

2 RURAL POVERTY : CONCEPT, NATURE AND MAJOR TRENDS

2.1 Let us first define the terms "Poverty" and "poverty alleviation". As seen earlier for the purpose of the Study Group the term poverty means deprivation of some sections of the population in terms of income and consumption. This deprivation can be absolute and/or relative. The former refers to the situation where the poor are deprived of even the absolute minimum level of consumption; while the latter refers to the deprivation of the poorer sections in relation or in comparison to the non-poor or the rich of the society.

2.2 The deprivation of the poor occurs essentially because (a) the poor do not have the capacity or the opportunity to earn enough to ensure a minimum level of living for themselves and (b) the rich are powerful enough to grab the lion's share of the benefits of growth depriving the poor of their just share. In other words, the roots of poverty lie not only in the incapacity of the poor in some ways but also in the structure of the society which denies access to growth opportunities to all the sections of the population. It is important to note that absolute poverty and relative poverty are not independent of each other in the sense that eradication of absolute poverty without touching the relative poverty may not be feasible on a sustained basis.

2.3 It seems that the planners in India are mainly concerned with the eradication of absolute poverty. Though it is true that eradication of absolute poverty or ensuring minimum level of living to the poor has to receive the highest priority to ignore relative poverty altogether will not be desirable. This is firstly because alleviation of absolute poverty by itself will not take care of the relative poverty. Poverty line (whichever way it is defined) after all is not a magic line that by crossing it the poor will acquire a better deal in the distribution of gains of development. In fact, the approach of focusing on absolute poverty alone is merely a residual approach which does not attack the system as a whole but simply helps those who do not benefit from it. The problem of the poor here is seen as a by-product of what by implication is considered to be an otherwise adequately functioning system. (Retzlaff 1978). Consequently, eradication of absolute poverty may be accompanied by increasing inequalities of incomes and assets (Chopra 1984, Berman 85, Hirway 86). Secondly, crossing a povertyline (which is just enough for survival) once does not necessarily eliminate even absolute poverty on an enduring basis or sustained

basis if the poverty eradication takes place within the same exploitative systems. And thirdly, if relative poverty is neglected, the incidence of absolute poverty suddenly increases whenever the poverty line is revised (which is done frequently) and the problem of poverty eradication once again acquires serious dimensions.

2.4 In short, the term "Poverty alleviation" should go beyond the eradication of absolute poverty and it should include reduction in relative poverty also. This implies that for sustained poverty eradication, structural changes are necessary so as to improve the access of the poor to growth opportunities. In other words for a sustained elimination of poverty, the existing systems for the distribution of resources must be made more accessible and egalitarian in consequence.

2.5 *Absolute Poverty* : As eradication of absolute poverty has to receive a higher priority, let us start with examining the nature and dimensions of poverty in this context. To start with we shall describe the concept of poverty line as accepted by the planners and briefly comment on it. The first Working Group to determine the poverty line was set up by the Planning Commission in the early sixties.* The group observed that the poverty line should include private consumption (mainly food) and exclude public consumption like housing, education etc. The poverty line determined by the Group were Rs. 20.00 per capita per month for rural areas and Rs. 25.00 per capita per month for urban areas (at 60-61 prices). Later on, the Task Force on Minimum Needs and Effective Consumption Demand was constituted by the Planning Commission in 1979 which defined the poverty line on the basis of per capita daily calorie requirements of 2400 in rural areas and 2100 in urban areas. This poverty line which was used in the Sixth as well as Seventh Five Year Plans was Rs. 101.80 per capita per month for rural areas and Rs. 117.50 for urban areas (Planning Commission, 1984). Another Study Group on the Concepts and Estimates of Poverty Line was set up by the Perspective Planning Division of the Planning Commission in 1983 with S. P. Gupta as the Chairman. The Group recommended the concepts of average norm and minimum norm of poverty where minimum norm was 25% less than the average norm. It was suggested by the Group that first priority for poverty alleviation programmes should be given to the poor as defined by the minimum norm.

*The Working Group was set up in 1962 with the initiative of Dr. Pitambar Pant, Director of Perspective Planning Division of Planning Commission, Govt. of India. The group consisted of Dr. Gadgil, Dr. B.N. Ganguli, P.S. Loknathan, VKRV Rao, M.R. Masai, and Ashok Mehta

TABLE--1

Percentage of Rural Population Living Below the Poverty Line :
All India

Year	Ahluwalia	Gupta and Datta	Sundaram and Tendulkar	Tendulkar	Planning Commission Department of Rural Develop- ment	Kakwani and Subba Rao	Kakwani and Subba Rao ultra poverty	World Bank
1956-57	54.1							
58	50.2							
59	46.5							
60	44.4							
61	38.9	56.8			56.8			
62	39.4	56.2						
63								
64	44.5	53.8						
65	46.8	47.4						
66		49.9	53.9		49.9			
67	56.6	49.2						
69	51.0	48.4						
70		46.8						
71	47.5	47.8			47.8			53.0
72			43.2					
73		50.5	43.1	49.4		60.5	42.1	
74	46.1	47.8				60.5	41.3	
75								
76					50.0			
77								
78	51.5	39.1	40.1		51.2	56.3	37.9	
79								
80								
81					49.0			
82								
83				33.2		48.4	30.3	44.9
84					40.4			
85								
86					37.0			
87								
88								41.7
89								
90					28.2			
8th Plan					10.0			

2.9(a) The poor can be broadly divided into four groups on the basis of the intensity of poverty : the destitutes (with the average annual household income below Rs. 2265.00), the very very poor (Rs. 2265-Rs. 3500), the very poor (Rs. 3501—Rs. 5000) and the poor (Rs. 5001—Rs. 6400). The employability, the risk bearing capacity, the credit worthiness, access to PAPs, enterprise and the amount of investment needed to help them to cross the poverty line are likely to vary from one group to another. Planners, therefore, will have to consider this grouping while planning for poverty alleviation.

(b) It seems that agricultural labourers and marginal farmers belonging to the scheduled castes/tribes constitute the poorest sections of the population. This group, therefore, deserves the utmost attention of our planners. The other groups who deserve more attention are agricultural labourers and marginal farmers (other than those belonging to SC/ST), the SC/ST households, rural artisans and the other poor.

(c) Though there are problems regarding the availability of separate data on poverty among females,

about 8.4% households have more than Rs. 1 lakh assets and they own around 48.4 per cent of the total assets in the economy (Dantwala 1987).

Percentage of Population Below Poverty Line

	1977-78	1983-84	Rate of Decline
Eastern & Central Region	57.32	62.42	14.5
Southern Region	22.91	21.25	25.2
Western and Northern Region	14.45	12.56	32.4
	100.00	100.00	21.1

(Source: NSS Rounds and Manrai 1986)

2.13 It is clear that selective sectoral growth processes have resulted in the marginalisation of the weaker sections. The upper most sections have not only taken the lion's share of the increase in the income, but has also taken away a large chunk of the raw material and markets, with the result that the unorganised low technology sector suffers in many ways. This increasing gap between the modern sector and the traditional sector is described as *Inda Vs. Bharat* or bi-modal growth process by several scholars. It seems that the economic growth on a lopsided socio-economic-political structure cannot reduce inequalities substantially and cannot benefit the lowest sections enough as the policy/programme formulations as well as their implementation will tend to take care, mainly of the vested interest of the upper classes.

2.14 In the background of the above developments it is not surprising that there is a general deterioration in the employment scene in the country. First of all, the average annual rate of increase in the employment in the economy (2.1%) has remained lower than the rate of growth of the labour force (2.5%) throughout the period of economic planning (1951-87). There seems to be an almost

contemptuous neglect of employment through this period. It is not surprising therefore that the percentage growth of GDP required for 1 per cent increase in employment has continuously increased from 1.04 in 1951-61 to 2.44 during 1978-83 and to 3.57 during 1983-87 (Prasad 1990). Secondly, the share of the organised sector in the total employment has remained low (around 10%) throughout the period of planning and the rate of increase of the organised employment has been declining during the past few decades. The rate was 2.16 between 1966-87, 1.56 between 1972-87 and 1.46 between 1983-87. Thirdly, the problem of educated unemployment has acquired serious dimensions over the years with their increasing from about 2.049 m. in 1971 to 14.7 m. in 1986. Fourthly, there has been a small shift in the occupational structure towards non-agricultural sectors which at least partly, is distressed in the sense that the people have shifted away from agriculture not because the other sectors are more attractive, but because agriculture cannot accommodate any more labour. (Vaidyanathan, 1987, Bhalla, 1990). And lastly the percentage share of casual labour among total labour force has been increasing over the years. As per the NSS data there has been about 60 per cent increase in male casual labour and 21 per cent increase in female labourers (Hirway and Unni 1989). These trends indicate two important developments: (a) there is a decline in the proportion of family enterprises in the economy, and (b) there has been a casualisation among wage labour.

2.15 The above discussion on the major trends in the economy in the context of the weaker sections clearly indicates that the development process has not treated the poor well. The increasing disparities of incomes and assets across regions and across different sections of the populations have weakened the position of the poor considerably. Crossing of the poverty line (which is equivalent to the absolute minimum level for physical survival) by a few in this background is surely not an occasion to celebrate. Though this crossing does mean a relief to the poor, it cannot sustain for long unless the system is tilted in favour of the poor

3. POVERTY ALLEVIATION PROGRAMMES

3.1 There are three major approaches towards PAPs. According to the *first approach* there is no need for PAPs because poverty should be taken care of by the regular growth process of the economy. Appropriate modification in the rate and pattern of the present growth process can alleviate poverty according to the subscribers to this approach. They argue that PAPs are merely doles which do not yield any concrete results, but are implemented mainly because our Government does not have the capacity or willingness to modify the present growth process. According to the *second approach* poverty cannot be alleviated effectively without introducing structural changes in favour of the poor. PAPs, without the necessary changes in the socio-economic structure trickle up rather than trickle down, according to these scholars. (Kurien 1987, Dantwala 1987). It is also argued by some that PAPs are a part of the conspiracy of the rich to diffuse the discontent of the poor and to protect their own vested interest. According to the *third approach* however, PAPs are necessary for poverty alleviation because (a) they improve the access of poor to developmental opportunities, (b) PAPs use (mainly wage employment programmes) surplus labour for community asset formation which, in turn, expand the long term employment opportunities for the poor and (c) PAPs strengthen the position of the poor by providing them assets and incomes, which in the long run help in bringing about structural changes in favour of the poor.

3.2 It seems that there is some truth in all the three approaches, however, the issue involved are quite complex. For example, it is true that ultimately growth has to take care of poverty. But even after the growth process is modified to take care of the interest of the poor (which is not an easy task in the present system), it will take some time till all the poor get its benefits. It will be necessary to help the poor till then by measures of direct attack on poverty. Also, our best experience has shown that growth does not trickle down to the bottom rungs of the society largely due to the structural constraints. Modification in the growth process alone therefore, may not be enough for poverty alleviation. In fact, it can be said that modification of the growth process and structural changes in favour of the poor together are the real and better alternatives to PAPs. However, the radical alternatives are difficult to implement due to the low political will of the present system. A feasible strategy in the present circumstances is then an interventionist strategy of PAPs which is less radical but if implemented well, is likely to lead the economy in the right direction. It must be added that the task of poverty alleviation can not be shoul-

dered entirely by PAPs because in the final analysis, poverty alleviation can be achieved only through an appropriate growth process and reduction in the structural constraints of the poor.

3.3 Theoretically speaking PAPs can initiate some changes towards bringing about structural changes in favour of the poor and towards modifying sectoral growth processes to create more employment and income for the poor. First of all, it can be argued that transfer of assets to the poor under self-employment programmes as well as creations of community assets for the use of the poor and their collective (through cooperatives) or individual ownership (such as housing, irrigation wells or small farms etc.) can strengthen the asset base of the poor in the long run. Such programmes on a large scale can change the distribution of assets in favour of the poor gradually. Secondly, human capital formation among the poor through skill training under PAPs can also improve the economic status of the poor. And lastly, the non-economic consequences of PAPs such as improved status (and therefore improved access to development opportunities) of the poor, increased awareness and organisation of the poor may also help in strengthening the position of the poor and in giving them a better deal in the distribution of benefits of the growth. As regards the modification of the sectoral growth process in favour of the poor, PAPs can contribute considerably. First of all, surplus labour can be used for sectoral development (through PAPs) in such a way that the labour absorbing capacity of the sectors increase. For example, wage employment programmes can be used for land development, soil conservation and watershed development etc. in such a way that agricultural development becomes more labour intensive. Secondly, infrastructural planning in backward areas can be taken up through special area development programme so as to reduce regional disparities on one hand and support labour intensive development of backward regions on the other. In other words, the use of surplus manpower can be planned through PAPs in such a fashion that the growth process becomes more labour intensive and provides sustained employment opportunities to the weaker sections. It must be added once more that these effects of PAPs must be adequately supported by macro economic policies.

3.4 The past experience of developing countries, however, indicates that there is a considerable gap between the intentions and achievements of PAPs. PAPs have frequently created huge wastages in the form of inefficiencies and corruption. Will it be appropriate to recommend the strategy after these experiences? The reply to this question would be

that we cannot throw the baby along with the bath water. As this is a useful strategy, attempts should be made to make it more successful.

3.5 In short we would like to observe that the PAP strategy has its own logic and therefore it has a place in the development process of our economy. There is therefore no question of doing away with PAPs because the alternatives to PAPs are too radical to be implemented satisfactorily in the present set up.

3.6 The first PAPs to be introduced in India were SFDA (Small Farmer Development Agency) and MFAL (Marginal Farmer and Agricultural Labour Agency) in early seventies. Gradually, the coverage of the PAP strategy expanded to cover backward areas (i.e. drought prone areas) and to meet the minimum needs of the poor. During the Fifth, Sixth and Seventh Five Year Plans the strategy has expanded in terms of both, content and coverage. The PAP strategy today has four major components: (a) Self-employment programmes, (b) wage employment programmes, (c) backward area programmes and (d) training programmes which offer skill training to the poor for self-employment and wage employment.

Inventory of PAPs in India : Centrally Sponsored Programmes. Self Employment Programmes :

3.7 IRDP : The most important self-employment Programme today is IRDP (Integrated Rural Development Programme). It is perhaps the largest poverty alleviation programme in the World today. IRDP was first introduced in 1978-79 in selected districts and was meant to be integrated with the micro level planning process at the district and taluka levels. However, when the programme was reintroduced in the Sixth Plan (1980-85) by the Congress Government which came back to power in 1980, the integration aspect of it was almost forgotten. The programme therefore has remained mainly a self-employment programme for the poor. The main objective of the programme is to help the poor to cross the poverty line and achieve sustained poverty eradication. The programme offers self-employment opportunities to all the poor (defined on the basis of the annual poverty line income/consumptions levels) in all the major sectors, such as agriculture and allied activities village and small industries, and service & small business of the rural economy.

3.8 TRYSEM (Training of Rural Youth for Self-employment) : TRYSEM was introduced as a centrally sponsored scheme in 1979. The main thrust of the scheme is on equipping rural youth in the age group 18—35 years with necessary skills and technology to take up vocations of self-employment in the fields of agriculture and allied activities, industry, service and business. In order to get maximum benefits of the programme, it was linked up with IRDP in the Seventh Plan. TRYSEM is also expected to facilitate diversification of activities taken up under IRDP, and thus enable IRDP to contribute towards diversification of the rural economy.

3.9 DWCRA (Development of Women and Children in Rural Areas. In recognition of the fact that women have been only marginally, benefitted

under various rural development programme, a pilot scheme of DWCRA was visualised in 1982-83 to be implemented in 50 selected districts in the country for involving women in anti-poverty programmes. Later on this was extended to another 50 districts. The specific objectives of DWCRA are (1) to improve women's participation in rural development through improvement in their skills & in their access to credit and other support services, (2) to reduce their daily work load by providing appropriate support in technology and organisation, and (3) to generate marketable output from activities of women and support them in the long run.

3.10 Recently, it has been decided to support DWCRA by a multipurpose community centre, which is to be designed as a central place where women can assemble for training and carry on economic activities. DWCRA is also now linked with CAPART which is expected to strengthen the technical side of the programme. The non-economic component of DWCRA has now expanded to cover supportive services like mother and child care, immunisation, adult education etc. so that the women are able to derive maximum benefits from various social development programmes.

3.11 Other Self-Employment PAPS : Apart from the above mentioned programmes, there are a number of small self-employment programmes designed to create self-employment opportunities for specific poor groups. The major ones among these are Self-employment programmes for SC/ST population programmes of Khadi and Village Industries Commission (Boards) All India Handicrafts Board, All India Handloom Corporation (Board), Coir Board, Cottage Industries, Directorates and several other Boards; the DIC (District Industrial Centres); and the programmes of the central ministries like the Ministry of Labour, Ministry of Welfare, Ministry of HRD etc.

Wage Employment Programmes :

3.12 NREP (National Rural Employment Programme) : NREP was introduced during the Sixth Five Year Plan (1980-85) with the objectives of (a) generation of additional gainful employment in rural areas, (b) creation of productive community assets and (c) improvement in overall quality of life in rural areas. The expenditure of NREP was equally shared by the central and state governments.

3.13 RLEGP (Rural Landless Employment Guarantee Programme) : RLEGP was introduced in 1983 with the primary objective of improving and expanding employment opportunities and giving an employment guarantee of 100 days in a year to rural landless households. The other objectives of the programme are creation of durable assets for strengthening the rural infrastructure to raise the rate of growth of the rural economy, and improvement in the overall quality of life in rural areas. RLEGP was funded entirely by the Central Government.

3.14 JRY (Jawahar Rojgar Joyana): JRY, which has been described as 'a major tool of eradicating unemployment from rural areas in the coming years' was introduced in 1989 in the place of NREP and RLEGP. The main objective of PRY is to provide

employment of 100 days to atleast one member of each family of the rural landless in the country. The special features of JRY are (a) It is planned and implemented mainly through village panchayats. Central government gives JRY funds to DKDA, Zilla parishad who pass on 80 per cent of the funds to village panchayat on the basis of set norms. Village Panchayats plan for JRY on the basis of 'felt needs of the people'. The District agency spends 20 per cent of JRY funds as per the fixed guidelines i.e. 25 per cent for social forestry, 15 per cent for SC/ST and 55 per cent on other productive assets after deducting 5 per cent for administration and 10 per cent for the maintenance of assets.

