (b) An employment Guarantee Cess on all irrigated holdings at Rs. 25 per hectare, the first irrigated acre in any holding being free from tax. The yield was estimated at Rs. 3.00 crores.

5.4 The Government of Maharashtra had also made statutory provision for:

- (a) Funding of these tax receipts in a separate fund (which will be entitled the Employment Guarantee Fund).
- (b) Prescribing of rules laying down the manner in which and the conditions subject to which the amount standing to the credit of the Employment Guarantee Fund shall be expended on the Employment Guarantee Scheme of the State Government, and
- (c) Administration of the fund by an officer not below the rank of the Secretary to Government subject to special conditions or special directions as may be given by State Government from time to time.

5.5 The Team feels that it should not be difficult for the States together to raise additional Rs. 125.00 crores per annum through a combination of various taxation measures of the type adopted in Maharashtra which should be the States' contribution, if a total programme of Rs. 250.00 crores is taken up in the country. Apart from such taxes, we would suggest that the recommendations of the Raj Committee regarding taxation of agricultural income should also be implemented substantially in different states to raise additional resources for the special employment programme for the rural poor.

5.6 It has been suggested that the surplus food-grains available with the Government could be utilised as a resource for implementing a massive rural works programme. The food-grains could be utilised for payment of a part or of all the wages or workers engaged on rural works. The accumulated surpluses with the Government consist mainly of wheat and milo. These do not constitute staple diet throughout the country. It will have also to be considered whether foodgrains would form part of the central assistance to be given for implementation of rural works programme or whether assistance in the form of foodgrains would be over and above the central assistance. In the initial stages, it would perhaps be necessary to treat such assistance as additional.

CHAPTER VI

SELF EMPLOYMENT AND UPGRADATION OF SKILLS

6.1 In Chapter II, the Study Team has indicated the dimension of the problem of unemployment in the rural areas. It has also given its suggestions for meeting the problem. In order that the investment on special employment schemes is not allowed to become manifestly inflationary in character, stress has been laid on large sized productive rural works which should be self-generating in the long run.

6.2 A programme based on rural works chosen mainly on the criterion of their capacity to provide maximum possible unskilled employment, howsoever productive the works may be, has its own limitations. A balance has also to be struck between labour intensiveness and viability and, therefore, we have also laid stress on large works and have also suggested the minimum size for such works. The objective of finding productive works for employing labour as near as possible to their homes may not be possible of achievement after some time. It may happen after a few years that there is no shelf of schemes left of such productive works in or around the area of their homes while the pressing need of the overflow of work force having no work continues to exist perennially. During the field visits in Poona District, the Study Team was informed that such a situation had already reached in one block of the district due to a long drawn drought when a large number of rural works had to be undertaken in that area. Such a possibility has to be visualised and, therefore, there is need for adopting means and methods of combating it by suitable orientation of the approach right from the beginning. In this context, the Team would like to put stress on a strategy of occupational diversification of surplus labour force.

6.3 Therefore, top priority should be given to promote self-employment amongst as many of the rural work force as can be motivated or enabled to start cottage/village industries or take up other avocations. The Fifth Plan envisages a large programme of village and small industries. All efforts must be made to see this programme successfully implemented. Another suggestion is to encourage migratory habits among the local work force so that part of the labour force shifts from

its dependence on agricultural sector and migrates to seek regular self-employment/employment in the private or public sector away from their homes in the rural areas. Mobilization of large labour force on Rajasthan Canal Project has demonstrated that it is possible to do so. This can only be achieved through a suitable training programme co-existing with and as an integral part of the whole effort of rural employment for providing skill-upgradation both in content and form, adequate enough to match the need of those seeking or capable of self-employment or better employment. It is now an accepted concept that each and every job, irrespective of whether it falls within the category of unskilled, semi-skilled or skilled, does need training, although the content and duration of training may vary. Even unskilled labour needs training, even if it be for a few days, for increasing the outturn and thus his earnings. The Study Team observed during its visits to the rural works in progress in different areas that even for earth work the wages paid on piece rate system were often considerably less than the wage stipulated under the Programme which itself was lower than the prevailing daily wage rate. This was attributed to the low productivity of the labour force even on unskilled earth work.

6.4 There are many avenues of self-employment and employment on 'off the farm' jobs opening out both in rural and semi-urban areas with the growth and diversification of the economy. The rural works are likely to draw larger number of workers year after year, if there is no effort at diversification of employment opportunities. It should not be difficult to draw out the more enterprising and the motivated from amongst them and to put them to training for diversion to other jobs. The training methodology, however, has to be distinctly adapted to rural needs and for this there may be need to set up rural training workshops attached to a 'mother institution'. Such a workshop has also to be in the nature of an 'extension service workshop' capable of carrying training to the place of work and imparting it for upgrading the skills while people are on the job. For sophisticated training required for self-employment and more skilled jobs, the training may be provided centrally. The built-in system of 'training' in the Land Army Organization of Karnataka is a good example.

