

Rural Development in India: Through Employment Programmes

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Abstract : *Poverty alleviation has been one of the objective of the employment generation programmes in India since independence. The five year plans immediately after independence tried to focus on poverty alleviation through sectoral programmes. The second and third five year plans focused on massive state led investments for employment generation in public sector. Government of India has been running many poverty alleviation programmes and some success also achieved in this endeavour over the years. However, even today Government struggle with mass level of poverty and related problems. In this context, the Indian Govt. has implemented MGNREGA. Its introduction was a paradigm shift in India's history of wage employment generation. It is the country's largest wage-employment programme.*

Keywords: Employment, MGNREGA, Poverty – alleviation, Wage.

1.Introduction :

Since independence, the two major problems of Indian's economic development have been unemployment and poverty. These two problems are still continuing to be acute in rural India. According to different report of the Ministry of Labour and Employment, the problem of employment and poverty is a grave concern for a developing nation like India. Hence are the needs for poverty alleviation and wage employment programmes. India has a long history of public works programmes, particularly in rural areas as a poverty reduction strategy. The concept of creation of employment in public works is not new; the Maharashtra model of rural employment has been in existence since the 1970s. The most important development is that people's entitlement to employment is now mandated by law, through MGNREGA for the entire country, and through not much has changed in the form and substance of the public work programmes in the past 30 odd years. In many ways the MGNREGA is a replication of earlier schemes in letter and spirit, of course, with a legal guarantee. So failures of the past still haunt the MGNREGA.¹ "The economic constitution of India..... should be such that no one under it should suffer from want of food and clothing..... everybody should be able to get sufficient work to enable him to make the two ends meet...." (*Gandhi, M.K., 1947*).² These words of

Gandhi encapsulate the core objectives of the National Rural Employment Guarantee Act (NREGA), 2005. Gandhi was first to articulate right to work as a basic policy goal of independent India. He was a leading theorist of social and economic reconstruction of the self-sufficient village republics. Gandhi emphasized the right to work with dignity, decentralized planning and development, village autonomy and local governance, these are the essential components of Gandhi's plan for rural development in India.³ However, Gandhi's vision of idyllic self-sufficient village republics did not find favour with the makers of modern India. Ambedkar abhorred Indian villages for their deeply entrenched and regressive social structures and practices. Nehru, the architect of the economic policy of independent India, was unable to romanticize Indian villages, and was averse to the archaic idea of self-sufficient village republics. He revered big industries (steel plants), multipurpose big dams and mega power project as the temples of modern India. The village republic was not among his favourites project.⁴

2.Origin and Development of Employment Programmes :

Under the Directive Principle of state policy (part –IV of the Constitution), provisions are made for right to work, local self-government and other principles and policies of Gandhi, But were emasculated by making them non – justifiable and enforceable only as per the convenience of the state (Article-37). The economic policy of post- Independence India was completely out of similarities with the goals of Gandhi. The ideological battle inside the Congress over the course of economic policy, followed by the Second Five Year Plan that preferred a heavy industry and high investment – led economic growth model. Small and cottage industries and self sufficient autonomous village republics were left abandoned. The Gandhian plans have, however, formed part of the various rural development and poverty alleviation programmes of post – Independence India.

Since independence India, after the First Five Year Plan in 1951, this is for the 10th time that India has reset its target to eradicate unemployment and poverty. Going by the latest target setting by the last as well as the Government, it is 2011 or the end of the 11th plan. At the commencement of five year plans, the Government of India has been considering diverse ways of evolving a mechanism to improve the exiting livelihood in rural areas. India has a long history of public work programmes, particularly in rural areas as a poverty reduction strategy. In independence India, there had been many central government schemes for public employment, beginning with the rural manpower programme in 1960-1961.⁵ This programmes was introduced for better utilization of the unemployed and under employed rural manpower, and comprehensive work programme was proposed.⁶

The Employment Guarantee Scheme (EGS) in Maharashtra was the longest surviving programme. The *National Rural Employment programme* and the *Rural Landless Employment Programme* began in the 1970s as clones of the *Maharashtra EGS*. In 1989, the Rajiv Gandhi Government integrated the two scheme into one, revamped the schemes and decided delivery would occur through the Panchayati Raj Institution. The next intervention came after a decade when the *Crash Scheme for Rural Employment (CSRE)* was initiated again on a pilot basis in 1971-72. The objective of the scheme was to

promote rural employment. It was intended to provide employment to persons belonging to family where no adult was employment or which suffered from in adequate employment.

There have been numerous employment programmes by the central government. *Drought Prone Area Programme (DPAP)* in 1972, the basic objective of which was to minimize the adverse effect of drought on production of crops and livestock and productivity of land water and human resources ultimately leading to drought proofing of the affected areas. *Marginal Farmers and Agricultural Labour Scheme (MFALS)* in 1973-74, aimed at technical and financial assistance to marginal and small farmers and agriculture labour in maximum productive use of their small holding and skill by undertaking animal husbandry, horticulture, etc. *Small Farmers Development Agency (SFDA)* in 1974-75, was created with the main objective to investigate and identify the problems of small farmers and ensure technical and financial assistance to small farmers. *Desert Development Programme (DDP)* was created in 1977-78 and the *Food for Work Programme (FWP)* was introduced in 1977-78, the programme was launched for providing food grains to labour for the works of development. *Training of Rural Youth for Self Deployment (TRYSEM)* in 1979 was also introduced for education and vocational training for youth.