Backward Area Development Programmes

3.15 Droughtprone Area Programme (DPAP) : DPAP was introduced in 1973 with the main objectives of relieving the drought areas of their major problems. Since 1981 the major thrust of the programme has been on infrastructure and resource development. On the basis of recommendations of the Task Force on DPAP (1982), the programme was directed towards restoration of ecological balance and optimum utilisation of land, water, livestock and human resources to mitigate the effects of drought. The main tasks of the programme therefore are water resource management and land use to promote dry-land agriculture. DPAP covers 615 blocks in 90 districts of 13 states in the country. The major states covered under the programme are Maharashtra, Uttar Pradesh, Karnataka, Gujarat and Rajasthan.

3.16 Desert Development Programme (DDP) : DDP was introduced in 1977-78 as a Central Scheme to cover extremely arid areas with the objectives of controlling desertification, restoration of ecological balance and creation of conditions which would improve the levels of living of the people. The major activities taken up under the programme are afforestation with emphasis on shelter belt plantation, grass land development, sand dune stabilisation, conservation of surface water and recharge of groundwater aquifers, water management and the development of agriculture, horticulture and livestock resources. DDP covers about 131 blocks in 21 districts of states, these states being Rajasthan, Gujarat, Haryana, Himachal Pradesh and Jammu and Kashmir. hilly areas.

3.17 Hill Area Development Programme (HADP) : HADP was introduced during the Fifth Five Year Plan with the major objectives of conserving national resources and environment protecting the eco-systems and improving the levels of living of the people in hilly areas.

HADP covers Himalayan and sub-Himalayan hilly areas in Assam, Uttar Pradesh and West Bengal and Western Ghat Areas in Maharashtra, Karnataka, Tamil Nadu, Kerala and Goa.

3.18 North Eastern Council (NEC) : The NEC on which consists of 5 States (Assam, Manipur, Meghalaya, Nagaland and Tripura and 2 union territories (Mizoram and Arunachal Pradesh) accounts for

7.7 per cent of the total land of the country, with the population of 26.6 million (1981) people. Considering the fact that the NE region and its people differ from the rest of the country in terms of geography, climate, socio-economic conditions, the area needs special care and attention. NEC was created (by an act of the Parliament) in 1971 as an advisory body. It is expected to help in bringing about infrastructural development like power and transport and integrated overall development of the NE region.

3.19 Programmes for Tribal Areas : Considering the socio-economic backwardness of tribals and the specific problems of development of tribal areas, Government adopted the TSP (Tribal sub-plan) strategy; in the seventies. As per the strategy, the blocks with the majority of tribals are identified and integrated tribal development projects (ITDP) are formulated for the development of these blocks. The major thrusts of TSP are socio-economic development of tribal areas and of tribal families. Tribal area development is supported by other schemes such as LAMPS (Large Agricultural Multi-purpose Societies) for freeing the tribals from the clutches of traders and money lenders; State Level Tribal Development Corporations which are set up for the overall upliftment of tribals and the national level Tribal Marketing Organisation.

State Level PAPS :

3.20 Several state Governments have introduced innovative PAPS in their States with a view to alleviate poverty. Employment Guarantee Scheme of Maharashtra, Land Army Corporation of Karnataka, State Rural Employment Programme of Tripura, Village Development Council of Nagaland are the Major state level programmes.

3.21 EGS : The EGS of Maharashtra was introduced in 1972 with the primary objective of providing guarantee of work to all those who live in rural areas and in 'C' class Municipal Councils and who are prepared to do unskilled manual work. The secondary objectives of EGS are to create durable community assets and to raise the growth rate of the economy.

3.22 Some of the important features of the scheme are : (a) The scheme covers all the adult persons (18+), (b) the guarantee is given at the district level though operationally works are normally provided within the panchayat samiti area, (c) the works are implemented through the Government departments like Irrigation, Public Works, Agriculture, Forest and Zilla Parishads without contractor, (d) if the authorities fail to provide work, they are bound to pay an unemployment allowance of Rs. 2.00 per day to the worker; and (e) unskilled wage component of works should be 60 per cent and the material and skilled labour component 40 per cent.

LAC of Karnataka : LAC of Karnataka is based on Ram Manohar Lohia's suggestion of forming a land army "to transform rural economy within a foreseeable time", LAC is a wage employment programme whose main objectives are (a) to increase employment opportunities for rural workers, (b) to undertake development works to raise the rate of growth of the

economy without using middleman or without exploiting the poor, (c) to build infrastructure in remote areas for farm development, water development, minor irrigation, dam development, sericulture, fishery etc. as well as commercial buildings, godowns, hostels, hospitals, residential buildings etc. and (d) to train rural youth on the job to create self-earning capacity. It is an autonomous corporation with its own professional staff, administrative set up, workshops, R & D centres, and training arrangements

3.23 SREP of Tripura : Government of Tripura introduced SREP in 1981-82 with a view to fight poverty more intensively. The programme is a wage employment programme and its main objective is to make it in real terms a people's programme with government participation for improvement of nutritional status and living standards of rural people. SREP undertakes works like minor irrigation, soil conservation, horticulture, soil conservation forest, social forestry, feed and fodder cultivation, fishery tanks, labour shed in tea gardens, roads buildings, etc

3.24 Village Development Board (VDB) of Nagaland : Most of the North East Regions have strong people's organisations at village levels, which are a part of the socio-cultural heritage of the past. Government of Nagaland has developed this culture to strengthen village level planning in the state. VDBs were set up in Nagaland (a) to have an effective agency at the village level to channelise development funds, (b) to encourage people's participation in planning and implementation, (c) to channelise institutional credit to rural people, and (d) to place discretionary funds to be village level. VDBs are constitutional by the Village Council. It receives a grant of Rs 500 per household per year from the State, and raises other resources also. It undertakes works like approach road, school, community hall, bridges as well as poultry and pig farms.

3.25 Women's Development Programme (WDP) of Rajasthan : Among the various state level programmes of women, WDP is an important programme. Its major objectives are (a) awareness creation among women about their social and economic status, and (b) empower women through information, education and training, and to enable them to improve their economic and social status. According to WDP there is a Mahila Vikas Kendra (Women's Development Centre) for each 5000 population living in approximately 4 villages. The centre is managed by a Sathin, who is supervised by Pracheta (teachers) at the block level and project Director at the project level. WDP mainly organises camps of women to create awareness and help them to help themselves. It is ex-

pected that this awareness creation will promote skill formation for undertaking economic activities.

Similar programme called Women's Equality programme has been initiated recently as an all India Programme by the Department of Women's Welfare, of the Central Government. The main objective of the programme is to create awareness among women and involve them in the development process so that they become equal partners of progress.

3.26 Other State Level Programmes : Several other State Governments have introduced a number of small PAPs covering specific sectors or specific groups of the rural society. Some of the major programmes are Economic Development Corporation for women which aims at expanding employment opportunities for women, special employment programmes for the landless under which funds are allotted for taking up wage employment works for the landless, Special housing construction programmes meant for the construction of housing as well as employment generation for the poor, backward area development programmes for special identified backward regions of the state, and Special training programme for women, SC/ST population and other poor groups

3.27 The discussion in this section has shown that we have created a plethora of PAPs in the country in the last two decades. The network of the programmes is now well spread out in terms of coverage and content. Though one observes conscious attempts on the part of the planners to modify the programmes to remove weaknesses and shortfalls, there are some inherent weaknesses of the strategy. First of all, the problem solving approach of the planners which attempted to take care of specific problems of different groups has increased the total number of programmes, but has failed to create an integrated or a total approach towards poverty eradication. Secondly, the approach has also created multiplicity of programmes and multiplicity of agencies with strong vertical linkages. As a result horizontal linkages at various levels are extremely limited which creates lot of confusion. And lastly, throughout this period of evaluation, planners seem to have assumed that PAPs, on their own can contribute substantially towards poverty alleviation. As a result the strategy has refused to touch some politically sensitive and important areas and issues, such as land reforms, decentralised planning, reorientation of the macro growth process etc

3.28 It is worth noting that several state governments have designed innovative and bold schemes to alleviate poverty of their population. An implication is that state governments do possess the will and the capacity to design their own schemes.

4. SELF EMPLOYMENT PROGRAMMES

4.1 Integrated Rural Development Programme (IRDP) : The overall performance of IRDP in terms of target achievement has been quite satisfactory. During the Sixth Plan Rs. 1661.17 crores were spent on the programme against the target of Rs. 1766.81 crores (Original target was Rs. 1,500 crores) implying 94 per cent of achievements while in terms of covering the beneficiaries the target was over reached by 9.7 per cent (covered 16.56 m families against the target of 15.1 m.) 39 per cent of the beneficiaries belonged to SC/ST against the target of 50 per cent. The achievement during the Seventh Plan also are satisfactory as the annual targets of expenditure and physical coverage are reached in the first Four Years. The target of selecting 30 per cent beneficiaries of SC/ST was overshoot reached, and in the case of women the coverage was around 15—18 per cent (24 per cent in 1989-90) against the target of 30 per cent.

4.2 One observes that the performance of IRDP is gradually improved during the last decade in other aspects also : * (a) per beneficiary family investment is increased from Rs. 1642 (gross) to Rs. 4470 in 1987-88 and Rs. 5093 (upto December 1988) in 1988-89. (b) per family subsidy has increased from Rs. 582 in 1980-81 to Rs. 1719 in 1988-89, while per family credit has increased from Rs. 1060 to Rs. 3374 during the same period. (c) The sectoral coverage has shifted away from the primary sector to non-agricultural and particularly tertiary sector : the sectoral percentage shares which were 93.56, 32 and 4.12 for the primary, secondary and tertiary sectors respectively in 1980-81 changed to 42.02, 1.00 and 37.98 per cent in 1988-89, implying diversification of the trades under IRDP (d) percentage of women beneficiaries increased from a mere 3.03 in 1985-86 to 22.47 per cent in 1988-89, and the percentage share of SC/ST beneficiaries also increased from 39.02 per cent in the Sixth Plan to 45.42 per cent in 1988-89; (e) The same trends are observed in the case of most states which have been achieved gradual improvement in the target achievement over the years.

4.3 IRDP has been evaluated by several organisations like PEO, RBI, NABARD, IFMR, PAC as well as other scholars. Department of Rural Development (OI) also conducts concurrent evaluation of IRDP. These evaluation studies have thrown light on several positive and negative aspects of IRDP. These studies have shown that IRDP is very selective in its impact, appears that there are three major factors which influence the success of the beneficiary household characteristics, regional characteristics and nature of scheme.

4.4 Household Characteristics : It is observed that those who are nearer to the poverty line are in a better position to cross the poverty line, (Sodhi 1990, NIRD 1986, Rao and Erappa 1987, Ramaswamy 1986, Swaminathan 1990, SBI 1986, Hargopal 1989, Kawadia 1986, Deep Sagar 1988 and Hirway 1986).

4.5 Regional Characteristics : It has been observed that the performance of IRDP varies from region to region. IRDP performs relatively better in developed regions than in backward and remote regions. This seems to be largely because of the availability of infrastructural facilities and support for credit, raw materials, markets etc. in developed regions which provide external economies to the beneficiaries (Aziz 1987, Hanumantha Rao 1988, Prasad 1987, Rao 1987). The other regional factors that influence the functioning of IRDP are the level of awareness and politicisation of the population as well as the strength of local level organisations of the people in the region, the strength of feudalistic forces in the region and other region, specific factors like the North East region (For example, absence of clear documents of land ownership, scattered settlement pattern of the population, the predominance of very small villages in the region etc.).

4.6 The Nature of Schemes The success of IRDP also depends on the right selection of the scheme. Suitability of the scheme to the region, and to the beneficiary as well as the rate of return of the scheme are important factors here.

Long term Impact of IRDP :

4.7 The two important questions one would like to ask after the two decades of self-employment programmes in the country are : (a) How many of the poor have crossed the poverty line so far with the help of these programmes? and (b) Is this poverty eradication sustainable?

4.8 Let us attempt to reply to the first question on the basis of the performance of IRDP in the 6th and 7th Plans. Since there were about 95 m. rural households in India in 1981, one can roughly say that about 48 m households (51.2 per cent) were below the poverty line. During the Sixth Plan 16.5 m. families were assisted. If we allow for 10 per cent leakage to the non-poor (which is an under estimation), 14.85 m. really poor households were assisted during the Plan. As per the concurrent evaluation 12 per cent households crossed the poverty line, which means that about 1.78 m households or 3 per cent of the total poor households, crossed the poverty line during the Sixth Plan. It must be added, however, that about 78 per cent beneficiary families, experienced incremental incomes through IRDP.

*Government of India : Report of the Working Group on Self-Employment for the 8th Plan, Ministry of Agriculture, Govt. of India, New Delhi, 1989.

4.9 The Seventh Plan intended to assist 10 m old families and 10 m new families. If it is assumed that the prospects of beneficiary households crossing the poverty line improved during the plan by 10 per cent (as per the concurrent evaluation studies) about 13.2 per cent beneficiaries will cross the poverty line during the Seventh Plan. In other words, about 2.5 m households may cross the poverty line during the Seventh Plan. During the sixth and seventh plans together about 4.38 m. families crossed the poverty line. (It must be added that 78 per cent of the beneficiaries experienced incremental incomes through IRDP during the plans). Now, according to the latest estimates of the planning Commission there are about 2215 m persons or 425 m households are living below the poverty line in rural India. Without IRDP there would have been 46.38 m poor households. In other words, IRDP helped about 9.34 per cent of the poor households to cross the poverty line in 10 years. This achievement is positive but small. And it must be remembered that this achievement is not without qualifications. Those nearer to the poverty line and living in relatively developed areas have benefited more than the others.

4.10 The second question regarding sustained poverty eradication can be answered on the basis of the studies which have examined second dose of IRDP assistance or have studied long term impact of IRDP. Unfortunately, there are only a few studies of this kind, the major ones are Ahuja's study on Long term impact of IRDP in Jaipur (Ahuja 1989), SBI's study (and a few other bank studies) on the impact of the second dose of assistance (SBI 1988), Concurrent evaluations of environment of India, Pulley's study entitled Making the Poor creditworthy, in Uttar Pradesh (Pulley 1989), and V M Rao's study on IRDP and diversification of the Rural Economy in Karnataka (Rao 1989).

4.11 The concurrent evaluations of 1986 and 1987 show that the percentage of the beneficiaries with the IRDP asset intact in 1987 is fairly high (72 per cent) and it has increased during the two evaluations. However as the SBI study shows, with the passing of the time, many of the beneficiaries find it difficult to survive either because of the failure of the scheme or because of inadequate income generation. Those who fail in running the scheme usually leave it, while those who earn inadequate incomes experience gradual deterioration. The study shows that those who fail usually fail because of crop failure or death of the animal, poor skills, problems in marketing, personal factors etc. Such failures normally are not likely to gam much by the second dose of assistance. On the other hand, those who earn inadequate incomes due to the low level of investment and sub optimal financing, are likely to do better if a second dose of

assistance is provided. It is important to note that as per the rules of the Government the failures of the first type get a preference in the distribution of the second dose of assistance. *

4.12 The SBI study notes that 6.6 per cent of the beneficiaries of the second dose crossed the poverty line, though many more experienced an increase in their incomes. This implies that even after the second assistance, only a small proportion of the poor could cross the poverty line.

4.13 Kanta Ahuja's study in Jaipur shows that IRDP has a limited impact on the levels of living of the beneficiaries in the long run even after the second dose of assistance is given. This is because the second dose is small, is delivered indifferently by administration and is not supported adequately by other measures. The net result is that in long run only about 10 per cent of the beneficiaries enjoy a positive impact of IRDP, and the rest either lose or give up.

4.14 Both the studies show that the provision of second dose of investment is desirable. However it makes a limited impact in terms of sustained poverty eradication. Once again we observe that the results are positive but small.

4.15 What happens to the access of the beneficiaries to credit markets, raw materials and to other infrastructural support after he has already repaid the loan?

4.16 Pulley's study examines the access of the poor to institutional credit and banking services on the basis of four year data of IRDP beneficiaries in UP (Pulley 1989). The study shows that IRDP has succeeded in providing assets to the poor through banks for raising their income levels. However, even where beneficiaries have succeeded in self-employment and repaid credit according to the schedule, the programme has not led to their continued access to banking services. Banks choose not to lend additional funds to the poor after their obligation to achieve IRDP target is satisfied. This is mainly because of the concessions and subsidies given to IRDP beneficiaries, distort investment scales and choice preference for self-employment, encourage misappropriation, and therefore cause banks to limit their future lending to such clients. In other words, the concessions which help the poor in the short run limit their access to credit in the long run. It is estimated by Pulley that only 7 per cent of those who repaid IRDP loans received unsubsidised loans from banks later on.

4.17 The SBI study mentioned above discusses the access of the poor to markets and to other facilities in the long run. It shows that the beneficiaries find it difficult to sell their products in the long run, unless they are supported by strong co-operatives or strong market linkages. Poor transportation facilities, insu-

*State Bank of India, IRDP Evaluation Study of Supplementary Assistance' SBI, Bombay, 1988. The study shows that 6.6% beneficiaries of the second dose of IRDP assistance could cross the poverty line (of Rs 6400).

**According to the rules 'those who could not cross the poverty line because of circumstances beyond their control are entitled for the second dose.

cient demand and stiff competition from established traders make it difficult for the beneficiaries to sell their products profitably. Poor quality and high costs also intensify the problem. Similarly the beneficiaries complained that they found it difficult to get raw-materials at reasonable prices once the initial assistance is gone. It has been estimated by the study that 10 per cent of the beneficiaries are able to survive in the long run.