6.5 The Study Team has only tried to focus attention on different aspects relating to surplus labour, acquisition of skills

etc. The Team could not go into this in detail. We understand that the Diamond Jubilee Institute, Baroda in Gujarat, is an institution working on the concept of an unconventional training suited to promote self-employment though not strictly for rural areas. Reference may also be made to the pilot scheme of mobile training unit being drawn up in the Directorate General of Employment and Training, Union Ministry of Labour and Employment, in collaboration with the UNDP/ILO. An advanced vocational training programme for providing short term training courses in advanced skills in selected trades in consultation with the local industry for meeting their requirements, by augmenting the training facilities in selected ITI is currently being drawn up. Under this project, there is a proposal to have mobile training units attached to three ITI/CTI/ATI's in the country, to start with, for the purpose of extending training services to the rural areas in the vicinity of these centres. The intention is to give short term skill-oriented courses to those trainees in rural areas who, by aptitude or background, are able to absorb this skill training, which would be specially oriented towards self-employment, particularly for repair and maintenance etc. of pumpsets and other agricultural equipment in the field. The UNDP would provide a special vehicle and tools and equipment etc. for the purpose.

It would be useful to coordinate this training programme of the mobile units with the activities under the special programme like the SFDA/MFAL agencies for several reasons: the SFDA/MFAL infrastructure in the field could be utilized for identification of the trainees, local organization of the training programme etc; post training service by way of financial assistance; credit etc. to the trainees could also be arranged through the agencies so that the training leads to the setting up of custom service/repair, workshop etc; these agencies also initiate agricultural development programmes such as soil and water conservation, land development, minor irrigation horticulture, poultry, sheep rearing etc. which require technical skills and these agencies by themselves are unable to organize training programmes for generating the requisite skills although they are in a position to identify the persons who need such training. As experience is gained and this scheme is found successful, it can be extended and linked to special employment rural works programmes. The basic objective should be that, for instance, a person who joins a rural works as an unskilled worker on earth work should soon be trained to be able to do masonry work or rock blasting etc. Likewise,

educated or semi-educated persons turning up on rural works should be, trained in taking measurements of earth work done, calculative of wages, maintenance of muster rolls etc. and in organising labour etc.

6.6 The Team would strongly urge that simultaneously with formulating rural works programme serious consideration should be given to the imparting of necessary skills and upgrading of skills. For organizing the additional training facilities required, it would be worthwhile to reserve say 2 percent of the funds allocated to any rural works programme.

6.7 There are many fields of skill needed in rural areas for self-employment. These diverse skills can be categorised separately for men and women or for both. The following broad-based fields or groups of associated occupations are mentioned illustratively:

I. Agriculture, Animal Husbandry and Forestry

1. Dairying
2. Poultry
3. Piggery
4. Fishery and fish preservation
5. Canning and preservation of fruits and vegetables
6. Utilization of forest produce, wild herbs etc.
7. Custom service for providing hiring facilities for tractors, threshing and other farm machinery; repair of farm machinery and pump-sets, pest control, soil-testing, artificial insemination etc.
8. Bee-Keeping
9. Production of essential oils, perfumes and other plant products.

II. Crafts and Village Industries.

1. Handmade paper
2. Carving
3. Inlay work
4. Carpet weaving
5. Sericulture
6. Pottery and ceramics

7. Jewellery work
8. Coir/fibre work
9. Gur and khandsari manufacture
10. Processing of cereals and pulses
11. Ghani oil
12. Match box
13. Bamboo and cane work
14. Aluminium household utensils
15. Bidi making

III. Building and Allied.

1. Carpentry
2. Masonry
3. Plumbing
4. Surveying
5. Draughtsmanship
6. Measurement of earth work, accounting and preparation of muster rolls etc.

IV. Craftsmen skill:

1. Blacksmith
2. Fitter
3. Mechanic—general, farm, tractor, motor, diesel engine etc.
4. Welder
5. Sheet metal worker
6. Electrician-cum-wireman
7. Turner
8. Clock and watch repairing
9. Armature winding
10. Boat building
11. Leather goods manufacturing
12. Expeller operator
13. Motor mechanic
14. Upholsterer

V. Other Sources

1. Barbers
2. Gardeners
3. Cooks
4. Caterers
5. Running Tea stalls and small eating places etc. etc.

The other fields of self-employment specially suited to women are mentioned as under:

Home Economics and Textiles

1. Ambar Charkha
2. Spinning
3. Weaving
4. Printing and dyeing
5. Dress making
6. Needle work and embroidery
7. Candle making
8. Doll making
9. Soap making
10. Laundering and dry cleaning
11. Hand pounding of rice
12. Midwifery
13. Fruit and vegetable preservation, preparation of pickles etc.

6.8 Earlier schemes to promote self-employment in the above fields have not always been quite successful largely because of inadequacies in their formulation or faulty implementation. For instance, the Team feels that there should be no need for prescribing minimum educational qualifications for jobs like tractor driver. What is very important is micro planning and intensive effort in selected areas having the necessary potential rather than to have a wider coverage without first taking up a pilot programme or a research-cum-action programme. Lack of organizational and institutional support by way of finance, supply of inputs, marketing etc. have been other factors contributing to failures or limited successes.

6.9 The Study Group also has taken note of the renewed emphasis on acceleration of apprenticeship and other training facilities which will help the weaker sections of the society and feels that the best way of making rural poor employable is to induct them into such a programme of on-the-job training, and reserve a certain percentage of seats for the rural weak. Further there is a need of a measure Training programme for the rural youth to make them better employable in various jobs and also in self employment pursuits.

