

A CRITICAL EVALUATION OF RURAL WAGE EMPLOYMENT PROGRAMMES IN INDIA

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Abstract

The problem of rising unemployment and existence of mass poverty are still one of the biggest challenges especially before the underdeveloped and developing economies like India. Unemployment and poverty are two sides of the same coin. Unemployment is non-availability of jobs, despite the willingness and eligibility of a person. Unemployment is a multidimensional concept. It has various consequences such as poverty, low income and standard of living, denial of opportunities, frustration, and no dignity and self-respect in the society. The objective of economic planning in India has been to generate more and more employment opportunities, to alleviate poverty and to ensure at least minimum standard of living to the countrymen. The Government of India and also state governments have launched and implemented various programmes during the planning period for achieving the objective of employment generation and poverty eradication. Despite the implementation of these programmes, the problem of increasing and widespread unemployment and existence of vicious circle of poverty continue to persist in all most all the parts in the country. Hence, most of the employment generation and poverty alleviation programmes have been strengthened, redesigned and restructured through special programmes in order to provide more benefits for the poor, and hitherto neglected and weaker sections of the society.

Keywords: *Labour force, Open unemployment, Self employment, Trickle down effect, Vicious circle of poverty, Wage employment.*



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Introduction

Among the other objectives, employment generation and poverty alleviation have been major objectives of economic planning in India. Increasing unemployment and existence of high poverty levels are synonymous which leads to poor quality of life, deprivation, malnutrition, illiteracy and low human resource development. The economic growth has been recognised as an important instrument for the generation of additional employment opportunities vis-à-vis the eradication of poverty. However, the composition of growth and not the rate of growth, determines the pace of the “trickle down’ effect of growth which was not happened in India. The benefits of economic growth are trickle down due to the existence of infrastructure and other basic and necessary facilities available to the people.

Since high growth rates of the economy is not enough to create and provide employment to the poor, the direct employment programmes have been considered necessary to generate employment and to eradicate poverty in rural areas. Accordingly, the Government of India implemented three types of employment generation programmes such as: wage employment, self-employment, and, other employment programmes. The government has reinforced the growth oriented approach for employment generation and poverty alleviation since the Tenth Plan. Allocation under plans have been increased in areas of education, self-employment, skill development, development of small scale industries, rural development and creation of basic infrastructure facilities to promote capacity building and welfare of the poor. Various erstwhile employment and anti-poverty programmes have been strengthened merged and restructured in order to provide more employment, to eradicate poverty and to provide other welfare benefits for the poor and weaker sections of the society.

Objectives of the Study

- To study the nature of unemployment in rural and urban areas in India.
- To find out the extent and magnitude of unemployment in rural and urban areas.
- To discuss objectives and salient features of various employment generation programmes.
- To assess the overall performance of these employment generation programmes.
- To high light the deficiencies and limitations of these programmes.
- To suggest measures for effective implementation of various employment generation programmes.

Methodology

The present paper is primarily based on secondary sources of data. Published sources include government publications like Yojana, Kurukshetra, annual report of Ministry of Rural Development, economic survey, and plan documents. Other publications like research papers and articles published in reputed journals, periodicals, and also available on websites are referred.

Employment Situation in India

Total labour force, employment and unemployment on the basis of Current Daily Status is given below. The data shows that out of the total labour force of 429 million in 2009-10, the unemployment was 28 million. The unemployment rate has declined from 8.9 per cent to 6.5 per cent during the period from 2001-02 to 2009-10.

Table 1: Estimates of Labour Force, Work Opportunities and Unemployment (Current Daily Status)

Sr. No.	Types	2001-02	2002-03	2003-04	2004-05	2009-10
1.	Labour Force (Million)	378.2	385.0	391.9	417.2	428.9
2.	Employment (Million)	344.7	349.9	356.2	382.8	400.8
3.	Unemployment (Million)	33.5	35.1	35.8	34.3	28.1
4.	Unemployment Rate(%)	8.9	9.1	9.1	8.2	6.5

Source: Ministry of Labour and Employment, Government of India, New Delhi/Kurukshetra, Vol. 62, No. 12, Oct. 2014. P.33.

Growth Rates in Employment

Growth rates in employment for male and female both in rural and urban area on US, WS and DS basis are given below. During 2004-05 to 2009-10, employment rate for urban male has increased from 2.5% to 2.8%, whereas for rural male, it has increased from 1.0% to 1.5%. In case of females, the growth rate in employment for rural females has been negative, while it was positive at 0.6% for urban females.