4.18 It seems to us that it is not very easy for IRDP beneficiaries to enjoy sustained poverty eradication unless they are well organised in cooperative to take care of their raw materials, markets etc. (like in dairy industry), or unless they are strong enough to acquire markets and raw materials etc. on their own strength. In short, the experiences of IRDP shows that all those who cross the poverty line once, do not necessarily remain above the line in the long run. In fact, the evidences show that only a small section of them (varying between 6 per cent to 15 per cent) manage to remain above the line.

4.19 *Diversification of the Rural Economy : What has been the impact of IRDP in terms of diversifying the rural economy?* It is accepted that diversification of economy in non-agricultural sectors enhances employment opportunities and raises the rates of growth of the economy. Since IRDP has a growing non-agricultural sector (ISB sector) it will be useful to find out whether it really diversifies the rural economy.

4.20 V. M. Rao's study of Karnataka throws useful light on the impact as well as on the dynamics of diversification through IRDP. (Rao 1987). The study shows that though IRDP has created employment outside agriculture, it has not been able to diversify the rural economy as the beneficiaries have not set up sound productive units under IRDP. Rao argues that there are several reasons for this : first of all, the types of activities selected by the beneficiaries in the non-agricultural sector are mainly in the area of petty trade, service or low productivity and low investment based manufacturing activity. Such activities are incapable of diversifying the economy. Secondly, the rural elites pose rigid barriers to the participation of the poor in a diversified and growth oriented rural economy. And thirdly, the total impact of successful IRDP households is too small to make any impact on the diversification of the regional rural economy. Rao therefore concludes that the PAPs in the present form are basically soft options that provide only some relief to the poor. (Rao 1989).

4.21 Our discussion above leads us to observe that though the IRDP approach is basically a sound approach, it has failed to give the expected results. What are the reasons for this? Why has IRDP failed to achieve the way it is expected to? We believe that there are three broad weaknesses of the programme: weaknesses of the approach of IRDP, the shortfalls in its planning and the drawbacks in its implementation. The following paragraph will discuss these weaknesses.

4.22 *The IRDP Approach : Though the IRDP approach is basically a sound approach, in the sense that it aims at making the poor viable by offering them*

self-employment opportunities along with other support, it suffers from several weaknesses. First of all, it is an isolated approach, which has almost nothing to do with the regular growth process. The intention of creating large scale self-employment in the economy for the masses of the poor has some important implications for the regular planning and growth process in terms of resource allocation, technology and sectoral development strategies. However, it is observed that the general growth process is not only ignoring these implications but is leading to deterioration in the conditions of the poor. In such a situation the programme like IRDP can have only a limited capacity to provide enduring employment, as the regular growth process tends to erode resources, raw materials as well as sustained employment opportunities of the poor. In other words, the IRDP approach is incapable of delivering the goods unless it is meaningfully integrated with the regular growth process. Secondly, the IRDP approach is a partial approach as it meets only one of the needs, i.e. employment, of the poor. The other urgent needs, are ignored by it. For example the poor frequently need social security measures, consumption loan in the lean season or for social functions etc. or loans to survive in the event of crises. Unless the antipoverty package is able to satisfy these needs of the poor, IRDP alone, may not work well. The poor, and specially the poorest will either not pay the loan to meet the other needs or may sell off assets to make the ready cash. Thirdly the IRDP approach emphasizes self-employment rather too much. It assumes that the poorest of the poor are capable and willing to take up self-employment and they have the required enterprise for the purpose. This assumption is unrealistic as many of the poorest are unwilling or incapable of taking up self-employment, and prefer wage employment. What is needed therefore is to offer a choice of self or wage employment to the poor, and not imposing self-employment on them. Fourthly, centralised decision making regarding the weightage to be given to self and wage employment at the micro level, the number of the poor to be covered, the population of SC/ST and women among beneficiaries, the share of primary, secondary and tertiary sectors under IRDP is likely to go wrong in local situations. Also the designing of the economics of the schemes, along with the costs, returns etc. at the central level for a subcontinent like India is not likely to work well in difficult local situations. This centralised approach is too rigid to work well at the micro level. And lastly, the IRDP approach to a considerable extent, has turned out to be a soft option of providing temporary relief to the poor. It seems that the planners want to provide the relief to the poor without changing the growth process, introducing land reforms or without taking any drastic step that would reduce the wealth and income inequalities or unsettle the rich. Such a strategy can work only in a limited way.

Planning Component of IRDP :

4.23 Almost all the major studies on IRDP have referred to this basic weakness of the programme. And though considerable progress has been made in strengthening the planning of IRDP in the Sixth and Seventh Plans, this weakness still persists.

4.24 The first major aspect of this weakness is its almost isolation from the core planning. Though IRDP was recommended as a 'comprehensive strategy for translating the objectives of rural development, social justice, full employment at increased productivity for the rural sector within 10 years frame' in the Draft Five Year Plan (1978-83), its implementation later on reduced it to a limited approach of creating self-employment opportunity to the poor. The steps taken in the Sixth and Seventh Plans to improve the planning of IRDP were more or less like cosmetic surgery only as these did not have the capacity to integrate IRDP with the core planning.

4.25 IRDP is also not well integrated with other anti-poverty programmes in a systematic fashion. Though it is mentioned in a general fashion that NKEP/REGP should give priority to the assets needed for IRDP, there is no formal mechanism for it. The 'felt needs' of panchayats do not ensure such an integration. The multiplicity of anti-poverty programmes implemented through several agencies with strong vertical linkages make it difficult for the DDO or TDO to ensure even a minimum co-ordination. The temporary status of DRDA, relatively low status of TDOs (as compared to the department heads who are expected to assist in the implementation of IRDP), multiplicity of agencies and a large number of schemes etc., tend to weaken the planning of IRDP. And lastly the working out of the economics of the IRDP schemes also is not satisfactory. This economics frequently neglects inflation, regional disparities of costs and prices, hidden cost of (cost of visiting taluka office, trips to banks etc.) 'service charges' etc., with the result that the schemes do not work as well as it is expected. The beneficiary is frequently forced to borrow from outside at a high interest rate or is forced to compromise the quality of the asset or is not able to repay the loan—all of these reduce the benefits of the scheme to the beneficiary.

4.26 *Infrastructural support* : Inadequate infrastructural support is one of the most serious problems of IRDP. Generation of self-employment for the poor is likely to be successful only if the poor is supported adequately in the areas of finance and credit, raw materials, markets, training, technical assistance and follow up. However, it is observed time and again that IRDP in remote and backward areas lacks these support facilities.

4.27 *Credit Facilities* : There is no doubt that the banking sector has provided a big support to IRDP. Right from the socialisation of banks in the late sixties, the bank nationalisation, expansion of banking infrastructure, setting up of Regional Rural Banks, Lead Bank System etc. to the Schemes like credit plan, formulation of bankable schemes, cash credit schemes and the recent service area approach, banks have come a long way in serving the rural sector and the poor. In spite of providing Rs. 4000 crore's to IRDP during the 7th Plan, there are serious problems regarding the banking support to the poor under the programme. The first major problem is about the wide gap between the liberal macro credit policy and its micro level implementa-

tion in the areas of collateral required for loans, rate of interest to be paid, repayment schedule, working capital etc. These gaps either reduce the access of the poor to bank credit or make the credit more expensive for the poor. Another problem is regarding the co-ordination between banks and development administration and follow up of the schemes. Though there has been some improvement in this area in recent years, the problem is still serious.

4.28 It will not be out of place to mention the problems of recovery and the frequent waiving of bank loans by the government. If IRDP is a sound programme that supports viable schemes, waiving of loans has no place in it. In fact, it will have a very negative impact for the banking sector in the coming years. It is worth mentioning that Reserve Bank of India has introduced a Service Area Approach in 1988 with a view to ensuring productive lending in rural areas. Under this approach, each rural branch of a bank will be allotted 15-25 villages as its service area. The bank branch will have the responsibility for productive lending in this area to bring about economic development in co-ordination with development administration and government. This approach encourages concentrated efforts for planned lending on the part of banks. It allows for grass root planning of credit. It is expected that SAA will become an effective and useful tool for IRDP.

4.29 Before we conclude our discussion on bank credit, it is important to raise some basic issues: Is it desirable to insist on banks providing loans to the poorest of the poor, who are less creditworthy, lack enterprising and who have a very poor risk bearing capacity? By insisting on this under IRDP are we not encouraging wasteful expenditure on one hand, throw the poor in the 'debt trap' on the other? A poor person frequently comes forward for the bank credit not because he wants to take up a small enterprise, but also because he wants a subsidised asset or because there is nothing else available for him. Consequently the rates of returns on the investment are low and the poor moves downwards. Is it then desirable to provide credit to a large number of the poor without examining their specific needs?

4.30 Pulley has raised another important and a related issue: He argues that concessional lendings by banks to the poor tends to distort investment scale and choice, preferences for self-employment and encourage misappropriation. Consequently, even after beneficiaries have paid back the loans, their access to bank credit remains poor. The short term gains of the beneficiaries go against their long term interests. Pulley, therefore, recommends that the poor should be assisted through different ways such as rebate on interest rates etc. (Pulley, 1989).

4.31 *Other Infrastructural facilities* : Inadequacy of other infrastructural facilities has been another common observation of evaluation studies. Problems of marketing, raw materials and technical support are not really new. These have been documented right from the early evaluation studies. Their persistent existence, however, is largely due to the fact

at the schemes identified are not having forward and backward linkages with the local economy because of poor planning.

Administrative and organisational Problems

4.32 It is frequently doubted whether the present development administration has the capacity to implement an anti-poverty programme like IRDP. Capacity of administration is doubted basically on the two grounds namely, constraints of administrators and weaknesses of administrators. The major constraints of administrators are observed to be target-orientation of IRDP, understanding and overburden of work, temporary nature of DRDAs, and political pressure in the implementation of the programme. Major weaknesses are observed to be their poor involvement with the programme and their limited planning expertise. It seems that the involvement of administration with the programme or with the problems of the poor is limited. Many administrators themselves do not have much faith in PAPS. It is also observed that general level of the efficiency of DRDA is fairly low (NIBM, 1988).

The discussion on the administration and management of IRDP will not be complete without mentioning the recent efforts of introducing MIS, and CRISP. Computerised Rural Information System project (CRISP) is designed to improve the management of PAPS. CRISP was introduced to develop computerised MIS Management Information System at the DRDA level. CRISP handles NREP, IRDP, RLEGP and MNP (Minimum Needs Programme). It now handles JRY also. The usefulness of CRISP in monitoring PAPS cannot be denied, its major advantage being (a) fast retrieval of information, (b) improvement in the planning of PAPS, (c) better follow up, (d) reduction on the scope of manipulation by local politicians and (e) improved integration of PAPS. With the spread of CRISP, the planning component of PAPS will improve.

Concluding Observations

4.33 The overall picture that emerges from above discussion in this section leads us to make the following observations:

- (1) IRDP is neither a great success nor a total failure. It has some positive achievements to its credit in terms of helping the poor. However, these achievements are small.
- (2) The long term achievements of IRDP are much less. That is its capacity for sustained poverty eradication is smaller, though positive.
- (3) The success of IRDP largely depends on the regional and personal characteristics as well as on the nature of the schemes.
- (4) It is important to note that one major reason for the failure of IRDP is the absence of adequate support of the macro

growth process structural constraints and poor planning. Once these supports are strengthened, the performance of IRDP is likely to improve.

- (5) IRDP has a good potential for poverty eradication, but the potential is not yet tapped by the policy-makers and planners.

Self-employment Programmes for Women

4.34 Women in IRDP: (a) The percentage share of women beneficiaries was 9.89 in 1985-86, 19.53 in 1987-88 and about 24 per cent in 1989-90. Though there was considerable improvement over the years the target of 30 per cent was not reached. The statewide performance varied widely (1989-90) from 9.81 in Assam to 40.97 per cent in Haryana, 35-46 per cent in Kerala and 33.55 per cent in Punjab. The concurrent evaluation studies have shown that women beneficiaries usually come from better off of the poor sections. Several regional studies of IRDP have shown* that the access of female headed households (which are usually the poorest) to IRDP is very small, the schemes taken up by women are mainly in the area of animal husbandry, small trade and craft as there is a tendency to give low investment, low income generating traditional schemes to women, and it is also observed by some studies that men tend to dominate in decision making on women's schemes, which implies that women remain subordinate even after they become direct beneficiaries of IRDP.

4.35 It seems that these low benefits to women are due to social constraints and male domination in the family, women's poor awareness about the programme, the household approach of IRDP which neglects women as a separate entity, and women's poor access to banks as they do not usually own any assets.

Development of Women and Children in Rural Areas (DWCRA)

4.36 The performance of DWCRA in terms of target achievement of the plans has been quite satisfactory: The programme has been extended from the initial 50 (1982-83) districts to 161 districts in 1989-90. Against the Seventh Plan target of forming 30,000 women's groups 22,400 were formed, with a membership of 3.80 lakh women (up to December 1989). With the involvement of voluntary agencies and CAPART, DWCRA is showing better performance in most areas. CAPART has sanctioned 425 DWCRA projects and released Rs. 7.73 crores for the training of women and implementation of DWCRA. And with the involvement of NIRD, the training aspect of DWCRA is expected to improve in future.

4.37 Though the overall performance of DWCRA appears to be fairly satisfactory, there are some problems with the quality of the impact as revealed by various studies (Hirway and Unni, 1989, Ahuja, 1985, Mohiuddin 1988, ISST, 1986). Major obser-

*Some of the findings are based on this paper: Indira Hirway "Review paper on Impact of Anti-poverty programmes on Women" prepared for the National Commission on Self-employed Women", Ministry of Human Resource Development, Government of India, 1987.

uations of these studies are discussed below: One major problem of DWCRA is with the designing of its economic component. Though the group approach is a better approach than the individual approach, to expect women from the poorer sections to acquire technical skill and other capacity to become self-reliant within 3 years or so is highly unrealistic. So called successful units of DWCRA also have not achieved this (Hirway and Unni, 1989). There are also some problems with the functioning and performance of DWCRA groups. First of all, it is observed that number of groups formed is much less than the number of groups which have taken up economic activity. Secondly, it is seen that the poorest groups of women do not normally participate in DWCRA either because they are not willing or because they are not included in the groups. And thirdly, it is observed that DWCRA groups find problems in getting raw-materials as well as markets for their products.

4.38 DWCRA groups normally go for traditional occupations for women such as garment manufacturing, food processing, embroidery, crafts etc. DWCRA thus has not contributed much towards diversification of women labour force in rural areas. The group approach and group philosophy has not been implemented effectively by DWCRA groups (Ahuja 1986). Frequently the group is dominated by a few or the group leader behaves like an employer for the rest. The training component of DWCRA also observed to be weak (ISST, 1986, Ahuja 1986): The training period is shorter than needed and the level of skill, training imparted is rather low.

4.39 To conclude, though DWCRA is an innovative scheme which attempts to take care of overall constraints of women, and which aims at overall development of women, a lot of efforts will have to go in to make it successful.

Training of Rural Youth for Self-Employed (TRYSEM)

4.40 The official data show that during the Sixth Plan about 1.01 m. youths (101 per cent achievement of the target) were trained under TRYSEM in various trades. Of these 47 per cent started self-employment and 10 per cent joined as wage labourers, leaving 43 per cent trainees unemployed. This is indeed a high rate of wastage. During the Seventh Plan TRYSEM was made a part of IRDP, and therefore no separate targets were given. The targets regarding the share of SC/ST and women were over-reached during the Seventh Plan. There are wide regional variations in the performance of TRYSEM. For example, none of the trained youth could be employed in the years 1987-88 and 1988-89 in Meghalaya, while Punjab employed almost all the trained youths. The achievements in Assam, Manipur, Jammu and Kashmir was less than 25 per cent, while in Maharashtra, Karnataka, Gujarat etc. it was 50 per cent or more.

4.41 Though TRYSEM is not a widely researched programme, several good studies of the programme have been conducted. Nagraj's study in Tamil Nadu (Nagraj, 1989), Prasad's study in Delhi (Prasad, 1988) Mishra and Singhvi's study in Gujarat (Mishra and

Singhvi, 1981), Mishra's study in Rajasthan (Mishra, 1985) and George's study in Kerala (George, 1988) are worth noting. All the studies observe that TRYSEM is not a very successful programme (a) around half of the trained youths find it difficult to get suitable self or wage employment after training and (b) even after they start on their own, they find it difficult to manage the activity for long. Only a few are really successful cases.

4.42 One basic problem of TRYSEM is with the conceptualisation and designing of the programme. A programme like TRYSEM cannot be viewed in isolation. It has to be treated as a part of the process of rural industrialisation and diversification strategy. Its isolation from other rural industrialisation strategies and programmes therefore limits the scope as well as potential of the programme considerably. The identification of trades, location of new units, skill requirements, technology to be imparted etc. all depend on the larger economy of the region. Unfortunately this aspect has been neglected under TRYSEM.

4.43 *Selection of trades*: As TRYSEM is neither linked with industrial policy nor with rural industrialisation process, the trades identified for training are based on temporary shortsighted considerations. TRYSEM therefore tends to end up as a programme that creates non-farm sector in rural areas which has strong characteristics of informal residual character (Nagraj, 1989).

4.44 *Selection of trainees*: It has been estimated that about 80 per cent of the chronically unemployed in rural India are youths, and the incidence of chronic unemployment among them is nearly seven times as high as the incidence on rest of the population (Nagraj 1988). However in terms of social and economic groups, skills, preferences etc. they are a heterogeneous group. Also, not all of them are capable of taking up self-employment, as some may prefer wage employment. How does TRYSEM take care of this heterogeneity while selecting beneficiaries? To start with, the system of extension of TRYSEM is very poor and therefore only some of the youths come forward for the programme. As there is no provision of testing the applicants about their capacity, entrepreneurial ability, aptitudes etc. the selection frequently turns out to be wrong. Many youths consider this as a temporary employment programme. Some take it up for the free kit or subsidised assets.

Training Under TRYSEM

4.45 Training is the central theme of the programmes. However, the studies show that this aspect is relatively neglected. To start with, the selection of master craftsman is not proper (Mishra, 1985). Secondly, the training infrastructure provided by DRDA is frequently not adequate. Thirdly the level of skill formation is not adequate which is largely because of the short duration of training. Also, the training does not contain any aspects of management or entrepreneurship (though in a 1986-87 Entrepreneurship Development National Institute India is involved in entrepreneurship develop-

among the rural poor—a variant of TRYSEM). Education about Cooperatives also is not provided. The limited concept of training thus does not prepare the trainee to take up self-employment.