In the 1980, *National Rural Employment Programme (NREP)* was launched to provide profitable employment opportunities to the rural poor, it was expected to increase man-day per annum, create durable community assets and improve nutritional status and living standards of the poor. *Development of Women and Children in Rural Areas (DWCRA)* in 1982, the programme was introduced for sustainable opportunities of self employment to the women belonging to the rural families living below the poverty line. *Rural Landless Employment Guarantee Programme (RLEGP)* was introduced in 1983. The programme was aimed for providing employment to landless farmers and labours. Later on, in 1993-94, NREP & RLEGP were merged into *Jawahar Rozgar Yojana (JRY)* to provide employment to rural unemployed. It was a poverty alleviation scheme, which came under the category of work programme

for creation of supplementary employment opportunities. *Employment assurance Scheme (EAS)* was introduced in 1993-99, the objective of which was to provide employment of at least 100 days in a year in each village. *EAS & JRY* were both subsequently merged in to *Jawahar Gram Samridhi Yojana (JGSY)* in 1999-2000. Again *JGSY* was changed into *Sampoorna Grameen Rozgar Yojana (SGRY)* in 2001-02 and *National Food for Work (NFWP)*, 2005. These wage employment programmes implemented by state government with central assistance were self targeting and the objective was to provide and enhance livelihood security. These programmes were open to all rural poor men who are prepared to do manual, unskilled labour. Component of *SGRY* provided food grain to calamity-stricken states for relief work. Now the cost increased to about Rs. 4,000.00 core per year.

Others wage employment programme was *Rural Infrastructure Programme (RIP)* 1999-2000, it was launched 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. *Swarnajayanti Gram Swarozgar Yojana (SGSY)* in 1999 was combining *IRDP*, *TRYSEM*, *DWCRA* and others rural development programmes. The *SGSY* was lunched as an integrated programme for self employment of the rural poor with effect from April 1, 1999. The *SGSY* was somewhat intended to provide self-employment to millions of villagers. Poor families living below the poverty line were organized into *Self-Help Group (SHG)* established with a provision of government subsidy and credit from investment banks. The main aim of these *SHGs* was to bring these poor families above the poverty line and concentrate on income generation through combined effort. The scheme recommended the establishment of activity clusters or clusters of villagers grouped together based on their skills and abilities. The *Swarna Jayanti Swarozgar Yojna (SGSY)* has been renamed as *National Rural Livelihood Mission (NRLM)*. The scheme is intended to be universal, more focused and time bound for poverty alleviation by 2014. The *SGSY* concentrates on the marginalized sections of society. Accordingly, *SC/STs* comprise 50% women 40% and the physically challenged make up 3% of the total beneficiaries from the scheme.⁷

Maharashtra Employment Guarantee Scheme (MEGS) in 1977, it was wage employment programme, implemented by Maharashtra Government with central assistance, with the objective to provide enhance livelihood security, especially of those dependent on casual manual labour. *Maharashtra Employment Guarantee Act (MEGA)*, in 1977, the wage employment guarantee act was launched for to provide wage employment to those who demanded it.

In late 2004, the *National Food for Work Programme (NFWP)* was lunched, targeting 150 backward districts. These districts were indentified through a task force set up by the ministry of rural development which used three variables to compute 'backwardness' agricultural productivity per worker, agricultural wage rate and the scheduled caste and schedule tribe population in the district. This programme was to be implemented through the district administration and menu of "labour-intensive projects" would be prepared, to be undertaken over a five-year period. In the 2005-06 budgets, the allocation was enhanced. *NFWP* got Rs-6.000 core in addition to the *SGRY's* Rs. 4.000 core. The *NFWP* remains the programme design for the National Rural Employment Guarantee Act. (*NREGA*). The Act was brought about by the *UPA-1* government headed by Dr. Manmohan Singh. The programme was one of the major factors that gained *UPA* victory in the general election, 2004. Dr. Jean Dreze, a Belgian born economist, at the Delhi School of Economics, has been a strong personality stand up for this project.⁸ The Act is a right based wage employment programme which was introduced in Anantpur District of Andhra Pradesh by the Prime Minister, Dr. Manmohan Singh on 2nd February, 2006. The Act covered 200 identified districts of 27 states in the first phase and then it extended to 330 additional districts in 2007-08. *NREGA* has been renamed as *Mahtama Gandhi National Rural Employment Guarantee Act (MGNREGA)* on the occasion of 50th Anniversary of launching of Panchayati Raj and observing 2009-2010 as year of Gram Sabha in New Delhi on 2nd October, 2009.⁹