7.0 The Study Team has not given a detailed plan of action for various self-employment schemes suited to rural areas nor was it in a position to do so. Detailed schemes have to be worked out by the concerned ministries departments at the centre and in the states. In fact, many an existing scheme would perhaps require a critical approach from the point of view of whether they are achieving their objective. We would, however, once more like to reiterate the importance of self-employment schemes, particularly for tackling the problem of the educated and semi-educated unemployed rural youth whose number is fast swelling and who will be unwilling to work as purely unskilled labour on earth work or as farm labour. This unemployed mass of educated or semi-educated rural youth will always pose more serious a problem than the uneducated and unskilled traditional agricultural labourer. The solution lies in imparting skills to make them employable on suitable jobs and developing entrepreneurship in them to help them to take to some self-employment. Of course, most jobs and self-employment schemes in rural areas have necessarily to be such as are ancillary to agriculture, i.e., either by way of supply of various inputs and services for agricultural production or for providing post-harvest services for agricultural produce leading up to its marketing. There is a vast scope for development of entrepreneurship for self-employment in the rural areas in India which will further expand with sophistication and intensification of agriculture. Apart from a large number of Agro-Service Centres set up by unemployed engineering and agricultural graduates in the country (estimated to be 2220 in number on date), many others have taken to absolutely new lines on their own. For example, one youngman has successfully taken up artificial insemination for cross breeding in cows as custom service in Pondicherry and another enterprising youngman has made a mark in producing hybrid seeds of vegetables and ornamentals in Bangalore and earning foreign exchange through export of seeds. Likewise, some youngmen belonging to ordinary farm families, are producing orchids by sophisticated

tissue culture technique in Kalimpong and exporting the same for which there is a flourishing foreign market. These are only by way of illustration, to indicate the vast potential in the area of self-employment in rural areas. What is needed is encouragement and support by way of financing and marketing etc. to those who have already gone into self-employment in the rural areas, and to potential entrepreneurs proper motivation, training, provision of know-how, equipment, raw materials, finance and marketing facilities, etc.

CHAPTER VII

IMPLEMENTATION AND ADMINISTRATIVE MACHINERY

7.1 One of the Team's recommendations is that the employment schemes should be necessarily dovetailed into the on-going plan schemes of the area. Apart from the various state plan schemes, there are a number of centrally sponsored and central sector schemes also operating, e.g., Small and Marginal Farmers Programme, Drought Prone Areas Programme, Tribal and Hill Area Development Programme, Command Areas Development Programme etc. Even though these schemes do not have a very large employment content, their objective being primarily geared towards creating infrastructure in the districts for generating continuing employment through development investment, to some extent they do create direct employment opportunities as well. Integration of all employment programmes within the rural development frame is only possible if well-defined administrative structures are built at the central, state and at the district levels. Quite a few of our schemes have floundered on the rock because of sectoral emphasis and lack of integration and coordination. We, therefore, recommend the following administrative patterns at various levels.

7.2 Central level. The Department of Rural Development in the Ministry of Agriculture & Irrigation could be the nodal department at the centre for schemes which are specially oriented towards rural employment. We recommend this for the reason that it is already in charge of implementation of the SFDA, DPAP and the Hill and Tribal Areas Development Programme. It also has considerable experience in operating wage employment schemes like the Crash Scheme for Rural Employment and Pilot Intensive Rural Employment Project etc. The department should, however, have a specific cell created for rural employment not only to oversee the direct implementation of the programme throughout the country but also to ensure dovetailing and coordination with other programmes. The cell should also be in charge of monitoring and evaluation primarily of the concurrent type. The problem of employment, being a continuous one, the cell should also initiate research studies which have a bearing on the impact of employment not only as a direct investment to provide incomes to the rural through productive work but also side

effects which may occur on the rural economy through employment programmes and allied areas, e.g., studying shifts in employment patterns etc.

7.3 State level. Since schemes are to be integrated with other rural development programmes, it is essential that there should be one nodal department at the state level as well. We notice that even special programmes like the DPAP, SFDA, TAD, HAD, CAD etc. are located in different departments in different States of the country and in many States even the DPAP and the SFDA programmes are in two different departments rather than being in one. Therefore, the rural employment schemes have to be located in such a department which will have control over coordination with the other special programmes. We are specifically keen that the employment schemes should not get purely a relief bias. And relief programmes have always been the responsibility of the revenue departments in the states. However, the special employment programme being a part of the total development process should be located in a development department mainly concerned with the rural sector. We recommend that efforts should be made to ensure that all special programmes of development in the rural areas which have a major outlay should be located in one ministry department at the state level. Even though the post of the agricultural production commissioner exists in many states, inter-departmental coordination at the state level becomes difficult. It may, therefore, be advisable that this employment programme should be located in the same department which is mainly concerned with schemes relating to rural development and will be implementing special programmes like the DPAP SFDA etc.