While concluding we would like to observe that TRYSEM is an isolated exercise which has had a

very limited quantitative and qualitative impact in terms of imparting modern, non-farm skills to unemployed youth and employment. Instead of supporting mainstream industrialisation process it has supported informal residual sector.

5. WAGE EMPLOYMENT PROGRAMMES

National Rural Employment Programme (NREP) and Rural Landless Employment Guarantee Programme (RLEGP)

Overall performance :

5.1 The performance of NREP during the Sixth and Seventh plans has been fairly satisfactory in terms of achievements of the plan targets. During the Sixth Plan Rs. 1868.41 crores were released for the programme (the amount was Rs. 1520.00 crores in the original plan) of which Rs. 1834.26 crores were spent, implying about 98 per cent of the target achievements. About 1775.19 m. mandays of employment was generated in the Plan; and of the total available food grains of 28.22 m. tonnes, 20.66 m. tonnes (73.21) per cent were used.

5.2 The performance of NREP during the Seventh Plan shows more or less similar picture. The Seventh Plan outlay for NREP was Rs. 2487.47 crores which was 33 per cent higher than the Sixth Plan amount. The targets for the first four years were reached. The last year targets (for JRY) also were achieved.

5.3 The official data on the performance of NREP shows that (a) the cost of employment per mandays under the programme has gradually increased during the Sixth and Seventh plans. The cost which was Rs. 5.25 in 1980-81 increased to Rs. 14.74 in 1984-85, to Rs. 16.81 in 1985-86, and Rs. 23.67 in 1988-89. This increase largely seems to be due to the increasing prices of materials, increasing administrative cost and to some extent due to the increase in money wages; (b) the labour material ratio remained between 60 : 30 and 60 : 40 during the Sixth Plan. It changed to about 53 : 47 in the Seventh Plan; (c) the types of assets generated under the programme during the Sixth Plan were social forestry (4.68 ha.) works for SC/ST (no. 4.79 lakhs), village tanks (53.55 thousands) minor irrigation works (covering 9.3 lakh ha.) soil conservation (on 5.13 lakh ha.) rural roads (4.40 lakh km.) drinking water wells (60.46 thousands) and community building etc. (no. 2.44 lacs). It is observed that over the years there is a decline in the per cent share of expenditure on roads, minor irrigation, and soil conservation; while the share of social forestry, drinking water wells and village tanks have increased; and (d) the per cent share of SC/ST and women employment on NREP has increased over the years. While the targets of SC/ST are achieved, the women's targets are not yet achieved. (For example, their share in the total NREP employment was 23 per cent against the target of 30 per cent in the Seventh Plan).

5.4 RLEGP : RLEGP was introduced in the middle of the Sixth Plan (August 1983), and consequently a relatively small amount of Rs. 600 crores originally Rs. 500 crores) was allocated to it. Of this Rs. 499.97 crores were released during the Plan, and

Rs. 384.74 crores were actually used (implying about 77 per cent achievement). The employment generation under the programme was of the size of 262.75 m. mandays during the plan against the target of 360 m. mandays (about 72 per cent achievement). The performance of RLEGP during the Seventh Plan seems to have improved in terms of the achievement of the plan targets. The Seventh Plan allotted Rs. 1743.00 crores for RLEGP for generating 1013 m. mandays of employment. The resource utilisation has been 82 per cent in the first four years of the plan, while the employment generation is more than 100 per cent. The official data show that the major components of RLEGP, namely, Indira Awas Yojana—JAY--(housing programme for SC/ST), Million Well Scheme, Social and Farm Forestry, and Minor Irrigation Works, land development etc. have shown fairly progressive performance during the Seventh Plan.

5.5 JRY : The outlay for JRY for the year 1989-90 is Rs. 2100 crores as the Central Share and Rs. 523 crores as the States' share. During 1989-90, Rs. 1195.77 crores were utilised (till December, 1989), the percentage achievement being 52.58. Employment generation for this period 456.62 m. mandays against the annual target of 877.41 m. mandays.

5.6 It is important to note that JRY is a much bigger programme than NREP and RLEGP put together. The allocation of funds on JRY for one year (1989-90) was about three fourth of the total NREP allocation for the four years of the seventh plan. Or to put it differently, the allocation of NREP and RLEGP combined was Rs. 1630.91 crores for the year 1988-89, while the JRY allocation for 1989-90 was Rs. 2623.08 crores which was 60 per cent higher. NREP, RLEGP and JRY together created about 3095 m. mandays of employment during the Seventh Plan as against the target of Rs. 3053 m.

Regional variations in the performance :

5.7 One striking feature of the working of wage employment programmes is their uneven nature across regions. It is observed that a few pockets have experienced concentration of the programme, while large areas are more or less left out (PEO 1987). As NREP-RLEGP as etc. are fully subsidised by the government, powerful leaders like to grab the programmes for their regions to make political gains. It is observed therefore that powerful politicians from prosperous regions get relatively more benefits, while backward and remote areas are frequently left out (Hirway 1986).

5.8 In the north-east region the performance of the programme has not been very effective. Though the amounts are spent and targets are achieved, the quality of performance has remained fairly unsatisfactory (Mathani and Singh 1987). This is observed to be, to a considerable extent, due to the administrative factors. The administration in this region is still in the formative stage. (For example, DRDAs were set up in Arunachal Pradesh in 1983, and administrative machinery at lower levels are still later).

5.9 Existence of healthy panchayat bodies help the performance of the programme. In West Bengal, for example, the implementation of wage employment programmes (before JRY) is in the hands of village panchayats which are fairly big in size. As panchayat leaders are in contact with local people and as the CPI-M cadre takes active interest in the performance of these programmes, it has been possible to involve people in the planning and implementation of the programmes (Echeverri Gent 1988). This has resulted in better identification of assets and less leakages in the implementation.

5.10 The centrally determined cost norms of NREP-RLEGP do not always match with the local situations. For example, the cost of housing changes from place to place due to the differences in the materials used and different cost price structures; or, the cost of construction of road is fairly high in hilly regions as the need for culverts, bridges is relatively high, or cost of social forestry per ha. changes with the type of soil, availability of water and the level of efforts needed to develop land for planting trees. All these differences are not adequately taken care of in the programmes.

5.11 *Impact on beneficiaries*. The impact of the programmes on the beneficiary families can be described as follows : First of all, it has been pointed out by almost all the studies that the total employment and income impact of these programmes is very small due to their small size. No poor family is observed to have crossed the poverty line as a result of these programmes except in a few cases where the programmes are implemented intensively (Vivekananda 1986). Secondly, the wages paid on the programme are much lower than the minimum wages which the workers are expected to earn. This happens due to the fact that the wages are calculated on the basis of the quantum of work done and not given as time rates and that the contractors who have cropped in, in spite of ban on them, do not pay the workers their due share in order to pocket high profits. There is a lot of corruption in the administration of the programmes even by officials who manipulate records and exploit workers to earn an additional amount. Thirdly, it is observed that the percentage share of the poorest in these programmes is less than 50 per cent (Singh and Ambedkar 1989). As per the concurrent evaluation studies only 35 per cent of the NREP beneficiaries came from the lowest income group (upto Rs. 3500) and 30 per cent of the workers came from the income group above Rs. 6400. And fourthly, the use of migrant workers on the wage employment programmes is observed to be about 13 per cent of the total workers (PEO 1987). In selected pockets however this percentage is very

high (Hirway 1986) as a result of which one comes across situations where the poor from backward areas build up infrastructure of relatively prosperous areas through these programmes.

Asset formation on programmes :

5.12 As revealed by several studies the assets created under the programmes are not satisfactory for several reasons. To start with, the selection of the works is done without proper planning. Instead of examining the infrastructural gaps or identifying the asset need of the on-going programmes and activities, the works are elected on ad-hoc basis. Shells of projects, are either not prepared or are prepared in a haphazard way frequently, the allocation of NREP/RLEGP resources among various sectors is done on the basis of the demands made by various departments and not through systematic planning. It is also observed that there is a bias towards constructing assets rather than giving employment. Village leaders usually like to construct panchayat ghar, cultural centres, school rooms etc. and not to spend on land development or watershed development for the poor. The objective of employment generation for the poor therefore suffers. It is also observed that NREP/RLEGP assets are frequently undurable, of lower quality in terms of technical specifications and some time incomplete. This is because of the inadequate supervision by the technical staff as well as the use of substandard material by contractors who somehow always manage to creep into the programmes.

5.13 *Maintenance of Assets* : Several studies have pointed to this weakness of NREP/RLEGP work. According to the concurrent evaluation, about 50 per cent of the assets are not maintained well. This seems to be because (a) the funds provided for maintenance are not adequate for major repairs, (b) Panchayats who are given the village level assets, do not have enough finances to maintain them; and (c) NREP funds cannot be used for major repairs as per the rules because these funds are essentially meant for constructing new assets.

5.14 *Use of the Assets* : Not all the assets created under the programme are used. According to the concurrent evaluation 86 per cent of the assets were used by the community and 7 per cent of the assets were not used at all.

5.15 *Women and Wage employment Programmes* : Though the percentage share of female casual labour in the total female workers is quite high (34.70 as per the NSS round of 1983) compared to the same for male (28.83) and there is a general preference for wage employment by women, the participation of women in NREP is very limited. As against the target of 30 per cent the achievement was less than 25 per cent in the last year of the Seventh Plan. It seems to us that because of the limited employment opportunities created under the programme and not so low level of NREP wages the programme has become attractive to men. In addition, the low participation of women is also due to the fact that (a) the work sites are not always suitable to women, (b) contractors, who frequently take labourers from place to place, on these works are less enthusiastic about taking women and (c) long

working hours on NREP/RLEGP works do not suit women when they have the responsibility of home and children.

5.16 Nutritional Impact : Improvement of the nutrition of the poor is also a primary objective of the wage employment programmes. However, the available evidence show that not much has been achieved on this front by the programmes because of the low level of the programme and the problems of supplying foodgrains to the workers. The small and intermittent employment in NREP/RLEGP is not likely to create any significant impact on the nutritional level of the poor.

5.17 In short, the above discussion shows that the wage employment programmes have had a limited impact on the poor. The programmes have created only a fraction of the total employment needed; the income effect is limited due to the low (lower than minimum) wages and low employment; and the nutritional impact also has been limited. The net result is that the programmes have made only a marginal contribution towards the goal of poverty alleviation (even temporary) of the poor.

5.18 Long Term Impact of the Wage Employment Programmes : We do not have much evidence on the long term impact of the wage employment programmes. However, the available literature do give some broad indications. To start with, the size of these programmes is too small to make a significant impact on the labour absorbing capacity of the economy and consequently the programmes cannot be expected to reduce the surplus labour in the economy or bring about a decline in the demand for such works. Secondly, the types of assets created under the programmes are not likely to have a very positive impact in creating employment in the main stream. This is due to the fact that the selection of most assets under the programme is done without keeping in mind their second round impact on employment. Thirdly, there is no evidence at all which suggests that the programmes have made any impact on the local wage rate or on the local labour market. On the contrary there is some evidence to suggest that local wages influence the NREP/RLEGP wages.

5.19 It is important to mention that NREP/RLEGP have a bias towards strengthening the asset base and incomes of the better off sections of the rural society. This is due to several reasons : (a) there is no provision for collective ownership or individual ownership of assets except for housing and million well scheme by the poor under the programmes, (b) the users of the assets are normally those who have some assets and they are able to improve their asset base by using these community assets, and (c) the distribution of the products of these assets (for example fuel and fodder of village forests) is normally done by the elected panchayat leaders coming from the rural rich class. The poor therefore are not likely to get even the fair share in the distribution. The overall long term impact of most of the community assets created under the programmes thus is likely to favour the better off sections of the population.

5.20 What are the factors responsible for the limited success of the programmes? There seem to be two major reasons for this : (a) the limitation of the designing of the programme ; and (b) the planning and implementation of the programmes.

5.21 The conceptualisation and designing of the programmes suffers from a number of limitations: To start with, the wage employment programmes are expected to be transitory programmes and they should be planned in such a fashion that the need for the programmes declines gradually. However, NREP/RLEGP have no such focus. In fact, nowhere in the guidelines this rationale and its implications on planning are mentioned. The lack of this focus leads to wrong identification of assets and wasteful expenditure. Another weakness of the designing of the programmes is their weak planning component. There are no guidelines which show how to plan for NREP, and how to priorities NREP expenditure in different sectors. The blanket rules that 20 per cent allocation to forestry, 20 per cent on SC/ST works etc. do not leave much scope for local level planning of the programmes. In addition, poor coordination of the programmes with the core planning process and with other rural development programmes leads to lot of ad hocism decision making. And lastly, it is indeed very surprising that there is no provision whatsoever in these programmes which ensures equitable distribution of the ownership and use of the assets created under them. It seems that the programme designing does not pay much attention to the long term rational of the programmes.

Planning and Implementation of Wage Employment Programmes:

5.22 DRDA which is primarily responsible for planning and implementation of NREP/RLEGP is a 'temporary' organisation which gets staff from various departments on deputation. Also the DRDA director at the district level and the BDO at the block level who are expected to coordinate the implementation of the programmes find it difficult to coordinate the work effectively because of their relatively low status and strong vertical linkages of other departments.

5.23 Use of contractors : As per the guidelines of the programmes the works are to be implemented by the concerned departments. In reality, however, contractors creep in frequently in a direct or indirect fashion. This happens because (a) department finds it difficult to undertake the material component of the works on their own due to the lack of required staff and skilled workers, (b) the departments frequently argue that they do not have enough staff to carry out all the works on their own, and (c) it is much easier for the departments to leave the job to contractors who take the total responsibility of executing the works. Contractors enter as 'Labour Cooperatives', gang leaders of labours or as 'panchayat members'. Village sarpanchas are also observed to be working as contractors on some works.

5.24 People's participation : NREP and RLEGP have almost failed in involving people into the

Planning and implementation, except for some pockets where voluntary agencies implement the programmes.

5.25 Maintenance of the ratio of the labour and material components of wage employment programmes is always problem for DRDAs because of their frequent preference for relatively less labour intensive works. Several ways have been found out to resolve this problem. First of all, wages of skilled labourers are included in the wage component of the programmes so that the high wages of skilled workers do not upset the labour material ratio. Secondly, production of raw-materials is undertaken under NREP (sometimes only on paper) to incorporate its labour component of the production in the labour cost of the programmes. (For example manufacturing of bricks for housing is taken up under the wage employment programmes). And thirdly DRDAs try to acquire extra funds to finance the excess material components of the works. Though these adjustment help the DRDA in maintaining the ratio, their overall impact is an increase in the material component of the work which reduces the employment intensity of the programmes.

Jawahar Rojgar Yojna (JRY) :

5.26 JRY has not been evaluated so far as it is too early to do so. However scholars have examined their likely advantages or disadvantages over the earlier two programmes.

5.27 One of the important aspects of JRY is that for the first time people's organisation, namely, panchayat institutions are involved in the planning and implementation of the programme. About 80 per cent of the funds go straight to village panchayats which plan for JRY on the basis of their own needs and priorities. This would have been an achievement if panchayat raj institutions were really representing the various interest groups in the village. However, when these institutions are dominated by the rich and the powerful, giving funds in their hands directly would mean strengthening the rich further. It has been observed by several studies that the panchayats all over India (except in West Bengal) are dominated by the rich. Elections are not held regularly (the last panchayat elections in Bihar were held in 1972) and village assemblies do not appear to be powerful enough to control the misuse of JRY funds.

5.28 The role of State Governments in JRY is basically of (a) a post office to pass on the central funds to villages and (b) a monitoring agency. Our discussion with several State level officials indicated that not many governments are willing to take up these roles. As a senior bureaucrat mentioned, Central Government should take the entire responsibility in their hands as "responsibility without power" does not help them much in improving the working of JRY.

5.29 A major objective of JRY is to provide 100 days of employment to at least one person from each landless household. The resource allocation is too

small for the purpose. In short, in spite of some new provisions, JRY fails to remove the basic weaknesses of NREP RLEGP. The isolation of JRY from the regular growth process, its weak planning component and its lack of integration with other PAPs tend to make the programme weak.

EMPLOYMENT GUARANTEE SCHEME (EGS) OF MAHARASHTRA

The overall performance of EGS :

5.30 EGS of Maharashtra is one of the most researched wage employment programmes in India. The total amount spent on EGS upto the year 1988-89 was Rs. 2100 crores which generated 2165.7 m mandays of employment and created 14.721 m assets of different types. The annual expenditure of EGS is around Rs. 2210 m. (1989) which is about one fourth of the total annual expenditure of NREP and RLEGP put together. If we consider the fact that Maharashtra has less than 9 per cent of the total poor in the country the dimensions of EGS become very clear. EGS expenditure is well spread out over the different months in a year. Maximum employment is created during the lean months of April—June and December—February while in the other seasons the expenditure as well as employment generation goes down. It has been policy of the Maharashtra Government to create less employment in the busy agricultural seasons so as not to affect agriculture adversely.

5.31 The asset wise allocation of EGS during the past decade or so shows that irrigation and roads are the most important sectors followed by agriculture, forests and other works of the total 214759 works sanctioned under EGS (till March 1988) 147021 works (68.45 per cent) were completed while the rest 67741 works (31.55 per cent) remained incomplete, some of them since long.

5.32 It seems that EGS is more labour intensive in nature than the other wage employment programmes. The cost per day on EGS was between Rs. 12-14 till 1987 as against the cost of Rs. 18 and more of NREP. (After the recent increase in the wage rate under the EGS, however, this cost has increased). This is because of the predominance of labour intensive works relating to land, water and tree under the programme, and due to the inclusion of the wages of skilled labour. Also, the labour—material component under the EGS is 60 : 40 against 50 : 50 of NREP-RLEGP.