Table 2: Growth Rate in Employment (2004-05 to 2009-10) % per annum

Sr. No.	Categories	Usual Status	Weekly Status	Daily Status
1.	Rural Male	1.0	1.2	1.5
2.	Rural Female	-3.5	-3.2	-2.4
3.	Urban Male	2.5	2.6	2.8
4.	Urban Female	-0.5	0.0	0.6
	Total:	0.1	0.5	1.0

Source: NSSO 61st and 66th Round Surveys.

Various Employment Generation Programmes at a Glance

Employment generation and poverty alleviation have been the primary objectives of the India's five year plans. The Government of India has implemented various employment generation and poverty eradication programmes since the inception of economic planning such as Crash Scheme of Rural Employment, IRDP, Food for Work, TRYSEM, DWCRA, RLEGP, NREP, JRY, SJGSY, JGSY, EAS, IAY and MGNREGA. Most of the programmes have been either replaced or redesigned by the government in course of time. The important poverty alleviation and employment generation programmes of the Centre and central outlay earmarked thereof are indicated in Table No.3.

Table 3: Rural Wage Employment Programmes in India: At a Glance

Sr. No.	Year	Name of the Programme	Brief Description of the Programme
1.	1960-61	Rural Manpower programme	A comprehensive works programme was proposed for better utilisation of unemployed and underemployed rural manpower
2.	1971-72	Crash Scheme for Rural Employment	To provide employment to rural person belonging to family where no adult is employed or suffers from inadequate employment
3.	1972	Drought Prone Area programme	To minimise the adverse effects of drought on production, livestock and productivity of land, water and human resources
4.	1973-74	Marginal Farmers and Agri. Labourer Scheme	To provide technical and financial assistance to marginal farmers and agricultural labourer
5.	1974-75	Small Farmers Development Agency	To investigate and identify problems of small farmers and ensure technical and financial assistance to them
6.	1977-78	Food for Work Programme (FWP)	The programme was set up to providing food grains to labour for the works of development
7.	1980	National Rural Employment Programme (NREP)	The programme was set up to provide profitable employment opportunities to the rural poor. It was expected to increase man days per annum, create durable community assets, and improve nutritional status and living standards of the poor.
8.	1983	Rural Landless Employment Guarantee Programme (RLEGP)	The Programme was aimed for providing employment to landless farmers and labourers
9.	1993	Jawahar Rozgar Yojana (JRY)	The programmes aimed to provide employment to rural unemployed. It is a poverty alleviation scheme, which falls under the category of works program for creation of supplementary employment opportunities.
10.	1993-94	Employment Assurance Scheme (EAS)	The objective of the programme was to provide employment of at least 100 days in a year in each village
11.	1999-00	Rural infrastructure programme (RIP)	The programme was set up for making actions in rural infrastructure. It was proposed in the areas of irrigation, rural housing, rural water supply, rural electrification and rural telecommunication connectivity.
12.	2001-02	Sampoorna Grameen Rozgar Yojana (SGRY)	It was a rural development programme that aimed to provide employment and food security to rural poor who lived below the poverty line.
13.	2004	National Food for Work (NFWP)	It was a rural employment programme to intensify the genera on of supplementary wage employment. The programme was open to all rural poor who are prepared to do manual, unskilled labour.
14.	1972	Maharashtra Employment	It was a wage employment programme, implemented by Maharashtra State Governments

		Guarantee Scheme (MEGS)	with Central assistance, with the objective to provide enhance livelihood security, especially of those dependent on casual manual labour.
15.	1977	Maharashtra Employment Guarantee (MEGA) Act	It was a wage employment act which was self-targeting, implemented by Maharashtra State Governments with Central assistance to provide wage employment to those who demanded it.
16.	2006	Mahatma Gandhi National Rural Employment Guarantee (MGNREGA) Act	The MGNREGA is a legal guarantee that people can use to secure their entitlement of wage employment. It holds the Government responsible for making this employment available to the people. In 2014 current budget year decision has been taken to use MGNAREGA programmes towards asset creation along with job creation.

Source: Kuruksheetra, Ministry of Rural Development, Vol. 62, No.12, October 2014, p.18.

Major Rural Wage Employment Programmes

Employment programmes in the country can be classified into three categories such as self employment, rural wage employment and urban employment programmes. The major employment generation programmes launched and implemented by the government over the years in the country are discussed below.

Mahatma Gandhi National Rural Employment Guarantee Programme

The central government has enacted the MGNREGA in 2005 to provide the livelihood security in rural areas. This act has not only given the development programme, but the right to employment to rural people. The act has given a legal guarantee to provide assured wage employment of 100 days in one year to rural people. It is also legal responsibility of the government to provide employment for the stipulated period as per the demand of the labourers.

The MGNREGA aims at providing not less than 100 days of guaranteed wage employment in a financial year to every household in rural areas, with a minimum of one-third participation of women.