7.4 In fact, the Minister for Agriculture and Irrigation, Government of India had addressed the Chief Ministers of States and Union Territories suggesting that all schemes which deal with rural development and particularly those which are focussed on the rural weak and the rural poor ought to be coordinated and monitored by a nodal department. We learn that the States have welcomed the suggestion and a number of them have already designated a particular department for this purpose. In fact, quite a few States were already having a department of rural development. Many others have now set up such a department. The present Government has re-emphasized the need for integration and infact it is even proposed to bring all the main programmes of rural development under development under one budget head.

7.5 Our experience of the rural employment programmes now operating in the States visited is that these schemes, in some areas are not well planned or integrated with the on-going schemes in various sectors. Therefore, we propose a strong Planning Cell located in the nodal department which should be in charge of preparing (a) plans for various programmes within the employment schemes, and (b) linking these programmes and schemes to the overall plan of the district which will also incorporate central sector/centrally sponsored and other special plan schemes. This cell should also be charged with the responsibility of monitoring and concurrent evaluation of the programme. It is strongly recommended that an economist who is well versed in project formulation and evaluation techniques should be the head of this planning cell and other subject matter specialists, as necessary, may be appointed. Further, it may be mentioned that for the DPAP such cells have been created or have been recommended to the state governments. We therefore suggest that such already existing cells could be strengthened to provide necessary servicing for the employment schemes as well and there should be no duplication and multiplicity of planning cells for rural programmes.

7.6 District level. The real impact of coordination and integrated planning has to be visible at the district level and, therefore, the administrative structure at this level is of primary importance. As already reiterated our basic premise is that the special employment programme ought to be integrated with other on-going plan schemes and special development schemes sponsored by the central government or by the state government. Therefore integrated planning is essential which will also require decentralization of decision making and delegation of authority, administrative as well as financial, from the state level to the district level. It therefore becomes important that there should be a single line of authority at the district level which should be in a position to coordinate and integrate the entire development of the rural sector.

7.7 It was keeping this need in view that special agencies/authorities are being established for all the special programmes like the Small and Marginal Farmers Development, Drought Prone Areas Programme Command Area Development Programme, Hill and Tribal Areas Development Programme etc. These Agencies are well-hinged to the district development set up. We therefore recommend that where these agencies/authorities are specific to a district, they should also look after the employment programme to ensure dovetailing with the special

programmes. Similar administrative structure should be established in other districts which may initially look after the special employment programmes, but over a period of time this should become the district development agency entrusted with the responsibility to plan and integrate all rural development programmes within the district.

7.8 In states where the zila parishads and taluka or block panchayats have already been delegated powers of planning and implementation and the state governments are satisfied with their performance the existing situation should continue and the employment programmes should also be made the responsibility of these bodies.

7.9 While suggesting an administrative structure at the district level, one should also recognize the fact that the heads of departments at the state level also have a crucial part to play. The employment schemes will probably be located with different departmental heads who are at the moment generally operating through their own technical heads at the district level. Relationships of the heads of departments and their technical heads at the district level with the district administrative organization have got to be clearly identified and also defined. Since the major attempt is at horizontal coordination at the district level with vertical and technical control at the heads of departments level, we, therefore, recommend that the agency authority established at the district level should have the following functions and responsibilities:—

- (1) Planning and formulation of projects;
- (2) Coordination;
- (3) Financing; and
- (4) Monitoring and Evaluation.

The district development agency with functions defined can effectively plan the programme since all the technical heads of departments will also be members of the agency along with representatives of the people. However, the plan of operation will have to be technically supervised by the heads of departments for each sector. Once the plan is approved, it should be the responsibility of the agency to implement it in a phased manner according to the progress of the employment scheme and also the progress of other schemes which would be inter-dependent on the infrastructure created by the employment programme.

7.10 Implementation of the schemes should be with the normal district hierarchies already existing. We do not recommend creation of a separate staff for the agency although in some cases strengthening of the existing machinery may be necessary. The C.D. Block organizations existing in the districts should be fully utilised for this purpose and even strengthened as may be necessary.

7.11 We suggest that the district collector should be made in charge of the agency as, part from occupying a traditionally prestigious office, he is also in a position to ensure coordination with some of the crucial departments in the district including the revenue department. Even as matters stand today, except in Maharashtra and Gujarat, the district collector is the head of the agencies set up under special programmes in every state.

7.12 Considering that the agency is the planning, coordinating and implementing, monitoring and financing body, it should be equipped with staff competent to handle new development concepts and use latest technology. One of our basic observations is that even though development has taken enormous strides the district organizations still continue to be outmoded and traditional in their outlook. We, therefore, suggest that induction of a project economist, a credit planning officer and a person to look after accounts apart from specialists in sectoral programmes would be essential. The employment programme has necessarily to be tied up, as has been oft-repeated with the on-going development programmes.

Therefore, whatever project is taken up has necessarily to fit in not only in the time span but also in the financial frame to create an overall impact on the area. Therefore, it is essential that the staff implementing the programme are trained in modern management techniques apart from training in their specialised fields from time to time to update their knowledge and skills, which will help them in effective and systematic planning both in physical and in financial terms. In fact, training should be a built-in component of the scheme.

7.13 We also recommend that block should remain the focal point for the sub-district implementation and the community development organizations and panchayati raj institutions should be fully involved in providing a base for people's involvement in the planning and implementation process.