5.33 The EGS has been evaluated by a large number of Indian and outside scholars from different points of view. The findings of these studies do not always match with each other, which seems to be largely due to the fact that they refer to different periods or different regions

TABLE—1
E.G.S. Maharashtra : Yearwise Progress

Year	Expenditure (Rs. in millions)	Employment generated (Million Mandays)	Cost per manday (Rs.)	At 1970-71 prices, cost per manday
1972-73	18.8	4.5	4.2	3.5
1973-74	18.9	5.1	3.7	2.3
1974-75	137.2	48.1	2.9	1.7
1975-76	346.1	109.5	3.2	2.0
1976-77	511.0	133.2	3.8	2.1
1977-78	515.4	115.3	3.8	2.1
1978-79	741.7	163.5	4.5	2.4
1979-80	1092.3	205.4	5.3	2.3
1980-81	1221.2	171.5	7.1	2.6
1981-82	1261.7	152.0	8.1	2.9
1982-83	1309.3	128.0	10.2	3.5
1983-84	1849.5	164.5	11.2	3.5
1984-85	2291.8	178.0	12.9	3.7
1985-86	2715.7	189.5	14.3	3.7
1986-87	2430.3	187.6	12.9	3.7
1987-88	2659.2	130.0	20.4	—
1988-89	2210.2	80.0	—	—
1989-90	912.5	40.5	—	—

Employment and Income Impact of the EGS :

5.34 One major objective behind introducing the EGS in Maharashtra in the early seventies was to provide relief to the poor in the midst of low agricultural growth (0.07 per cent) per year at the time, high population growth (2.4 per cent between 1961—71), frequent droughts and the consequent suffering of the poor. The political leadership took this bold step of providing employment guarantee to ensure minimum livings to the people. It has been observed over the years that the total quantitative impact of the programme on employment has been very large. However, the important question is : Is it enough to take care of the needs of the unemployed in the State ?

5.35 It is observed that the rate of unemployment (usual status unemployment rate) in Maharashtra has declined from 5.160 in 1973 to 3.44 in 1978 and 3.99 in 1983 for males, and from 5.93 in 1973 to 4.09 in 1978 and to 2.69 in 1983 for female labours. And this has happened when the all India rate for males has increased and for the females has declined marginally. It is clear that the EGS has contributed considerably in this achievement. It has been estimated on the basis of the NSS data that the total need for employment in mandays in Maharashtra is of the size of about 500 m. mandays. EGS provides 180 m. mandays which is about 36 per cent of the need. Though this share is not very large it is critical for the poor.

5.36 EGS provides, on an average 105 days of employment per person to the beneficiaries and contributes about 36 per cent of their family income (Acharya 1989). In the case of women beneficiaries

it has been noted that this percentage is 28 per cent (Datar 1989) and sometimes goes even beyond 70 per cent (Dandekar 1978). It is obvious that the EGS has acquired an important place in supplementing income through additional employment for the poor. It has been estimated that the EGS has provided 60 per cent of the total non-agricultural employment 3 per cent of the total person days and 8.6 per cent of the total casual work in Maharashtra.

5.37 Not all those who want, get work under the EGS. For example, in 1985 out of the total 4.33 m. registered workers 0.733 m. attended the EGS work site at a time, implying 17 per cent of the needy got employment (Datar 1989). The others could not get the work or did not take up the work because (a) they were not willing to wait for one or two weeks for the work (b) they prefer daily wage payment to the weekly wage payment of EGS, (c) EGS cannot provide them loans which a farmer employer can ; and (d) they find it difficult to fulfil the procedural requirements of the EGS. In addition, the lack of awareness about the programme or the strenuous nature of the EGS works also sometimes do not encourage them to take up this work. It is observed therefore that in spite of the EGS, migration of workers to neighbouring states is still prevalent in some cases. It is also observed that about 62 per cent of the registered beneficiaries in 1985-86 were from the below poverty line group (Of these 35 per cent were agricultural labourers, 47 per cent were small and marginal farmers) and about 69 per cent of the beneficiaries were from the SC/ST. What is worse, is that the percentage of the SC/ST beneficiaries in the total beneficiaries has declined over the years (Acharya 1989).

Women on EGS :

5.38 Large scale participation of women in the EGS is a phenomenon worth noting. In fact, EGS is known in rural Maharashtra as 'a programme of women'. The proportion of women on the EGS vary from 39 per cent (PEO 1978) to 51 per cent (Dandekar 1979) 49 per cent—80 per cent (ISST 1978) and 45 per cent—64 per cent (Datar 1988). Women beneficiaries of the EGS come from farmers' families as well as from the families of the landless; and from SC/ST families as well as non SC/ST families. It is found that men receive higher wage rates on the programme which is partly because of the division of work between male and female workers on the works.

Women's participation in the programme has resulted in some positive and some not so positive developments. Women's participation has increased the welfare of their families and increased their confidence. Their dress (as she has to go out now) and food also have improved. The marriage age of girls has also been observed to have gone up as girls work for the family (Dandekar 1987). However, position of small girl has suffered a set back as she is forced to stay at home to look after the kids and to do household work leaving her primary education. It is important to note that organisation of women beneficiaries of the EGS have fought for their needs and got creche service, and mobile schools for children and maternity benefits for themselves in some areas.

5.39 It was deliberate policy of the Maharashtra Government to keep the EGS wages at a low level, i.e. lean season agricultural wages. These wages are paid on the basis of the quantum of work done. A part of wages is paid in kind (1 kg. of foodgrains) to ensure cheap foodgrains to the poor. The Government has not been very efficient in managing timely supplies of foodgrains at the work sites or near to the sites. Recently the EGS wage rates have almost doubled from Rs. 6.00 to Rs. 12.00 per day to compensate for the price rise.

Asset Formation in EGS :

5.40 One major weakness of the EGS is the lack of adequate planning for assets. In spite of the elaborate administrative structure and the shelf of projects, the selection of works does not take care of the larger context of the EGS in the State. Incomplete works and delayed implementation of works is another major problem of EGS (Government of Maharashtra's study in 1982, Bagchi 1984, and Patkar and Acharya 1987). This seems to be because of the irregular attendance of the beneficiaries and the consequent closure of the works. These are also problems with the technical quality of the assets.

5.41 Maintenance of assets is observed to be far from satisfactory. Though most of the assets are to be handed over to Zilla Parishad, the latter has neither adequate staff nor enough resources to look after the assets. Unplanned use of assets or the lack of use of assets is another wastage of the assets. (Acharya 1989).

Equity Aspect of EGS :

5.42 Though the programme contributes towards employment and income generation for the poor, it has some regressive components. To start with it is meant for the poor as well as the non-poor. There is also no provision of giving a high priority to the poorest in the implementation. Consequently non-poor as well as better off of the poor participate in the programme to a considerable extent. Secondly, the use of assets also has a regressive impact in the sense that the benefits of assets have largely gone to large and medium farmers. (Bagchi 1984, PEO 1978). And thirdly, EGS has no provision for giving collective or individual ownership of community assets to the poor. It must be mentioned however, that the Government of Maharashtra has taken some steps to help the poor. For example land development programmes, water shed development etc. are taken up also on small and marginal farms. The Government has also imposed special taxes on the non-poor including the urban non-poor to finance the EGS.

Long Term Impact :

5.43 A large employment guarantee programme like EGS has now completed almost two decades of its existence. Huge resources have been poured in and millions of mandays of employment have been created. The questions which we should ask now are : (a) Has the programme expanded the labour absorbing capacity of the mainstream so as to bring about a decline in the demand for the programme. Or is it only a welfare programme ? (b) Will it be feasible to continue the programme in future ? and (c) Are some of the positive political developments on EGS work sites likely to lead towards some significant changes in the power relationships ?

5.44 *Decline in Demand* : The Employment data of the programme for the last four years does show a decline from 75.82 m. mandays in 1985-86 to 75.06 m. in 1986-87, 57.71 m. in 1987-88, 31.17 m. in 1988-89 and 26.62 in 1989-90. It is interesting to note this decline which is observed in all the months of the year. However, it is difficult to determine whether this is a temporary decline or a secular trend. It is argued by Sathe, on the basis of his field study in seven districts in Maharashtra that some of the EGS assets like minor irrigation works, percolation tanks, land development works have increased the demand for labour in the mainstream, and consequently, the demand for EGS works has gone down. This is a positive development which predicts a gradual decline in the demand for the EGS in the future also (Sathe 1989). However Sathe admits that this effect is much less than what it could have been. The problem of the selection of assets, non-durability of assets, non use of assets etc. have not helped in main economy to the desired extent. PEO study as well as Bagchi's study has noted that the employment potential of some of the EGS assets is quite good. The World Bank study of EGS also has noted that the minor irrigation works of EGS have a potential of increasing agricultural production and employment. How much of it is realised is not known though.

5.45 Other scholars, however, do not agree fully with the above explanation. Acharya finds no clear evidence of such a decline and observe no major evidence of an increase in the labour absorbing capacity of the economy. Secretary (EGS) of Maharashtra thinks that there are several reasons which seem to have caused the decline in the EGS employment: (a) an increase in the demand for labour in the mainstream due to the EGS works, (b) the stricter vigilance on the EGS works and more accurate reporting of employment data since 1985, (c) distant location of EGS works as the works in the vicinity of the villages are almost over and (d) the satisfactory and well distributed rains during the past few years in the concerned districts. One can sum up by stating that there is no doubt that some reduction has taken place in the demand for EGS, and one of the reasons is the increase in the demand for labour in the mainstream as a consequence of EGS assets.

5.46 We have, however, enough evidence, to suggest that the performance of EGS is slightly better than the NREP-RLEGP with respect of asset formation. This is because (a) the relatively better planning of assets on EGS; (b) predominance of assets related to land and water and (c) exclusion of building construction from the EGS. It is important to note some recent developments on the EGS such as introduction of planning the use of EGS assets, (for example Comprehensive Watershed Development Programme or COWDEP) and the new scheme called Rural Development through Labour which is a comprehensive village development programme (This strategy has shown its success in the village of Ralegan Shindi) in spite of these possibilities and achievements however, the basic limitations of the EGS, namely its isolation from the core planning and development process, remains, and unless this limitation is removed and EGS is integrated with the core development process meaningfully, it will be difficult to ensure entirely productive use of surplus manpower on the EGS.

Socio-Political Impact of EGS :

5.47 The Basic difference between the EGS and other employment programmes is that the EGS gives a guarantee of work which has a significant non-economic and specially political impact on the poor. The poor can now demand employment as a right rather than wait for bureaucrats to start

Workers on EGS work together for long periods which gives them an opportunity to come together. Besides, the concept of the right encourages them to demand work collectively. A number of organisations of the poor such as Lal Nishan Party (in Pune, Dhule and Ahmednagar districts), Bhoomi Sena (in Thane), Lakud Kamdar Samghatna (in Aurangabad) and Development Group (in Pune) have come up on EGS works. These organisations are involved in demanding work and better wages, keeping vigilance on the machinery and asking for better facilities on work sites. Women are also active members of these organisations. Some of their organisations had demanded creche, Balwadi, Maternity benefits etc., which

were granted. Efforts are being made to bring these organisations together on a common platform, it will be interesting to watch these organisations in future.

5.48 EGS works have made considerable impact on the social life of the beneficiaries. Emergence of women on the work in large numbers has created awareness and confidence among them. Women's organisations have been formed where they discuss their problems freely. (Datar 1989, Dandekar 1987) Women now dress better and their economic power has given them a better status in their families also.

Other Wage Employment Programmes :

Karnataka Land Army Corporation :

5.49 KLAC is a highly disciplined organisation managed by an ex army official. At present it has about 1000 engineers and 400 other staff. It provides, on an average, 30,000 mandays of employment to unskilled workers in the state. KLAC has established contacts and credibility with a large number of Government departments and Corporations as a result of which there is an increasing demand for KLAC which has so far executed a wide variety of works such as houses for the poor, roads, bridges, culverts, godowns, warehouses, irrigation works, factory complexes and even air strips. KLAC functions through its regional centers which are 8 to 10 in number and whose location changes according to the location of works.

5.50 KLAC employs local labourers as far as possible. However, it also employs outside labourers (directly and without any contractors) when the need arises. The wages on KLAC are determined on the basis of the time rates (the floor level) and the work rates both. That is, a minimum wage rate is paid to every one who works on KLAC works, but a worker can earn more than the minimum rate if he works more than the fixed quantity of work. This provision of linking up wages with production has helped the KLAC to improve their efficiency considerably. On an average a worker earns between Rs. 12.00 to Rs. 16.00 per day. KLAC staff has introduced quite a few innovative technologies in building construction activities such as low cost FRP doors, low cost FRP sanitary pans, steel windows, smokeless chulhas etc. KLAC is a progressive organisation which aims at expanding the area of operation to new directions. Some of the steps under the consideration for the future are skill training for workers.

5.51 Setting up district level centres, of KLAC, and social services for the poor such as education, and health services. KLAC also intends to link up its wage employment programmes with generation of self-employment opportunities. It has already taken up one project of housing which is followed up by skill training and self-employment of the beneficiaries.

5.52 In spite of these achievements KLAC suffers from some basic weaknesses. One major limitations of KLAC is that it does not take up any work on its own but waits for outside organisations to request it. Consequently, it does not have much say regarding the selection of assets. It is also not in a position to plan for employment generation on the basis of the

supply of labour on one hand and the need for community assets on the other. In other words, the activities of KLAC do not follow any micro level planning exercise. KLAC has not so far taken up works relating to the development of land, water and tree on any significant level. On the contrary it has a bias towards construction of buildings, bridges, roads, etc., which are less (unskilled) labour intensive in the short run and which have a limited capacity of creating employment in the mainstream economy. The total size of KLAC is also too small to make much impact on the state economy. Generation of 30,000 man-days of work per day is less than 2 per cent of the total rural employment in the state. In addition to these KLAC frequently faces considerable political interference from politicians who would like to do business with KLAC for supplying materials. It is not always easy to face this pressure because KLAC is after all a government organisation.

5.53 The experiences of KLAC suggests that an autonomous organisation like KLAC is essential as it can provide employment to the mobile surplus labour in the state and can execute works in a more systematic and efficient way. There is, however, a need to integrate this with the regular developmental planning so as to make its working more useful and more effective.

5.54 SREP in Tripura : Considering the fact that Tripura is fairly backward in infrastructural facilities, government of Tripura spends sizeable amount on this programme (Rs. 500 lakhs in 1990-91). The works taken up under SREP are usually labour intensive in the construction phase as well as in the post construction phase. These are minor irrigation works, soil conservation (horticulture), soil conservation (forest), social forestry and other afforestation, fodder cultivation, construction of fishery tanks and mini-barrages (for fisheries) etc. SREP is observed to have favourable impact on the Tripura economy. Apart from creating employment (more than what JRY creates in the state), it has also pushed up prevailing rural wage rates in some areas. However, it is observed that the size of SREP is still much smaller than the total needs of the state (Ganguli 1989), in terms of infrastructural facilities as well as in terms of demands for work (Ganguli 1989).

Concluding observations :

5.55 The discussion in this chapter leads us to observe the following : (1) Wage employment strategy is basically a sound PAP strategy which uses surplus manpower in the development process. Over the years the wage employment programmes have improved in their content and coverage; (2) JRY the latest wage employment programme attempts to do better than other programmes by decentralising its planning and by involving people at the village level. However, the earlier programmes as well as JRY suffer from some basic weaknesses such as isolation from the core planning process, poor coordination with other PAPs at various levels and small size. As a result neither the short term nor the long term impact has made any significant contribution towards poverty alleviation so far; (3) EGS provides Right to Work to the people of rural Maharashtra and therefore, it has certain basic advantages which are economic as well as political in nature. It is also a relatively better planned and better organised programme as compared to NREP/RLIEGP; (4) Its short term impact on the poor is significant as it has now come up as an important source of supplementary income for the beneficiaries. However, there are quite a few lapses here, which need to be corrected; (5) The long term impact of EGS in terms of reduction in the demand for the programme is now felt gradually. The non-economic and specially political impact of EGS also is worth noting. It is clear that the programme has the potential to fulfil its rationale. However this can be expedited only if certain limitations of the designing and weaknesses of implementation are removed. EGS is isolated from the main growth process and has a weak planning component. There are problems regarding its implementation efficiencies also; (6) KLAC of Karnataka and SREP of Tripura are other wage employment programmes designed and implemented at the state level. KLAC is an important programme which is conceptualised and organised in an innovative fashion. On the whole it seems that state level experimentations have come out with some useful ideas and given some positive results.

6. OTHER POVERTY ALLEVIATION PROGRAMMES

Drought Prone Area Programmes (DPAP) and Desert Development Programmes (DDP) :

6.1 The performance of DPAP and DDP in terms of achievements of plan targets was fairly satisfactory. During the Sixth Five Year Plan Rs. 310 crores were spent on DPAP as against the target of Rs. 350 crores (88 per cent target achievement) in 615 blocks of drought prone districts in the country. The assets created were mainly in the areas of soil and moisture conservation (426559 ha.) minor irrigation (32166/ha.) afforestation and pastures (386986 ha.) as well as on formation of milk societies (3420) and sheep societies (622). During the Seventh Plan the Central Government provided Rs. 15 lakh to Rs. 18.5 lakh per block for the implementation of DPAP. During the plan period upto December 1989, 420769 ha. areas was treated under soil and moisture conservation; 196993 ha. under water resources development and 347382 ha. under afforestation. The performance of DPAP in the Seventh Plan fell far short of the set targets.

6.2 As regards DDP, about Rs. 65.36 crores were spent in the Sixth Plan in 126 blocks (68 per cent target achievement). About 53870 ha. area was covered under plantation, 32610 ha. under shelter belts and 12090 ha. under sand-dune stabilisation. DDP created about 7880 ha. of irrigation potential and 8.8 m. mandays of employment under the plan. The performance of DDP under the Seventh Plan was more or less of the same with 58146 ha. covered under soil and moisture conservation, 20222 ha. under minor irrigation and 101692 ha. under afforestation.