The MGNREGA is the first ever law that gives the guarantee of wage employment of 100 days to rural households. It is a unique programme of its kind. The primary objective of the Act is to provide wage employment, normally within 15 days, to rural labourers as per their demand. The works like forestation, drought relief works, soil conservation, water conservation, etc., are undertaken under this programme so that employment generation is sustainable. The Act has assigned a crucial role to Gram Panchayat which is local governance body under the Panchayat Raj. Hence, the decentralization and deeping processes of democracy is strengthen due to the Act.

The achievements of this programme are as under:

- About Rs. 1,29,000 crores have been disbursed directly as wage payments to rural labourers since 2006 under this programme.
- Since its inception in 2006, about 1348 crores person-day of employment have been provided.
- About five crores of households have received the benefits of employment every year under this scheme.
- Scheduled Caste and Scheduled Tribes have accounted for 51% of the total person-days employment generated.
- The women workforce participation has surpassed the statutory minimum requirement of 33 per cent. Since 2006, the women participation has been 48 per cent every year. Due to earning of women, not only her family is benefitted, but the society also get benefit in the form of development.
- Nearly 146 lakh works have been taken up and completed since its beginning of this programme. The wage rate varies from state to state from a minimum of Rs. 122 in Bihar Jharkhand to Rs. 191 in Haryana.

During 2013-14, total outlay provided for MGNREGA was Rs. 33,000 crore. This programme provided 219.72 crore persondays of employment to 4.78 crore households with an average wage employment of 46 persondays. The share of women, SCs and STs in persondays of employment was 53%, 23% and 17% respectively.

Sampoorna Grameen Rozgar Yojana

The Jawahar Gram Samridhi Yojana and the Employment Assurance Scheme were merged and the Sampoorna Grameen Rozgar Yojana was launched in 2001. The objectives of SGRY are to provide additional wage employment, food security, creation of durable social, community and economic assets and development of infrastructure in rural areas. The cost of the scheme is shared in the ratio of 75:25 by the centre and states. It was proposed to create 100 crore mandays of employment in a year. During 2007-08, about 12 crore man days employment were generated. The government spent nearly Rs. 1150 crore as cash component and released 10 lakh tonnes of food grains to the states. Since 2008, this SGRY programme has been included and is now a part of MGNREGA throughout the country.

Pradhan Mantri Gram Sadak Yojana

The PMGSY was launched in 2000 in order to provide road connectivity to all the unconnected rural villages and inhabitants by constructing good all weather tar roads. It is a 100 per cent centrally sponsored programme. In the first phase till 2009, all the habitations with a population of 1000 or more in the plain areas, and of 500 or more population in the hilly, tribal and desert areas were expected to be connected by pucca roads. In the second phase, all the habitations with a population of 500 or less are to be connected under this scheme. Till 2012, about 3.64 lakh kms.road works in rural areas have been completed.

National Food for Works Programme

The NFWP was launched in 2004 and was implemented in 150 most backward districts of the country to provide food security to the very poor. The selected districts are very backward and situated in the tribal areas of different states. The supplementary wage employment has been generated and provided to rural poor and needy manual and unskilled workers under this programme. Government provides minimum 100 days of employment in a year to atleast one person from each poor household. It is a 100 per cent centrally sponsored programme. Food grains are supplies to state governments free of cost. The transportation cost, storage and handling charges and taxes levied on food grains are to be borne by the states. During 2005-06, the centre has allocated Rs. 4,500 crore and 15 lakh tonnes of food grains for this programme.

Conclusion

In spite of implementing various employment generation and poverty alleviation programmes during various five year plans, the goal of employment generation and poverty alleviation in India has mostly remained unattained. The government expenditure on employment generation and poverty eradication have been very modest in scale. The government has hardly spent 6 to 7 percent of the budgetary expenditure (i.e. only 1% of GDP) on all employment generation and poverty alleviation programmes undertaken in the country. Of these, food subsidy programmes alone account for about 55%, rural works programme account for 33%, self employment programmes account for 5%, and, remaining 7% of spending was spent on other programmes.

Various employment generation and anti-poverty programmes launched by the government in rural areas have failed to provide employment and thereby to eradicate rural poverty. Apart from other factors, insufficient allocation of funds, lack of political will, unequal distribution

of income, poverty, corruption and administrative inefficiency are important reasons for the poor performance of these employment and poverty alleviation programmes.

The impact of the employment generation and poverty alleviation programmes have been very modest in scale. The economic growth of the country has remarkably contributed to the growth of employment and eradication of poverty, while redistributive and other policies have contributed very little to the generate employment and reduction of poverty. Hence, the only effective long-term solution to the problem of unemployment and poverty is to accelerate economic growth which can create sufficient employment opportunities and alleviate poverty in rural areas.

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