7.14 Any scheme meant for the rural areas, if it is to succeed, should be such which is acceptable to the people for whom it is designed. The involvement of the rural community, therefore, assumes a very great importance. Wherever zila parishad exists, it should be obligatory for the agency to present the plan of action to the zila parishad for approval. The members of the zila parishad must have an opportunity to examine each scheme and also to offer their comments on the feasibility and acceptability from the people's point of view. Similarly, the *block samitis* must also be involved in planning at grass-roots level so that implementation becomes easy. Planning here would imply the basic collection of various probable schemes which should be scrutinized from the cost-benefit angle and finally put in the plan of operation of it is economically viable and administratively feasible. The very fact that the samitis would be involved in the first process itself will create a much better impression from the acceptability point of view.

7.15 In districts where either the zila parishads or the block samitis do not exist, it is suggested that the district level or block level committees of select people be formed who should have the opportunity to deliberate upon various schemes and projects and also to give their comments on the viability and usefulness of such schemes. It may also be ensured that weaker sections in fairly large numbers are represented in block or district committees so as to have an effective voice.

7.16 Wherever voluntary organizations of known repute exist in the districts, they should be actively involved in implementation of the programme and as far as possible their representation ensured at the agency level or at the district level and block level committees.

CHAPTER VIII

SOME GENERAL OBSERVATIONS

8.1 During the course of the study some other matters came to the notice of the Team which deserve mention:

(i) The problem of rural unemployment does not seem to be in the specific charge of anybody in the State Governments. The State Directorates of Employment are usually concerned only with urban employment or employment matters in the organised sector, mainly through the operation of Employment Exchanges. It is imperative that one specific department is made responsible in the States and UTs in this important area.

(ii) For any meaningful manpower planning it is essential to work out employment potential and employment generation capacity of important developmental programmes both in the central and State sectors. For this purpose employment norms must be available. The Study Team has found that either the employment norms are not available in respect of many programmes or the norms available are such that are of little use, being either out of date or uncomparable. Organisations like the Institute of Applied Manpower Research at the Central and similar institutions elsewhere in the country should address themselves on priority basis to this task. Such studies have become all the more necessary with the increasing emphasis on taking up integrated rural development which will necessarily mean a 'mix' of various programmes. Once the norms and potential are available, it will be easier to determine the gaps in employment requirements. In the same context, the Team would like to emphasise that there should be an in-built requirement of any development scheme to clearly spell out the employment potential it is going to generate. This objective has been there in our Planning but by and large it has not been possible to achieve it because of non-availability of sound employment norms.

(iii) In respect of the areas like that of Kerala where the problem of unemployment and underemployment is that of educated or semi-educated youth, traditional special works programme might not be the answer as these youngmen would not be willing to offer themselves for employment on such works. During the Team's visit to Kerala the discussions with

the State Chief Minister, other Ministers and senior officers dispelled this impression. It was further confirmed by field visits of the Team where it was seen that a large number of young persons including girls who were matriculates were working as unskilled labourers on road works and other programmes. Though the long range solution of providing gainful and suitable employment to educate youth lies in organising small industries, village crafts, agro-based industries and agro-services on a massive scale till such time it is possible to make a dent by this course of action, the only solution seems to be special works programmes, which of course, as the Team has clearly emphasized in its Interim Report have to be a part of the development strategy for integrated development of the area.

(iv) From the experience gained by the Team during discussions as well as field visit to the States, it is felt that the implementation of such programmes as (i) abolition of bonded labour and its rehabilitation (ii) Liquidation of rural indebtedness and arrangements for immediate alternate means of subsistence, and (iii) meaningful enforcement of Minimum Agricultural wages laws can be made effective by viewing them as a part of strategy for providing additional employment opportunities at least to the weaker sections i.e., bottom 30 per cent of the rural population.

ANNEXURE I

No. M. 21018/9/75-RME

GOVERNMENT OF INDIA

MINISTRY OF AGRICULTURE AND IRRIGATION
(DEPARTMENT OF RURAL DEVELOPMENT)

Krishi Bhavan, New Delhi

Dated the 28th July, 1975

Order

SUB: Constitution of Study Team to make on the spot study of Employment Guarantee Scheme in Maharashtra.

The undersigned is directed to say that it has been decided to constitute a Study Team to make an on the spot study of Employment Guarantee Scheme in Maharashtra.

The composition of the Study Team will be as under:

1. Shri R.N. Azad, Joint Secretary (RD), Department of Rural Development *Chairman*
2. Shri V.B. Easwaran, Joint Secretary, (Plan Finance), Ministry of Finance, (Department of Expenditure) *Member*
3. Shri S.P. Taneja, Director of Employment Exchanges, Department of Labour and Employment, Ministry of Labour, Employment & Rehabilitation *Member*
4. A representative of the Planning Commission *Member*
5. Shri Bhagwan Ram, Joint Commissioner (T), Department of Rural Development *Member-Secretary*

The Study Team will obtain first hand information on the implementation of Employment Guarantee Scheme, its organizational pattern, wage rates, operational, administrative and financial aspects with a view to suggesting necessary measures for ensuring that at least one adult person in every rural family is provided gainful employment as an unskilled labourer for about 250 days in a year on productive works for the creation of durable community assets within a radius of not more than 4 to 5 kms. of his village on wage which may be equal to or slightly lower than the average wage for unskilled labour prevailing in that area. The Study Team will submit its report within one month.