6.3 The importance of DPAP and DDP in a country where 70 per cent of the cultivated area is rainfed cannot be undermined. The task forces and study groups appointed have helped in giving the right focus to the programmes over the years. However, the performance has not matched with these objectives. One major observation of the evaluation studies is the low level of efforts under the programmes and the consequent less than satisfactory performance of the programmes. (1) These programmes have not been able to stop the process of ecological deterioration in the regions where they are implemented. The desertification of the regions is still not prevented adequately; (2) The programmes have also not been able to ensure drinking water to the problem areas, though this is a primary necessity of life; (3) in terms of income and employment generation the impact of the programme has been quite low; (4) The economic activities undertaken under the programmes have not yielded expected results largely due to the defective planning and inadequate follow up; and (5) The major limitations of the programmes have been due to the weak administration of the programmes (because of the less efficient staff to these punishment areas), poor infrastructural

support and the general indifference of planners towards these areas.

6.4 We believe that the problems of drought prone areas and desert areas should be tackled not at the district levels but at the regional level. Fortunately agro-climatic zonal planning has been introduced in the country in recent years under which the whole country is divided into 15 homogeneous zones. Under the expert leadership of the vice-chancellors of the different agricultural universities the problems of agriculture have been studied and strategies for development have been prepared. At present detailed action plans are being prepared for each zone and sub-zones. It is desirable therefore that DPAP and DDP are integrated with the Agro Climatic Zonal Planning Programme of the Planning Commission.

6.5 The Agro Climatic Zonal Planning Programme covers the other problem areas also such as hilly areas. We therefore believe that instead of taking up these areas development programmes in isolation, these should be integrated with the agro climatic zonal planning programme. This will have several advantages. It will improve the quality of planning of these areas, as the planning will now be done by experts of Agricultural Universities rather than by less motivated and less qualified bureaucrats; the problem of backwardness will be tackled on a regional basis rather than on a narrow district or block basis; and the solutions will lead to overall development of the areas—land use, agriculture, industries etc., rather than target oriented development. The systematic evaluation and monitoring under the Agro Climatic Zonal Programme will also give qualitatively better results.

Programmes for the Scheduled Castes and Scheduled Tribes

6.6 Considering the fact that a separate study group has been set up by the National Commission on Rural Labour to go into the problem of SC/ST population, we shall only examine some broad aspects of their poverty and make some broad observations.

6.7 The percentage share of tribal population in the total population has increased 6.9 in 1961 (30 M. total population) to 7.9 in 1981 (54 M. population). However it is important to remember that tribals are not a homogenous group: the two main tribal belts in the country are in the NE-regions and in the Central Eastern region. The north east zone is mainly hill forests with low population densities. In the central eastern region the densities are a little higher. One can say that there are three broad categories of tribal population, namely sedentary groups, semi-sedentary groups and nomads. Sedentary groups are permanent

settlers generally located near the forest areas. Their main occupations are shifting cultivation, food gathering and hunting.

Semi sedentary tribals are not permanent settlers as settlements are occupied only for a few months. And nomads are perpetual wanderers. According to the 1981 Census about 40% tribals live in urban areas. Also about 25% tribals live in relatively developed rural areas. There are wide variations in literacy, occupation etc. of tribals.

6.8 Development efforts for tribals basically fall into two categories, namely, specific percentage allocation for tribals in the self and wage employment programmes and the area development programme for tribal areas which is known as Tribal Sub Plan (TSP). TSP covers 245 tribal pockets for intensive development. Integrated Tribal Development Projects which are designed under TSP emphasise family oriented approach. There are about 180 integrated Tribal Development Projects in the country. During the Sixth Five Year Plan Rs. 4694 crores were spent on tribal development (117% of target achievement). The TSP strategy comprises of four major components : (a) identifying tribal blocks where the tribal population is in majority, (b) preparing integrated development project for the development of the blocks (c) earmarking funds for the same under TSP and (d) creating appropriate administrative structure for it. The TSP has two major thrusts, namely, socio-economic development of tribal areas and that of tribal families.

6.9 In spite of the ITDPs and TSP, the macro level picture of tribals is that of relative deterioration in terms of land holdings, forest degradation and levels of livings. It is generally felt by the PED study that ITDPs have helped the tribals in improving their agricultural and overall incomes and employment, health and education, as well as general awareness and confidence. Tribals have now started in entering non-traditional and modern occupations. However, the educated and developed tribals usually are elitist and are alienated from other tribals. Also, it is observed that the project approach

of TSP (and not a comprehensive and systematic planning) tends to make its impact partial and inadequate.

6.10 The administration of TSP is observed to be having fairly satisfactory net-work. There is a regular arrangement for training the officers on skill and administration also. In spite of these, the implementation of ITDPs suffer from several limitations such as an absence of effective line of command in most of the States, low level of commitment of administration, frequent transfers (those who are appointed here try for transfer from the first day) and limited perspective of the administrators.

6.11 The relationship between tribals and forests is always a subject of controversy. Traditionally, tribals were owners of forest but with the introduction of the Forest Act during the British period, they lost their right to forests. Except for some parts of NE region, most forests belong to the government at present.

The government, however, has not been able to formulate a suitable forest policy because of its bias towards conservation of forests and its thinking that tribals degrade the forests. Instead of adopting a bold policy which aims at developing forests to meet the needs of the tribals, it seems to be wanting to keep tribals away from it. Though there has been some improvement on this over the last decade or so (the latest National Forest Policy declaration is a good improvement over the Forest Act of 1952) it is still not satisfactory. The tree patta scheme of leasing degraded forest lands to tribals for afforestation has made a very slow progress. It is clear that unless vested interests of tribals are linked with forest development, afforestation work will not be very successful.

6.12 While concluding our discussion we would like to observe that tribals are not museum specimen. Their development will take place only when they come out and participate in modern economic activities. Any policy that aims at keeping them in forests for their development will not serve their interests.

7. RECOMMENDATIONS—I

Poverty Alleviation :

7.1 The roots of deprivation of the poor lie not only in their incapacity to earn enough to ensure a minimum level of living for themselves but also in the inequalities of assets and the resulting power and dominance of the rich who grab the lion's share of gains of development. Ensuring a minimum level of living of 2400 or 2100 calories per day to the poor without touching the system in which they operate, therefore, cannot lead to sustained poverty eradication of the masses. The term poverty eradication should therefore be interpreted not only to include crossing the poverty line by those below it, but also to incorporate changes in the relationship of power and dominance in favour of the poor, so as to ensure better deal to the poor in the distribution of gains of development.

7.2 The present level of the political will in our country is not capable of bringing about radical changes in the power relations. But we cannot 'wait in the wings for revolution'. The PAP strategy is an interventionist but slow strategy which attempts to alter the relationships of power and dominance gradually through empowering the poor. It attempts to strengthen the asset base as well as the economic power of the poor so as to provide them an equal access to opportunities. It can be said that the PAP strategy is not only desirable or necessary, but it is an essential part of the development process of our economy. The PAP strategy is a transitional strategy in the sense that it is needed only till the economic system absorbs the poor in the main stream. Once the poor are empowered to stand on their own, the need for PAP strategy disappears or at least declines significantly. It must be added that the rationale of PAPs will work only if these are adequately supported by policies and programmes at macro, meso and micro levels. It is necessary therefore that on one hand the growth process is modified and changes are initiated, while on the other hand productive use of manpower on PAPs is ensured and the element of doles is reduced to the minimum if not removed completely.

7.3 We believe that in the light of the above PAPs should be planned as a part of the total growth process, and should be evaluated not only in terms of percentage of the poor crossing the poverty line, but also in terms of (a) reduction in asset inequalities, (b) sustained employment generation (long term impact on employment) and (c) reduction in the demand for PAPs (long term impact).

Modification in the macro growth process :

7.4 We have seen earlier that the growth process in India during the past few decades has not treated the poor well as the process has been selective in its impact on areas and people. The poor in rural areas have suffered because of (a) the growing rural urban

disparities, (b) growing regional disparities, (c) high income and asset inequalities, (d) lop-sided sectoral growth and (e) general deterioration on the employment scene. Poverty alleviation programmes have not made much critical difference to the situation as they have not been able to change the basic system in which the economy operates.

7.5 It seems to us that the limited success of PAPs is not so much because of their small size or their poor implementation as it is because of the fact that these programmes have remained isolated from the regular growth process. The growth process is not only incongruous to the PAP approach, but is tangential in its impact. The first precondition for the success of PAPs is therefore a modification of the growth process in favour of the weaker sections.

7.6 One major weakness of the macro growth process in India is the lack of its clear direction. We started with the Mahalanobis model which was geared to striking a fine balance and establishing meaningful linkages between scarce capital and abundant labour available in the economy. It was proposed that capital be mobilised, especially in the public sector for the development of modern industrial base for the production of capital goods and machinery for self reliant and self sustaining growth of the economy. Side by side it was expected that labour with its given skills and technology will be mobilised for the goods of current consumption. Thus the Mahalanobis model aimed at planned introduction of the modern technology in the development process as well as enlargement of employment in labour intensive productive enterprises.

7.7 Such a model, however, implied several restrictions on the role of the private corporate sector to control the use of scarce capital in unwanted areas and in socially wasteful expenditure. Unfortunately this model was not allowed to work in our mixed economic system by powerful lobby of private capital and foreign capital, which were too strong to be kept under any control. Government neither had the required will nor the ability to control it. As a consequence we had a process which was heavily influenced by the strong lobby of capitalists and industrialists in the country. The attempts of the government to help the poor were too weak to influence the main process.

7.8 It was not that the Government was unaware of these developments. The goal of 'growth with social justice' was set up mainly to help the poor in this adverse situation. Unfortunately this goal could not make much impact on the overall development process in a significant way. In fact, one observed several contradictions in various policies and programmes of the government. For example, the forest policy and the industrial policy did not match with each other. In the same way there were contradictions between the irrigation policy and

the environment policy, between the industrial policy and the policy towards cottage and village industries or between the technology policy and the employment policies. In other words, these macro policies together do not result in an overall consistent comprehensive policy framework or do not give a reasonably sharp focus to the future direction of growth in the economy. It is well realised that in a mixed economy like ours, this clarity is likely to be limited, however, the basic consistency of the policies is a must.

7.9 Another aspect of the development path is its impact on environment. The experiences of developed countries show that their development has exploited non-reproducible natural resources of the world with the help of science and technology. Their high levels of living have led to ecological degradation in the world. The basic question for us now is whether the life style of the advanced countries can be emulated by the people in third world countries and whether the western experience can be accepted as a model for the world economy in the coming years. It seems to us that though there is a possibility of increasing general levels of living by using available resources, the potential for this is not large. The two major constraints here are ecological constraints and constraints of science and technology. The ecological constraints are obvious from the environmental degradation in the world, while as regards science and technology, it can be said that there is no guarantee (or not even bright chances) for expecting a new breakthrough in science which may provide 'qualitatively different' technological framework as to enable mankind to use natural resources with greater intensity without causing ecological hazards. Consequently, if the life style of the advanced countries with higher per capita consumption of physical goods is accepted for the world as a whole, it cannot be achieved without violating ecological viability norms jeopardising the global natural resources base itself. On the other hand, the current levels of consumption in the advanced countries can continue for some more time only if the inequitous base of the world economic order is accepted as legitimate by the world community.

At the national level therefore we cannot afford to emulate the western model. We simply cannot think of achieving the consumption levels of advanced countries for all of us as the western countries have not only the advantage of a large resource but also are pirating resources from the third world countries on a large scale. We have therefore to determine our development path keeping in mind the ecologically viable potential levels of livings, in the economy. It is clear that if some people in our economy want to enjoy western levels of livings, the burden will have to be borne by the masses of the poor as this will be possible only at the cost of the interests of the poor.

7.10 The ecologically desirable path of growth is desirable from the point of employment of our human resources also. The employment intensive production technologies in our given situation are likely to be conducive to ecological balance and environmental protection. For example, less energy intensive industrial development is likely to support those industries which are relatively more labour using.

7.11 Theoretically speaking, we have two broad alternatives available while making a choice for restructuring the macro process: (a) agriculture—demand led industrialisation model (ADLI) or rural led employment oriented strategy (RLES), or the wage goods model of development, and (b) capital intensive heavy dominated model. The experiences of the past show that the latter model in our socio-economic-political system is likely to lead towards environmental degradation and social inequity (a bimodal growth process). The formal approach is therefore more suitable for our situation because of its implications in terms of employment generation, environmental protection and decentralisation.

7.12 The selection of this macro approach in a broad fashion is not enough. Even after this broad choice there remain quite a few unresolved areas, such as technology, resource allocation, sectoral policies etc. which have to be worked out carefully while operationalising the models.

Employment oriented growth process :

7.13 Reorientation of the growth strategy has a primary objective of creating large scale employment for the poor. It is, however, clear that expansion of employment opportunities for the masses has to be at a higher level of technology and productivity. How can this be brought about? Basically there can be two kinds of relationship between growth and employment; (a) there can be trade off between productivity, growth and employment, which means that expansion of employment can be brought about by a lower growth rate, and (b) growth and employment can reinforce each other, which can be achieved by emphasizing employment creation at higher levels of productivity and a structure of growth capable of generating relatively higher employment.

The first approach of reducing growth rate for creating more employment at lower productivity is not a very desirable proposition. However, the second approach may require a very high rate of growth to absorb the entire labour force. For example, it has been estimated that the Indian economy will have to grow at a more than 10 per cent growth rate of GNP to make a significant impact on resolving the problem of unemployment. Our past experience during the planning period shows that this rate of growth is too high to be achieved. Consequently, the real alternative available to us is to maximise employment by focussing on employment intensive sectors in such a way that the level of productivity and efficiency increase along with employment.

7.14 The remaining surplus labour should be used to produce community assets and other assets so as to increase the labour absorbing capacity of the main stream.

7.15 We have noted earlier that the rate of growth required to increase employment by 1 per cent has increased gradually. In agriculture today 1 per cent increase in employment needs 2.77 per cent growth, and the similar rate for the manufacturing sector is 3.84 (Prasad 1989). In order to reduce these rates it is necessary to reorient sectoral strategies. A careful study of regionwise and sub-sectorwise employment

elasticities of sectoral growth can provide good guidance in identifying relatively labour intensive sub sectors which also raise the productivity levels and total production. As regards agricultural sector, for example, Bhalla's study shows that the overall prospects of employment in this sector for the coming years are not very bright (Bhalla, 1989). During the sixties and mid seventies the labour absorbing capacity of agriculture increased due to the expansion in irrigation, bio-chemical technology and use of HYV seeds and fertilisers. This increase was experienced largely by Punjab, Haryana, West UP and other small pockets in other areas. In the mid seventies some new States (Gujarat, Maharashtra, Andhra Pradesh, etc.) experienced the green revolution and the consequent expansions of employment. And recently some more States (West Bengal, Bihar, Orissa etc.) are experiencing the same. However, the old green revolution states are already experiencing declining employment elasticities due to the mechanisation and technological changes. One can say that the other States will follow the same way sooner or later. In other words, with the present pattern of growth, agricultural sector can be expected to absorb only a part of the growing labour force in the coming years. There are three important policy implications of this : (a) the agricultural growth process should be reoriented to focus more on the labour intensive agriculture, based on watershed development, land development and soil conservation. As a result, the regions which have been so far by-passed by the green revolution will develop to generate more employment and more production, (b) efforts should be made to make small and marginal farmers economically viable by improving their access to modern agriculture through appropriate support, (c) employment opportunities outside agriculture should be encouraged, (by diversifying the economy), and (d) employment opportunities in non-rural areas should be supported. The last two will imply use of labour intensive technology in other sectors.

7.16 What kind of policy/programme framework is needed to support such a process ? Over and above a modified macro approach, the PAP strategy will be effective as a supplementary strategy here because (a) it can mobilize surplus labour for land development, watershed development etc. (b) it can ensure productive use of surplus labour in building up infrastructural development of less developed regions for encouraging growth in non-agriculture sectors, and (c) it can also encourage self employment of rural artisans and other small producers and thereby help in diversifying employment opportunities in rural areas.

7.17 The PAP strategy is likely to be more successful than other strategies because it approaches the poor directly to undertake the required work and thereby ensures their participation. To give an example, use of wage employment programmes in agro climatic zonal planning can be very effective.

Structural Changes :

7.18 Increase in the GNP of an economy, which is characterised by highly unequal asset distribution and the resultant exploitative production relations, cannot be distributed evenly among various sections of the society. Even the strategy of direct attack on

poverty in such a structure tends to trickle up rather than trickle down. Initiating structural changes therefore becomes an important precondition for the success of PAPs. As Dantwala has put it, Direct attack on poverty without equally direct attack on structure, which has bred poverty and continues to do so is an illusion at best and a fraud at worst (Dantwala 1988). The relationship between PAPs and the structure is peculiar. On one hand, PAPs can contribute towards strengthening asset base of the poor, while on the other hand, structural constraints come in the way of their trickling down to the lowest strata. An important implication of this relationship is that PAPs and structural changes should be initiated simultaneously and they should supplement and complement each other. There is no point in waiting for structural changes for PAPs or vice versa.

7.19 There is no point in recommending radical structural changes as the level of the political will is not high enough to support it. What can be done however is to take small but bold steps in the right direction to improve the bargaining strength of the poor : (a) One of the most important manifestation of the exploitative relationship between the rich and the poor is the helpless dependence of the poor on the rich for employment, wages, consumption loans in the lean season, supplies of inputs, information as well as for loans in the event of sickness, death etc. This dependence makes them vulnerable and easy subjects of exploitation. If, appropriate measures are taken to plug these points of exploitation measures, the poor will be able to stand on their own feet. The first set of measures needed for changing the relationship of the rich and poor therefore is plugging the points of exploitation of the poor. These measures are : ensuring minimum social security to the poor (to protect them in the event of old age, death, sickness etc.), providing minimum necessities of life through a well designed public distribution system, giving consumption loans to the poor at a reasonable rate of interest to help them in the lean season; and setting up grain banks and seed banks for the poor to supply them grains and seeds on loan at a reasonable interest rate. We believe that the exploitative dependence of the poor on the rich is, if not more, as serious a problem as is the lack of adequate employment. Unless this problem is resolved, the poor will remain highly vulnerable. In other words, along with the strategy of direct attack on poverty, direct attack on dependency also should be implemented, (b) Supporting organisation of the poor is another important measure which has a potential of improving the bargaining strength of the poor. Experiences of the past have shown that Government cannot directly contribute much towards organising the poor. What it can do however, is to support the process of organisation by removing impediments and by recognising the role of organisations of the poor in an explicit and formal fashion, (c) and lastly, even within the given constraints there is a scope for supporting land redistribution. Protection of tenants and share croppers, distribution of surplus land to the cooperatives of the landless, giving land ownership to women (at least joint ownership) are likely to bring about significant changes in land relations. These possibilities

should be explored carefully and appropriate measures should be taken.