Table –1: Rural Wage Employment Programmes in India

Year	Name of the Programmes
1960-61	Rural Manpower Programme(RMP)
1971-72	Rural Scheme for Rural Employment (CSRE)
1972	Drought Prone Area Programme (DPAP)
1973-74	Marginal Farmers and Agricultural Labour Scheme (MFALS)
1974-75	Small Farmers Development Programme (DDP)
1977-78	Desert Development Programme (DDP)
1977-78	Food for Work Programme (FWP)
1977	Maharashtra Employment Guarantee Scheme(MEGS)
1977	Maharashtra Employment Guarantee Act (MEGA)
1979	Training of Rural Youth for Self Employment (TRYSEM)
1980	National Rural Employment Programme (NREP)
1982	Development of Women and Children in Rural Area (DWCRA)
1983	Rural Landless Employment Guarantee Programme (RLEGP)
1993-94	Jawahar Rozgar Yojana (JRY)
1993-99	Employment Assurance Scheme(EAS)
1999	Swarnajayanti Gram Swarozgar Yojana (SGSY)
1999-2000	Rural Gram Samridhi Yojana (SGRY)
1999-2000	Jawahar Grameen Rozgar Yojana (SGRY)
2001-02	Sampoorna Grameen Rozgar Yojana (SGRY)
2004	National Food for work (NFWP)
2005	National Rural Employment Guarantee Act (NREGA)
2009	Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)

3.Importance and Impact of the Programmes :

However, most of them have not yielded the desired results and failed to bought security to people's lives as these schemes suffered from one or the other problems while they were being implemented. Under such a situation, the Government of India lunched the *National Rural Employment Guarantee Act (NREGA)* on September 7, 2005. "An Act to provide for the enhancement of livelihood security of the households in rural areas of the country by providing at least one hundred days of guaranteed wage employment in every financial year to every household whose adult members volunteer to do unskilled manual work and for matters connected therewith or incidental thereto."¹⁰

The MGNREGA provides a legal guarantee for the one hundred days of employment in each financial year to adult members of any rural household willing to do public work related unskilled manual work at the statutory minimum wage. This Act was introduced with an aim of improving the purchasing power of the rural people, primarily semi or unskilled work to the people living below poverty line in rural India. It attempts to bridge the gap between the rich and poor in the country.¹¹ According to the position of the Act one-third person day under the programme should be reserved for women through the experience suggests involvement of greater percentage of women , than the stipulated 33 percent , is a regular feature of the programme. The Narendra Modi government may spend close to Rs. 60,000 crore on the MGNREGS in the current fiscal , a record for the programme that was a baby of the previous UPA regime.

Since Independence, all the wage employment programmes lacked in focus in so far as providing employment opportunities are concerned. While self-employment programme like IRDP, SGSY focused on individual households, wage employment programmes were more community-oriented. In its emphasis on creation of durable community assets, the focus on providing employment opportunities to these rural households was somewhat lost. Moreover, there was no guarantee of work for the rural poor, no dearth of discrimination as there was no stipulation as to the right of the rural households in employment, MGNREGS, on

the other hand, came with the primary objective of providing guaranteed employment to the rural households. Naturally, employment is provided to rural households as their legally mandated right and not at the mercy of the local functionaries, which ensures development with dignity to use Amit Bhaduri's terminology.¹² The Slogan is of work with dignity, work without discrimination. Another hallmark of the present scheme is the protection it offers to the workers. All payments are made through bank or post office accounts, an active grievance redressed mechanism is in place and public disclosure ensures accountability to the people.

The thrust of India's anti-poverty programme has been changing. The land and assets based approach of the 1970s gave way to income and employment based programmes in the 1980s. Long-term investment in human capital through better education, health and nutrition facilities acquired equal importance in the 1990s. And more recently, that is in the 2000s, entitlement-based approach with guaranteed transfer of income and services has entered into development discourse and is practiced with three important developments, namely, *MGNREGA 2005*, *Right of Children to Free and Compulsory Education ACT 2009* and the recently passed *Right to Food Security Act*. The MGNREGA provides for guaranteed income, the Right to Food Security Act provides for food grain and the Right of Children to Free and Compulsory Education Act 2009 provides for free education of children up to 14 years of age.

4. Conclusion :

The land based-approach for rural development has failed mostly because of various difficulties associated with the procurement of surplus land and its distribution among the poor population. The dynamics of land, caste and local power structure was not favourable to land distribution. The assets based programme IRDP, failed for various reasons, but mainly due to massive leakages and corruption. It also suffered from design effects. For example, under the IRDP, providing milch cattle to the poor household without ensuring that the households has a minimum amount of land and resources to rear the animal did not prove helpful. Public works-based employment programme has been found more efficacious; India has experimented with a series of them since 1980. Some of the important programmes were: *NREP* (1980-89), *RLEGP*

(1983-89), *JRY* (1989-99), *EAS*(1993-99), *JGSY* (1999-2002), *SGRY* (2001), *NFWP* (2004), *NREGA* (2006), *MGNREGA* (2009). These were centrally sponsored programmes where in the central government shared major part of the financial burden and left the implementation in the hands of the state governments. Varying degrees of success and failures have been attributed to these programmes.

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