(Sd.) DARSHAN SINSH

Under Secretary to the Government of India

Copy to:

(i) All concerned; (ii) All Officers/Sections in the Deptt. of Rural Development.

ANNEXURE II

List of works visited by the Study Team**MAHARASHTRA***District Poona*

1. Nall Bunding at Patas, Taluka Daund.
2. Nalla Bunding at Loni Kand, Taluka Haveli.
3. Ayacut Work at Patas, Taluka Daund.
4. Forests Work at Daund Taluka.
5. Percolation Tank at Padavi, Taluka Daund.
6. Percolation Tank at Chincholi, Taluka Sirur.

District Ahmednagar

1. Percolation Tank at Watefal, Taluka Nagar.
2. Percolation Tank at Pokhardi, Taluka Nagar.
3. Percolation Tank at Warulwadi, Taluka Ahmednagar.
4. Percolation Tank at Mulani-Nalla, Taluka Rahuri.
5. Afforestation and Soil Conservation Scheme at Village Rehauri, Taluka Rahuri.

GUJARAT

1. Shrammandir—Ambar Charkha Spinning Centre at Baroda, sponsored by Baroda Citizens' Council for gainful employment of beggars and lepers.
2. Ambar Charkha Spinning Centre at Jhalod (District : Panchmahals) under the auspices of Panchmahal Zilla Vikas Sangh.

KARNATAKA

1. Land Army Project in the National Park.

WEST BENGAL*District Bankura*

1. Re-excavation of Lakshmi Aber in Siromanipur mouza in Katulpur Block.
2. Repairing of the embankment of Krishnabundh in Bishnupur Block.
3. Re-excavation of Bamunpukur at Purandarpur in Bankura II Block.
4. Re-excavation of Bamunpukur at Purandarpur in Bankura II Block.

5. Re-excavation of College Tank Scheme within Christian College Premises in Bankura I Block.
6. Re-excavation of Kalaiberia Tank Scheme in Chhatna Block.
7. Re-excavation of Kurulis Tank at Jhagrapur in Chhatna Block.

District Purulia

1. Thana Block Seed Farm No. III (under Lutheran World Service) in Jaipur Block.
2. Tanargoria (CARE) in Jaipur Block.
3. Buri Bandh (under Lutheran World Service) in Purulia-I Block.
4. Latulia Khas Tank (under Lutheran World Service) in Purulia-II Block.

ANNEXURE III

List of officers and non-officials who participated in the discussions with the Study Team, which visited the States of Maharashtra, Rajasthan Gujarat and West Bengal

MAHARASHTRA

Shri Ali Yawar Jang, Governor

Ministers

1. Shri S.B. Chavan, Chief Minister
2. Shri M.D. Choudhari, Minister of Finance
3. Shri S.B. Patil, Minister for Labour
4. Shri K.M. Patil, Minister of State for Agriculture
5. Shri B.J. Khatal, Minister of State for Planning
6. Shri S.A. Solanke, Minister for Rural Development

Non-officials

1. Shri V.S. Page, Chairman, Maharashtra Legislative Council
2. Prof. V.M. Dandekar, Director, Gokhale Institute of Economics and Politics, Poona.
3. Dr. M.S. Pawar, Vice-Chancellor, Mahatma Phule Krishi Vidyapeeth, Rahuri.
4. Shri P.K. Sawant, President, Maharashtra Pradesh Congress Committee.
5. Shri Satav, President, Zilla Parishad, Poona
6. Smt. Jagdale, M.L.A.
7. Shri Vikhe Patil, M.P.
8. Shri Ramnath Wagh, President, Zilla Parishad, Ahmednagar
9. Dr. Halte, Director, Centre for Studies in Rural Development, Ahmednagar.

Officers

1. Shri D.D. Sathe, Chief Secretary
2. Shri V. Subramanian, Spl. Secretary, Planning Department and Addl. Development Commissioner
3. Shri L.S. Lulla, Secretary, Revenue & Forests Deptt.
4. Shri P.D. Kasbekar, Secretary, Finance Department
5. Shri B.K. Chougale, Secretary, Agriculture Department
6. Shri D.G. Tungare, Joint Secretary, Planning Department
7. Shri Saldhana, Secretary, Irrigation Department
8. Shri Nadgauda, Chief Engineer, Public Works & Housing Deptt.