7.20 Decentralised Planning : The third important pre-condition for the success of PAPs is decentralised planning. Our review of the working of PAPs has shown that one of the major factors responsible for the limited success of PAPs is that these programmes are neither a part of a comprehensive planning at the district or below district levels nor are they planned well at the local level. It can be said that PAPs are centrally designed programmes which are implemented at the micro level in a more or less isolated fashion without establishing any meaningful linkages with the local economy.

7.21 The planning for PAPs is based on elaborate guidelines which are drawn out systematically. What they lack, however, is their integration among themselves and with the regular growth process in the economy. What is required is that (a) district level plans are prepared keeping in mind the broad objectives at the national level and scope for district planning; and (b) PAPs are designed as a part of the district growth process.

7.22 It is not that our planners are unaware of these problems. In fact, several Committees and study Groups appointed by the government have given excellent models of district planning. In spite of this however, district planning in India is a dismal failure (CH Hanumantha Rao). The state level efforts for introducing district planning also have not gone beyond a point. What can be the reasons for this failure? The most important reason seems to be the unwillingness to share power with lower level bodies. Centre is not prepared to share power with the states, and the states are not prepared to share power with districts and with lower level bodies. This unwillingness, according to CH Hanumantha Rao, is because of the feeling of insecurity and lack of confidence of the present leadership. Also, with the expansion of the coverage of planning good amount of money is involved in it. The present breed of leaders do not want to leave their hands off the financial power. The second reason seems to be the bureaucratic culture of our administration. The bureaucratic culture is based on strong vertical linkages and consequently, horizontal co-ordination and integration are almost impossible. The notion of administration today is control which leaves limited flexibility for decentralised decision making. Rules and regulations have created such rigid structures that flexibility in decision making is not appreciated. During the course of our work in the Study Group we had an opportunity to meet a large number of State level bureaucrats. Almost all of them wanted more power at the state level to formulate programmes and policies suitable to the local situations. The third reason for non-implementation of decentralised planning is the dominance of rural elite at the grassroot level. It is feared that if these leaders are vested with more powers, they will misuse the power to further their selfish interests. It is argued therefore that decentralised planning with more powers in the hands of local elected bodies may not be a very desirable proposition. We, however, feel that this is not a very valid argument because decentralised planning also means improving the

planning machinery at the district level by appointing experts and by training the planning team at the district level. This is likely to reduce the scope for manipulation by powerful local leaders. And lastly, it is argued by some scholars that we are not yet prepared for decentralised planning because we do not have the required database and expertise to carry out the task. These are not very strong arguments because once the district planning approach is accepted, intensive efforts can be made in this direction. The Hanumantha Rao Committee has given elaborate recommendations for strengthening the data base at the district level (CH Hanumantha Rao, 1984) and Dantwala Committee has given a detailed list of the training institutes which are capable of training planners for district planning (which can be updated).

7.23 The only way therefore is to take a set of bold steps : (a) Withdraw the centrally sponsored schemes gradually which fall in the purview of lower level planning and replace them by broad guidelines instead, (b) Compel state governments to improve the planning machinery at the state and district levels. Put this as a precondition for getting funds from the Centre for poverty alleviation and district planning, (c) Help the state governments in setting up the machinery at the district level by providing funds, expertise, and training facilities, (d) Determine the goals for poverty alleviation for states and give them the funds (untied) for the purpose ; (e) Review the performance of state governments periodically to assess the success in the context of the set goals, and (f) Provide guidelines for district planning on the basis of the recommendations of the working group on district planning. This approach may create confusion in the beginning, as it will upset power position for many. But gradually the dust will settle down. It is time we take this calculated risk.

Participation of People :

7.24 Participation of people is another area where a lot has been written and talked about, but not much has been achieved. Poverty alleviation is expected to enable the poor to develop in such a fashion that they are able to stand on their own feet. This can happen only if people's participation in PAPs is brought about in the real sense of the term. It is observed that one major weakness of PAPs is that these are imposed on people from above. Consequently beneficiaries try to adjust to them rather than the programmes being adjusted to the people. For example, the poor take up self-employment when it is made available to them, even though they prefer wage employment; or they take up animal husbandry because subsidised animals are available even when they would like to take up rural artisan work. However, if the allocation of resources between wage and self employment is determined by people, or the types of schemes are designed as per the needs and priorities of people, the chances of their success will improve considerably.

7.25 Why do not the poor participate : A major reason seems to be the over-bureaucratisation of PAPs which leaves limited scope for incorporating people's views and needs. In the present system of planning

and implementation there is no mechanism to involve people or their organisations in the task. This is perhaps because the planners do not have any faith in the community (Roy, 1988). Also, the over bureaucracy has made the village community very meek. They cannot think or do a thing on their own. The charity psychology has pushed away the concept of self help. This is highly undesirable.

7.26 It is true that majority of the poor are illiterate, unaware and unorganised. But there are some voluntary organisations which are capable of participating. Though considerable lip service is provided to them, the actual participation at the micro level is almost always difficult. Even when a few of them manage to participate, they find it difficult to adjust with the target orientation and the rigid implementation of rules and regulations. The bureaucracy on the other hand has become sterile and stagnant. The IAS class which is holding the major responsibility of PAPs is suffering from the problems like ego, inability to innovate, narrow perception and unwillingness to take up responsibilities (Roy 1988). Their sensitivity to the problems of the poor is low and their willingness/ability to involve people in the development process is limited.

7.27 Government of India has introduced two small schemes both on an experimental basis—to help organisation of rural workers : One is the central scheme of appointing honorary organisers to organise rural workers and the other is the scheme of organising beneficiaries. The former is implemented by the department of labour, Government of India while the latter is implemented through the Department of Rural Development. Under the first scheme Honorary Organisers are appointed in those blocks which have a large (say more than 10,000) population of agricultural labourers. The organiser is expected to organise camps, meet the poor and help them to organise. An evaluation study of the scheme in Gujarat (where it is modified) observes that the Government, with its linkages with the vested interests at the micro level, cannot contribute much towards organisation of rural workers. What it can do at the most is to remove the impediments that are faced by upcoming organisations. The task of organising rural workers will have to be carried out by people themselves outside the Government (Hirway 1990).

7.28 The second scheme of organising IRDP beneficiaries has a slightly different set of objectives, (a) to fix the level of awareness of target groups (b) to increase their participation in planning, (c) to improve their bargaining, (d) to promote co-operatives, (e) to provide a dialogue between government and beneficiaries, and (f) to make beneficiaries self-reliant. The scheme is to be implemented in three stages : Stage One will be for identification of a voluntary agency and for intensive field training for organisers ; Stage Two will be for organising awareness camps, and Stage Three will be for contacts and gradual group formation. It is expected that after a reasonable period the organisers (appointed by the government) will become dispensable and the groups will manage to become independent. The details of the

schemes are being worked out by the Department of Rural Development. We believe that the above scheme is not likely to be successful if (a) the organisers are not given enough freedom; and (b) the finances of the organisations are to come from the government. Given the vested interests of the bureaucracy and politicians specially at the micro level, it is difficult that the organisers or the poor will get support from the government in the events of conflict between the rich and the poor. There will be a tendency to support only soft welfare measures without creating any conflict. We therefore believe that initiative of organisation must come from the poor if organisations have to be self-reliant. Government can only expedite the process of spontaneous organisation by undertaking supporting measures.

7.29 PAPs do have a provision of involving Panchayat Raj Institutions in planning and implementation. However, the willingness and capacity of Panchayat Raj institutions to take care of the interests of the poor and to eradicate poverty are quite doubtful. Though elected bodies like panchayats cannot be ignored completely in the implementation of PAPs, efforts can surely be made to encourage and involve organisation of the poor in the planning and implementation of PAPs : (a) Government should finance awareness camps extensively either through voluntary agencies, trade unions or other non-governmental organisation, or through a body like Central Board of workers Education. These camps should not only inform the poor about the various programmes and laws for the poor but should explain them the dynamics of poverty and the urgency of organising themselves. Awareness generation is the first step in organisation as it will initiate and support spontaneous organisational efforts, gradually. (b) The existing voluntary organisations should be involved with PAPs in a formal fashion—through Beneficiary Committees at various levels. In order that people's organisations are not avoided or bypassed by the Government it should be laid down that all the organisations in the block or district with a minimum specified membership be represented on Beneficiary Committees. (c) These Beneficiary Committees can also function as vigilance committees to check irregularities and corruption. They can take up individual cases also if complaints are made regarding corruption. (d) PAPs should adopt a group approach whenever it is possible to do so, this will not only encourage formation of cooperatives and collective protection of economic interests, will also encourage the beneficiaries to form union or other organisations for general problems of the poor, (e) Government should provide legal support to upcoming organisation by giving them guidance and advise about the legal provisions of the Trade Union Act or cooperation Act etc. Government should also amend some of the clauses to facilitate new organisations, (f) Harassment by the police or by the rich in the village is a problem faced by many upcoming organisations. There should be a provision for giving legal protection to union leaders if they ask for protection, (g) There should be a provision to give preference to orga-

nised groups (in any form) in the implementation of PAPs, (h) Organisations of the poor should be involved in a formal fashion in the planning and implementation of PAPs. In fact in the areas where such organisations are already working the role of bureaucracy should be to coordinate the PAPs.

Population Control

7.30 Demography is not an area that falls directly under the purview of poverty alleviation programmes. However, we believe that it is an important area from the point of view of poverty alleviation. The problem of unemployment compounded with the growing size of the labour force in the country and with this kind of increase in labour force, it will be difficult to manage even with good planning and implementation for long. Population Control therefore is an important pre-condition for the success of PAPs.

Focus on the Eastern Region

7.31 We have seen above that there is a relative concentration of poverty in the eastern region of the country. The region has a relatively high incidence of poverty which has declined at a very low rate (compared to other parts of the country) in the recent

past. This region is a problem region and deserves concentrated anti poverty efforts. For example the North East Region is endowed with considerable natural resources, i.e. water, forests, minerals and hydel potential, but the infrastructural development is very poor and its predominantly agricultural economy still has shifting cultivation. PAPs can contribute significantly towards the development of the region. For example, wage employment programmes can be used extensively to link up infrastructure of the region. Self employment programmes can be used in developing horticulture (which has a great potential), agriculture, crafts, and forest based and agro based industries. PAPs therefore, should be integrated with the development plans of the N-E council. As regards rest of the eastern region also, PAPs can play important role in their development. Development of irrigation (the region has a great potential), developmental infrastructure, encouraging ancillary industries to the public sector, etc., can be undertaken through PAPs. Both the regions need huge investment in infrastructural development. It will be necessary therefore to use wage employment programmes intensively in this region.

8. RECOMMENDATIONS—II

8.1 In the earlier chapter, we have discussed the pre-conditions for the success of PAPs. We have seen that poverty alleviation should be the major aim of development and not a separate component of Five Year Plans. The questions which now arise are : what should be the specific approach and objectives of the PAP strategy ? What should be its major components ?

8.2 Our experience of the past 20 years of PAPs (the first PAPs were introduced in 1971) show that PAPs have neither been a great success nor a dismal failure. The short run as well as the long run of the programmes have been small but positive. Where do we go from here ? Will it help if we continue PAPs on the same line ? Or do we have to modify the strategy and the programmes ? We believe that there is no question of discontinuing the PAP strategy because the limited success of strategy does not prove its irrelevance. There is a need to modify the PAP strategy and the programmes on the basis of the lessons learnt from the past.

8.3 The objectives of the modified PAP strategy should be as following : (a) To expedite the process of poverty alleviation in the sense of achieving sustained poverty eradication for the masses of the poor within a shortest period of say 10 years, (b) To use the surplus manpower of the economy productively so that the long term rationale of the PAP strategy works, and the need for PAPs declines gradually, (c) To diversify the rural economy and raise the growth rate, (d) To reduce the transfer element of PAPs to the minimum by reducing wastages in the form of various inefficiencies and linkages, (e) To move towards an egalitarian society by strengthening the asset base of the poor through self-employment (transfer of assets to the poor), wage employment (ensuring the ownership and use of the new assets for the poor to the extent possible) and through backward area development programmes, and (f) To involve people in the planning and implementation of PAPs, and thereby encourage their organisation and their bargaining strength in the economy.

8.4 The major components of the modifications needed to achieve the above objectives can be described below :

- (i) *Integrated PAPs in a decentralised planning frame work* : It is necessary that self employment programmes, wage employment programmes and other programmes are not viewed independently of each other. In fact, they should be designed in such a fashion that they supplement and complement each other. DRDAs, which will be functioning as a part of the district level planning set up, should be equipped with

the necessary expertise to coordinate the working of PAPs horizontally at the district and block levels.

- (ii) *Self or wage employment* : There is a considerable controversy in the literature about the relative importance of self or wage employment. On one hand scholars like N. Rath, Dandekar etc. argue that wage employment programmes should be the mainstay of poverty alleviation programmes because the self-employment strategy is misconceived. On the other hand it is argued by others that wage employment programmes also breed corruption and are misconceived as the rationale of the programme is not understood properly. The question therefore is not whether we should have self or wage employment but how to integrate both so that they supplement and complement each other (Hirway 1986).
- (iii) The scope of self or wage employment programmes in PAPs in a region today will depend on a number of factors such as availability of assets, skills and preferences of the poor, infrastructure development, common property resources etc. It is obvious that these decisions should be taken not in Delhi but at the district and below levels.
- (iv) *Planning for PAPs* . PAPs must be planned systematically even within the decentralised frame work. This can be ensured by establishing close linkages between PAPs and sectoral planning. Planning for self employment should be linked up with the planning for agriculture, industries and the service sector, and wage employment planning should be linked up with the minimum needs programme, infrastructural planning, planning for common property resources, housing etc. In other words schemes should emerge from the needs by the growth process. Also, each scheme should be planned in a package form ensuring basic support to the poor in all major areas such as raw materials, markets, finance, training and follow up. In the case of wage employment programmes, project approach should be adopted so as to plan for the end use of the assets.
- (v) *Resources for PAPs* : In order to achieve a more intensive and extensive impact of PAPs, it is necessary that more resources are allotted to PAPs. It is difficult to say as to what should be the increase

in the funds, because it depends not only on the number of the poor but also on the absorbing capacity of the economy and administrative abilities. What we can say, however, that one should plan for the expansion of the capacities in the time frame of 10 years, within which period significant poverty alleviation should be achieved.

(vi) *Management and Administration of PAPs :*

There is a need to expand the managerial and administrative capabilities of the staff to undertake the task of planning and executing PAPs effectively. The major areas for training should be micro level planning techniques, project planning, coordination, marketing, consultancy achievement, motivation etc. Managerial areas such as MIS, computer programming and other modern management techniques should be covered under the training programme for the heads of DRDA and other department heads.

(vii) *Restructuring DRDA* is one of the urgent need for improving the performance of PAPs. DRDA is the main organisation in charge of planning and implementation of PAPs. It is essential therefore, that it is restructured to become a healthy and vibrant organisation : (a) The post of the Director, DRDA should be upgraded. It should be headed by an IAS/SAS officer so that he can coordinate PAPs effectively, (b) DRDA must be given a permanent status, (c) group discussions, seminars and conferences with expert social workers, voluntary agencies etc. should be encouraged, and (d) a training strategy and a personnel strategy should be formulated carefully to meet the needs of DRDAs. Similar measures should be undertaken to improve the performance of the block office.

(viii) Attempts should be made to include certain important values such as flexibility, innovative experimentation, sensitivity to the surroundings and upward communication in bureaucracy. Setting up grievance redressal committees at lower levels, vigilance committees etc. will help considerably. Today the accountability of administration is very low, but it can be raised if people's involvement increases and the administration is made answerable to people.

(ix) There is a need to pay more attention to village based personnel, who is the implementing arms of PAPs by increasing their number and by training them properly.

(x) *Monitoring and Evaluation :* Considerable efforts have been made in the recent past to improve the monitoring and evaluation of PAPs. (For example concurrent evaluations) There is one area however, which needs to

be strengthened, that is, qualitative monitoring. Qualitative monitoring or qualitative assessment of programmes includes (a) assessment in terms of goals and not merely in terms of targets, (b) technical evaluation, (c) personnel evaluation and (d) process evaluation. It is necessary that this evaluation is done in an objective fashion; and people's organisations as well as experts are involved in it. The High Power Committee of the Ministry of Programme Implementation, Government of India has done useful work in this area. It has made detailed recommendations also. Qualitative monitoring done at the block, district and state levels, should be organised on the basis of this work. DPAP-DDP : We have already recommended that the backward area programmes like DPAP and DDP should be abandoned in favour of the Agro climatic zonal planning. We have also seen that there are certain specific advantages of this proposal.

(xi) *Self-Employment Programmes : IRDP :*

Identification of schemes for IRDP should not be done in isolation ; but it should be linked up with ongoing sectoral development programmes. This is very important because this ensures forward and backward linkages to IRDP schemes : (a) Self-employment in agriculture should aim at making small and marginal farmers viable. (b) IRDP should be linked with wage development programmes also. (c) Lending for manufacturing schemes should be identified in the context of the rural industrialisation policy and programmes in the area. This lending should not be made isolated but it should be for a product line identified for industrialising the region preferably linking it with other schemes like mini industrial estate scheme, growth centre scheme, khadi and village industries etc., (d) The schemes in the service sector should not encourage petty trades where the returns are very low but should serve the village through meeting the economic needs. The schemes like the gobar gas plant, sanitation schemes, chemist shop, repair shops, compost manure, should be undertaken, (e) Targets of IRDP should be fixed in the context of development process on one hand and the needs of the poor on the other by the district level planning body. Banks also should have an important role in fixing up the target on the basis of the credit worthiness of the beneficiaries, and the scope for bankable schemes, (f) It was estimated by the Public Accounts Committee that the investment per beneficiary should be around Rs. 10,000 so as to generate enough income to take the family above the poverty line. This investment must be ensured to all the IRDP beneficiaries except to the poorest who may not have the absorbing

capacity for this investment. What can be done is to give these families the benefit of both self and wage employment.