9. Shri S.S. Apte, Chief Engineer, Irrigation Department
10. Shri Gurnani, Superintending Engineer & Deputy Secretary, Public Works & Housing Department
11. Shri Dhamdhare, Deputy Secretary, Irrigation Department
12. Shri K.V. Joshi, Officer on Special Duty, Rural Development Department.
13. Shri S.M. Vidwans, Director of Economics & Statistics
14. Shri P.R. Gandhi, Addl. Chief Engineer, Irrigation Department
15. Shri P. Subramaniam, Collector, Poona
16. Shri Bhadhamkar, Chief Executive Officer, Zilla Parishad, Poona
17. Shri S.M. Dahat, Superintending Soil Conservation Officer
18. Shri V. Sundaram, Collector, Ahmednagar
19. Shri A.P. Sinha, Executive Director, DPAP, Ahmednagar

RAJASTHAN

Officers

1. Shri M. Mukherji, Chief Secretary
2. Shri R.C. Sood, Relief Commissioner & Commissioner, Agricultural Production
3. Shri Jagdish Ram Sharma, Secretary, Rajasthan Canal Board
4. Shri B.C. Jain, Suptdg. Engineer, Rajasthan Canal Project, Chhatargarh.
5. Shri C.L. Jain, Additional District Magistrate, Bikaner.
6. Shri V.N. Chaturvedi, Additional Relief Commissioner

GUJARAT

Ministers

1. Shri Babubhai J. Patel, Chief Minister
2. Shri Maneklal M. Gandhi, Minister for Panchayats & Civil Supplies
3. Shri Lallubhai M. Sheth, Minister for Village Industries & Cooperation

Non-officials

1. Shri Dahyabhai Naik, President, (1) Panchmahal Jilla Vikas Sangh Jhalod; and (2) Bhil Seva Mandal, Dahod.
2. Shri Jaljibhai Desai, Vice-President, Panchmahal Jilla Vikas Sangh, Jhalod
3. Shri Navnitbhai Desai, Vice-President, Panchmahal Jilla Vikas Sangh, Jhalod
4. Shri K.D. Mody, Organiser (Khadi), Gujarat Rajya Khadi Gramodyog Board, Ahmedabad.
5. Shri Pulin Zaveri, Executive Director, Baroda Citizens' Council

6. Shri I.L. Dave, Executive Officer, Gujarat Rajya Khadi Gramodyog Board.
7. Shri R.M. Dave, Deputy Director, Gujarat Rajya Khadi Gramodyog Board.

Officers

1. Shri M. Sivagnanam, Secretary to Government, Industries, Mines and Power Department.
2. Shri V. Krishnamurthy, Joint Secretary to Govt., General Administration Department.
3. Dr. S.C. Jain, Employment Adviser, General Administration Deptt
4. Shri B.V. Antani, Deputy Secretary to Government, Industries, Mine and Power Department
5. Shri V.H. Parekh, Joint Director of Cottage Industries.
6. Shri J.J. Vaishnav, Assistant Development Commissioner
7. Shri N.V. Kansara, Assistant Director (Khadi)
8. Shri S.C. Haldar, District Development Officer, Panchamahals, District Godhra.
9. Shri Ganeshbhai Patel, Taluka Development Officer, Jhalod.
10. Shri T.P. Goyal, District Statistical Officer, Godhra.
11. Shri R. Parthasarathy, Administrator, Municipal Corporation, Baroda.
12. Shri N.P. Parikh, Project Officer, M.F.A.I., Baroda
13. Shri K.N. Desai, Taluka Development Officer, Baroda
14. Shri B.L. Pandya, Deputy Engineer, Baroda District Panchayat, Baroda
15. Shri R.S. Shuke, District Statistical Officer Distt. Panchayat, Baroda.
16. Shri C.M. Patel, Dy. Engineer, Baroda Distt. Panchayat, Baroda.
17. Shri B.C. Parikh, Dy. Engineer, Baroda Distt. Panchayat, Baroda.
18. Shri R.O. Parikh, Executive Engineer, Roads & Buildings Division, P.W.D., Baroda
19. Shri G.K. Sadhwani, Executive Engineer, District Panchayat, Baroda.
20. Shri S.R. Pradhan, District Development Officer, Baroda.
21. Shri S.J. Shah, Development Commissioner
22. Shri A. Prasad, District Development Officer, Kaira.
23. Shri P.K. Laheri, District Development Officer, Jamnagar
24. Shri N.R. Chauhan, District Development Officer, Ahmedabad
25. Shri P.M. Acharya, District Development Officer, Amreli
26. Shri N.B. Patel, Executive Engineer, Distt. Panchayat, Ahmedabad
27. Shri L.J. Chauhan, Officer on Special Duty, P.W.D.
28. Shri H.M. Parikh, Project Officer, D.P.A.P., Ahmedabad
29. Shri D.R. Thakore, Research Officer, General Administration Department (Planning).

30. Shri R.A. Shah, Research Officer, Office of the Development Commissioner.

31. Shri Y.H. Mehta, Research Assistant, Office of the Development Commissioner.

WEST BENGAL

NON-OFFICIALS

Shri N.C. Maiti, Technical Adviser, CARE

Officers

1. Shri B.R. Gupta, Chief Secretary, West Bengal Government
2. Shri M.N. Chaudhary, Development Commissioner
3. Shri G.S. Banerjee, Secretary, Relief & Welfare Department
4. Shri S. Chatterjee, Joint Secretary, Relief & Welfare Department
5. Shri P.S. Chaudhury, Joint Secretary, Agri. & Community Development Department.
6. Shri K. Dutta, Joint Director of Agriculture
7. Shri B.L. Bhowmik, Dy. Director of Agriculture
8. Shri B.K. Banerjee, Chief Engineer, Irrigation & Waterways
9. Shri A. Gupta, Dy. Secretary, Forest Department
10. Shri M.P. Ray, D.F.O., Planning & Statistical Cell, Forest Deptt.
11. Shri D.K. Roy, D.M., Hooghly.
12. Shri P.S. Ingty, D.M. Bankura
13. Shri R. Zakhma, D.C., Purulia
14. Shri K. Rai, Principal Agricultural Officer
15. Shri S.K. Rai, Assistant Divisional Forest Officer
16. Shri K.C. Ganguli, Project Officer, M.F.A.L., Bankura
17. Shri T. Kar, Sub-Divisional Officer (North)
18. Shri S. Sen, District Relief & Social Welfare Officer
19. Shri A.C. Sikdar, Special Officer, Planning & Development
20. Shri S.K. Roy, Executive Engineer (Irrigation)
21. Shri A.K. Mondal, District Agricultural Officer
22. Shri K. P. Tewari, A.P.O., M.F.A.L., Purulia
23. Shri P.K. Chowdhury, Tanks Inspector, Purulia
24. Shri D.N. Soren, Special Officer, Tribal Welfare & Tank Improvement.
25. Shri B. Dutta, Soil Conservation Officer, Purulia
26. Shri J. Sarkar, Assistant Engineer I & W Department
27. Shri N. Sen, Divisional Forest Officer, Purulia
28. Shri S.J. Barman, Divisional Forest Officer, Kangsabati, Soil Conservation Division II, Purulia.
29. Shri U. Dasgupta, Divisional Forest Officer Kangsabati, Soil Conservation Division I, Purulia

30. Shri P.K. Majumdar, Sub-Divisional Officer (South)
31. Shri P.N. Roy, Sub-Divisional Officer, Sadar (North)

KARNATAKA

1. Brig. V.P. Naib, Managing Director, Land Army Corporation Ltd.
2. Col. R.S. Wodeyar, Joint Director (A), Land Army Corporation Ltd.
3. Lt. Col. D.G.K. Chetty, Jt. Director (Works), Land Army Corporation Ltd.

KERALA

Ministers

1. Shri C. Achuta Menon—Chief Minister
2. Shri V. Eacharan, Minister for Rural Development

Officials

1. Shri G. Bhaskaran Nair—Additional Chief Secretary
2. Shri T.P. Balagopalan, Assistant Development Commissioner
3. Dr. Gopala Krishnan, Planning Secretary

UTTAR PRADESH

Officials

1. Shri Mahmood Butt—Chief Secretary
2. Shri Mahesh Prasad, Secretary, Planning
3. Shri R.C. Saxena, Special Private Secretary
4. Shri K.P. Trivedi, Dy. Secretary
5. Dr. D.P. Singh, Directorate of Public Administration Lucknow University, Lucknow.

ANNEXURE IV

Statement showing the Districts with 3% and more of unemployment and Rs. 30/- or less of per capita per month consumption expenditure

State	Region	District
Andhra Pradesh	Inland Northern (2)	Adilabad, Karimnagar, Nizamabad, Medak, Warrangal, Khammam, Nalgonda, Hyderabad and Mehboobnagar.
Bihar	Southern (6)	Santal Parganas, Hazaribagh, Giridih, Dhanbad, Ranchi, Palama and Singhbhum.
	Central (8)	Patna, Nalanda, Gaya, Aurangabad, Nawada, Bhojpur, Rohtas, Begusarai, Monghyr and Bhagalpur.
Gujarat	Plains Southern (11)	Panch Mahal, Vadodara, Bharruch, Surat and Valsad.
Karnataka	Inland Southern (22)	Kelari, Tumkur, Bangalore, Mandhya and Mysore.
Kerala	Northern (24)	Cannanore, Kozhikode, Mallapuram and Palghat.
	Southern (25)	Trichur, Ernakulam, Kottayam, Trivandrum, Idikki, Alleppy and Quilon.
Maharashtra	Inland Central (34)	Aurangabad, Bhiri, Parbhani, Nanded and Osmanabad.
	Inland Eastern (35)	Nagpur, Wardha, Amravati, Buldana, Akola and Yeotmal.
Orissa	Northern (43)	Mayurbhanj, Keonjhar, Sundergarh, Sambalpur, Dhenkanal and Bolangir.
	Coastal (41)	Balasore, Cuttack, Puri & Ganjam (Plain).
Rajasthan	Western (46)	Jhunjhunu, Sikar, Churu, Bikaner, Nagaur, Jodhpur, Jaisalmer, Barmer and Jalore.
Tamil Nadu	Coastal Northern (50)	Madras, Chingleput, North Arcot and South Arcot.
	Coastal Southern (51)	Thanjavur, Ramanathapuram, Tirunelveli and Kanyakumari.
	Inland (52)	Salem, Dharmapuri, Tiruchirappalli, Pudukottai, Madurai, Coimbatore and Nilgiris.
Pondicherry	Pondicherry (67)	Pondicherry.

ANNEXURE V

Statement showing the abbreviations used in the Report

MI Minor Irrigation
 GR Gratuitous Relief
 TR Test Relief
 BDO Block Development Officer
 MLA Member of Legislative Assembly
 SDO Sub Divisional Officer
 DM District Magistrate