- (xii) **Entrepreneurship Training : Self-employment** becomes commercially successful only when it is in the hands of a person with enterprise. Though the potential of enterprise is not limited to the rich and can be found in all the classes of the society, it is an empirically tested fact that not all can become entrepreneurs. There are tests to identify potential entrepreneurs, and those could be used to identify potential beneficiaries for IRDP. The identified persons should be trained for entrepreneurship development. Systematically developed training models should be used for the purpose.
- (xiii) **Credit Policy :** The first requirement is to extend credit network in remote and backward areas. The need for this expansion in the North East region must be emphasized specifically. Secondly, strict and effective supervision of credit should be organised to ensure effective follow up of schemes, and working capital should be provided to the beneficiaries whenever needed. And thirdly, maximum coordination should be brought about between banks and government administration. Though these suggestions are repeated time and again, they are not implemented satisfactorily. In this context Service Area Approach should be extended to as many areas as possible, to the problem areas to start with.
- (xiv) It is a very wrong practice to waive loans of IRDP beneficiaries. This is not only because it is a burden on the government, but because it creates a wrong psychology and expectations among the beneficiaries. What is needed to be emphasized in our country today is that banks are business enterprises and not charity houses. (if government wants to waive loans they should do it for those who have borrowed from private traders and money lenders and are exploited by them).
- (xv) Pullev's study has shown that the present set of bank concessions tend to reduce the access of the poor to bank credit in the long run, because banks do not consider these clients as good clients. In order to improve the access of the poor in the long run and to help them to achieve sustained poverty eradication it is necessary to allow banks to assess the strength of the case on the basis of its merits. Removal of the concessions on credit will not only improve the quality of borrowers, but it will also improve the financial position of rural banks. Government can give financial relief to the poor in the form of interest rebate later on. An important implication of this is that not

all poor are capable of taking up self-employment; and only those who are capable of doing so should be supported by credit institutions. It must be added, however, that banks should be encouraged to lend to small customers on a reasonably large scale keeping in mind their capability.

- (xvi) **TRYSEM :** TRYSEM has a good potential for upgrading skills and productivity of youths and for involving them in the development process. However, in order to tap this potential, TRYSEM should be modified on the following lines : (a) Selection of TRYSEM beneficiaries should be done carefully. Appropriate tests, including aptitude tests should be taken to find out their suitability to a trade and to entrepreneurship, (b) Selection of trades for training should be done in the context of the needs of the regional economy and ongoing rural industrialisation programmes in the region, (c) Training for TRYSEM should include skill training, entrepreneurship development training, management, accountancy, co-operation etc. A good practical combination of these should be designed carefully, (d) training should include preparation of project proposal by the trainee, if necessary apprenticeship training should be arranged for the trainees in appropriate units, (e) Training period should be more flexible than what it is now. The quality of training must be ensured, (f) If TRYSEM is for wage employment, project linkages should be planned carefully. Infact, it should be decided whether the training is for self or wage employment, before it is designed, (g) Banks should be involved in the identification of trades and beneficiaries. It will ensure better identification as well as better co-operation from banks, and lastly (h) the focus of the programme should be on using our youth power for diversifying the rural economy in the effective fashion.
- (xvii) **DWCRA :** In the context of the new framework, DWCRA should be viewed as a part of the total package and should not remain an isolated programme. It can be said that DWCRA should aim at using women power productively so that women as a section of labour force also develop. The following modification should be incorporated for the purpose : (a) The group approach underlying DWCRA is basically a sound approach as, along with economic needs, it takes care of other needs (i.e. reduction in drudgery and baby care) of women. However, the assumption that group of poor women with their limited literacy and limited exposure, can become strong enough to stand on their own feet within 3 to 5 years is not a realistic assumption. We therefore suggest three alternative models for DWCRA groups : (a) DWCRA group can be a

cooperative society if the members are willing and capable for it, and if the cooperative is supported or linked with an outside strong cooperative structure, (b) DWCRA group members can be wage earners (piece rated wage earners if necessary), while the activities is managed by an outside agency, preferably a voluntary agency, and (c) DWCRA can also have individual entrepreneurs supported by a well designed common facility centre where they can get common facilities and work. In such a model women do not have to incur heavy investments in facilities, but at the same time they are able to use these facilities. In other words DWCRA should be made flexible to allow for any of the above three models, (b) As in TRYSEM the economic activities as well as beneficiaries for DWCRA should be selected carefully keeping in mind the forward and backward linkages. Also, the training component of DWCRA should be strengthened to include entrepreneurship etc. The period and funds for training should be made flexible to be adjusted according to the needs, (c) It is important to mention that the rigidity of the DWCRA scheme has led many voluntary agencies implementing the programme to use foreign money. It is experienced that the initial spade work of formation groups, training and equipments etc. requires more funds than what are provided in the programme. It is necessary therefore that each group has a separate budget, and a separate sanction from authorities, (d) the non-economic component of DWCRA has been strengthened in recent years. It is necessary that this is translated into practice.

Wage Employment Programmes :

8.5 The main reason for restructuring wage employment programmes in India is to ensure that its logic is translated into practice and the programmes do not remain as doles. An important implication of this is that these programmes should be planned as part of the development planning. The identification of assets should be made on the basis of (a) infrastructural gaps in the region, (b) gaps in the minimum needs facilities for the poor, (c) asset requirements of sectoral development and (d) other assets that support long term employment generation in the economy. A planning cell at the district level should identify these needs carefully and discuss the same with local elected leaders and voluntary agencies to assess the felt needs of the poor. The final action plan should be prepared after the discussion. In short, systematic planning in the light of the set goals as well as people's needs should be reflected in the action plan of wage employment programme.

8.6 Employment and income generation for the poor is a basic objective of these programmes. In order to achieve this, these steps must be taken : (a) the size of the programme should gradually increase

to create enough employment in the economy, (b) We believe that payment of minimum wages is a must, because these wages will ensure some minimum caloric intake to the poor, (c) Part payment of wages in foodgrains should continue, however, attempts should be made to provide coarse grains to the poor as they are used to it, (d) Minimum welfare facilities such as drinking water, shade, creche etc. should be ensured to the workers on work sites, (e) Regular payment of wages is an important requirement for the poor as they cannot wait for long for wages. Streamlining of this procedure is therefore a must, (f) Attempts should be made to provide continuous employment by starting new work after the old one is over in a planned way. At least 150 days of employment should be ensured in drought prone areas and 90-100 days in other areas, (g) Presence of contractors on work site is observed to go against the interests of the workers. Considering the fact that even panchayat members or sarpanch take contracts, it seems to us that strict supervision and organisation of workers are the main solutions to the problem.

8.7 It is necessary that the productive use of the labour is ensured on the programme and the constructed assets create sustained employment in the mainstream. In order to ensure this, labour intensive works mainly around land, water and tree should be emphasized wherever possible. Instead of identifying these works separately, a total plan for these assets should be prepared. (a) In this context we recommend that the programme of Agro Climatic Zonal Planning should be linked with the wage employment programmes. The strategy of agro climatic zonal planning aims at a more scientific utilisation of available resources, both natural and manmade. The potential for growth and diversification would be fully exploited taking a realistic view of the climate, soil type topography, water resources, and irrigation facilities and relating them to requirement of output and employment. The Agro Climatic zonal planning cell has now prepared action plans for all the 15 zones and sub-zones. Use of surplus labour to execute these plans through wage employment programmes will ensure both, employment generation for the poor and the productive use of labour force which will have a capacity to generate substantial employment in the mainstream, (b) Other assets such as roads, water tank, housing, school rooms etc. should be taken up in context of a minimum needs programme for the area. Such a programme can also incorporate village sanitation, gobar gas plant, cattle shed etc., (c) Development of common property resources (CPR) and wasteland is another area where these programmes can contribute effectively. It will be necessary, as in the earlier cases, to prepare a plan for the development of the CPR before the works are selected for execution. Watershed development, afforestation, grass land development, social forestry etc. also can be taken up under the programme.

8.8 *Land Army Corporation* : It is clear that all the employment cannot be made available locally. Workers will have to travel to distant places for working on these distant assets. On the other hand, not all the workers will be willing to travel away from the village, and only some of them will be mobile enough to undertake this task. We suggest that this mobile

Component of the labour force should be organised under a Land Army Corporation. Such a body will arrange for the movement of workers from one place to another (within some specified area) on different work sites. This will ensure completion of the works covered under the plan on one hand and continuous employment to the workers on the other. These workers will have to be paid higher wages to compensate for their mobility. We suggest that each State should have a Land Army Corporation which can undertake programme as per the needs of different departments as well as its own plan. Such a Corporation (autonomous body) can be set up by the State Government. It should be adequately equipped with technical and other staff. The other details of the corporation can be worked out carefully.

8.9 The rationale of wage employment programme can be followed and wastage of the resources can be reduced not merely by identifying the right asset in a planned fashion, but also by ensuring proper use of the created assets. We suggest the following measures in this context : (a) Preparing a comprehensive plan for the use of each major asset like percolation tank, check dam, irrigation tank etc. constructed under the programme. Such a plan may include schemes of constructing field channels, land development, field drains etc., (b) Comprehensive watershed development programmes also can ensure that watershed development ultimately increases the mainstream employment, (c) Planning of the processing of the products of social forestry (for example charcoal manufacturing from wood, oil and soap from inedible seeds etc.) and of horticulture (fruit processing, canning) can further generate sustained self-employment in the mainstream. It is important to note that these suggestions combine self and wage employment in a planned fashion. The above kind of first round and second round employment planning is possible only within a decentralised planning framework. We therefore believe that the planning for wage employment can be effective and realistic only if it is undertaken at the micro level. It follows from this that the blanket rules of 20 per cent forestry, 20 per cent SC/ST products are not relevant in this new framework.

Equity Aspect of Wage Employment Programmes :

8.10 We have seen above that wage employment programmes are likely to have an inequitable impact on the poor (a) in the construction phase if the non-poor or better off of the poor manage to get employment on a large scale, (b) in the ownership of the assets created under the programme and (c) in the use of the assets when the distribution of the products or the use of assets favour the rich. It is necessary to take appropriate steps to reduce the intensity of these effects. We recommend the following measures in this context : (a) Preference should be given to the poorest strata on wage employment works, (b) provision should be made to allow for collective ownership or individual ownership (for example the tree patta scheme) of the community assets by the poor, (c) soil conservation, as well as water shed development works should be taken up on small and marginal farms, (d) the users of the community assets should be charged for the use and (e) special

taxes should be imposed on the non-poor, including the urban non-poor to finance the programmes, on the non-poor, and (f) the use of community assets by the poor should be subsidised

8.11 *Skill Formation on Wage Employment Programmes* : Our discussion so far suggests that wage employment programmes are transitional programmes and in the final analysis they have to create and support mainstream employment. We have already suggested the measures that will ensure that the assets constructed under the programmes are used for further employment generation. We would also like to add that these programmes should incorporate skill training preferably on the job skill training so that the labourers are enabled to take up sustained self or wage employment in the long run. KLAC has made a beginning in this direction. It will be useful if it is adopted at the all-India level also.

Jawahar Rajgar Yojna :

8.12 When we examine JRY in the context of the above discussion, it becomes clear that the design of the programme is far from adequate to play the role that is expected of a sound wage employment programme. To start with, the programme lacks the right focus. Though it aims at constructing village level community assets it is not directed towards selecting those assets which will expand the mainstream employment or towards ensuring that the use of the assets is made for improving the incomes and (if possible) asset base of poor. Secondly, JRY is neither linked with other PAPs, nor is it linked with any local level planning systematically. Its isolated nature is likely to result in wrong selection of assets or selection of low priority assets. In other words, JRY is likely to encourage wasteful expenditure. Thirdly, the power of decision-making under the programme basically lies with the Village Panchayat and the Sarpanch who are likely to be neither interested nor capable of selecting the right kind of assets under the programme. Leaving almost entire programme in their hands, without giving them systematic training, is likely to be wasteful. And lastly, neither the size of the programme nor the designing of the programme ensures employment of 100 days a year for one person from each family of the landless.

8.13 Being a new programme, JRY has not been evaluated enough. Some isolated reviews and micro-studies suggest that (a) the village Sarpanch and Panchayats tend to use the programme to serve their own interests. Village communities are seldom powerful enough to have much say in the planning and implementation of the programme, (b) JRY seems to be focussed more towards asset construction and less towards the needs of the poor. There is therefore a tendency not to take up asset relating to land development or water conservation, (c) The amounts available to village panchayats are usually found to be too small compared to the needs of the village, (d) The use of contractors is not uncommon under JRY, (e) Village Panchayats do not have the technical expertise needed to plan and implement the programme. The support provided by the district administration here does not always seem to be adequate.

Right to Work :

8.14 Considerable discussion is going on these days about making Right to Work a fundamental right in the Constitution. Several Scholars and voluntary groups are demanding for an all India Employment Guarantee Act formulated on the lines of the EGS, of Maharashtra. We believe that this demand is justifiable in principle on the following grounds :

- (a) The development process in the economy has failed to ensure minimum level of living to the masses of the poor. In fact it has ignored the interests of these groups latently. It is only fair, then, that the poor are provided with a right to work so that they are able to earn their living.
- (b) The organised sector of the economy which is a privileged and a pampered sector is provided with a range of social security measures such as medical and health benefits, pensions and provident funds, gratuity and bonus, and insurance against injury, death etc. The weaker sections, in comparison have hardly any security available. The minimum social security that can be provided to them can be in the form of a right to work.
- (c) Availability of surplus manpower should not be treated as a burden, but should be taken as a positive asset because labour after all is a factor of production. The job of planning is to use this factor productively so as to maximise production. Right to Work thus is a challenge to the planners to use the available labour force effectively and efficiently.
- (d) Directive Principles of State Policy of our Constitution includes Right to Work as one of the directives for the future. It is therefore, necessary that after more than forty years of planning the right is enforced in the country. Right to Work is thus a constitutional requirement also.

8.15 In spite of the justification however, there is a need to devote some time to the planning for the right before it is actually introduced. It is clear that Right to Work should not be a charity or a mere welfare activity. It should result in the productive use of surplus manpower in the economy. In order to ensure this, the following conditions should be satisfied before the right is introduced : (a) The main growth process of the economy should be made employment oriented as discussed earlier. (b) Decentralised plan-

ning in a multilevel consistent planning framework should be introduced at the district and below district levels, (c) Wage employment Programmes or public works programmes which will be the main tool of operationalising the right will have to be planned systematically, (d) The equity aspects of the programme will have to be taken care of, again on the lines discussed earlier.

8.16 We think that the above preconditions will take some time to be fulfilled. To start with, in the first phase those backward districts should be chosen which are poor in infrastructural development and which have relatively long incidence of unemployment. The guarantee of employment should be gradually extended to other areas using the lessons of the experiences in the first phase.

Concluding Observations :

8.17 While concluding our report on Anti Poverty programmes, we would like to make the following observations :

- (a) The task of alleviating poverty cannot be carried out only by PAPs. It has to be carried out primarily by the main planning process. PAPs can only play a supplementary role in the task.
- (b) In the given socio-economic and political system, the PAP strategy has a specific role to play in modifying the growth process as well as in initiating structural changes. The PAP strategy thus is not only desirable but is an essential part of the development process of the country.
- (c) The PAP strategy is transitional in nature in the sense that it is not a long term strategy. Its success lies in the fact that it is needed less and less with the progress of the economy.
- (d) The PAP strategy so far has not been very successful in India. However, its limited success does not imply its irrelevance. What is needed is to put the strategy in the right perspective, and to use it more effectively than before.

The problem of poverty, as mentioned in the beginning, is a multi-dimensional problem. The solution of the problem also is multi-dimensional in nature, the various dimensions being education, health, social services, environments, structural improvements as well as employment and incomes of the poor. Poverty can be alleviated only when a well designed holistic approach is adopted.

ANNEXURE

TERMS OF REFERENCE OF THE STUDY GROUP ON ANTI-POVERTY PROGRAMMES

1. To study, in the rural Indian context, the evolution of the concept of poverty and examine, in a dynamic setting both its changing dimensions and structure.
2. To study the changing pattern of macro and micro policies and programmes pertaining to poverty alleviation during the Five Year Plans, and to examine their adequacy in terms of integration of objectives of poverty alleviation.
3. To study the present strategy of direct attack on poverty and prepare an inventory of on going anti-poverty programmes at the centre and state levels, and to examine their effectiveness in
 - (a) increasing employment,
 - (b) raising family income levels,
 - (c) creating useful and productive community assets, and
 - (d) improving the working conditions.
4. To examine whether PAPs (Poverty Alleviation Programmes) eliminate poverty on an enduring basis or only so long as they operate, i.e. the beneficiaries lapse into poverty the moment the programme is withdrawn. To put it differently, will PAPs generate a growing section of self-reliant (as against PAP reliant) labour force?
5. To examine the potential of anti-poverty programmes in terms of poverty alleviation. PAPs alone cannot and should not be expected to solve the entire problem of poverty. Poverty should be eradicated through "Regular Growth Process" and "Special Programme". In this context it will be desirable to examine whether PAPs have the potential of removing poverty of those who do not get employed in the mainstream.
6. In this context it will be useful to examine and suggest measures for closer and purposive integration between various PAPs and the overall development strategy with a view to evolving permanent solutions to the problems of poverty and unemployment in rural areas.
7. To suggest modifications in the present policy and programmes pertaining to poverty alleviation, and also to suggest new programmes for the purpose.
8. To examine whether a special approach and special programmes are required to remove the poverty of special groups like (a) Scheduled Tribes, (b) Scheduled Castes, (c) Women and (d) Children.
9. To examine and suggest special programme for generation of additional income and employment in backward and difficult areas.