

Chapter - 1

Employment Schemes in Rural Development Programme

This chapter is devoted to the background of Rural Development programmes, Schemes of Rural Development and the status of employment generation through these programmes.

1.1 Introduction

The history of rural development can be traced back to the late nineteenth century, in the year 1866 an English lady by the name of Rachel Metcalfe brought Quaker Service to India with avowed objective of 'Selfless Service' to human kind, the first of such acts by this Quaker and other Quakers were visible in the famines of 1895-96 & 1899-1900. Training of local ruralites in furniture making in the Rasulia (Hoshangabad) workshop is the first recorded and organized effort at rural construction, later on more Quakers fanned out to other areas also and by the year 1920 a new pattern had arrived, Hilda Cashmore established a rural settlement and named it Quaker Ashram in 1932, the ashram provided a host of services to the villagers.¹

Some others consider that the first attempt for rural development in India was made in 1885 with an ultimate objective of bringing immediate relief and development of rural areas in Baroda. In 1922, the Swaraj Ashram was established at Baroda by Magan Lal Gandhi. The Ashram aimed at preparing for non-cooperation, and the civil disobedience movement launched by the Indian National Congress under the leadership of Gandhi. The resolution for non-cooperation was passed earlier in September 1920 at the Calcutta Congress under the presidentship of Lala Lajpat Rai. This resolution included mainly two things: boycott of foreign goods and mass publicity for use of home-made khadi clothes. It was thought that boycott of goods in particular might not affect adversely the British trade. But spinning and weaving as an instrument for

training in the qualities of self-reliance and self-confidence would definitely bring about a favourable impact on rural development.

Moreover, with the start of the Reform Movement by Adivasis during the period 1915-20, the Government suffered heavy losses in revenue, sales of liquor by contractors reduced drastically and the Adivasis also refused to do the agricultural work on low wages. In 1935, reconstruction centres were organized at several places, but start of the Second World War in September 1939 thwarted the progress of achievements of these centres.²

‘Grow More Food’ campaign was started in 1943 with a view to augmenting the level of food production through planning and implementation of short-term and long-term improvement programmes in agriculture. Besides, a good number of projects aiming at Community development were introduced in different parts of the country by the Government of States/Union Territories.³

The action of the Kisan Sabha under the leadership of the Communist Party worker Mrs. Godavari Parulekar in 1945, as an important step against exploitation in rural areas, for the first time, Adivasis made slogans against exploitation by landlords, moneylenders and contractors. As a result, the Minimum Wages Act was brought under enforcement in Forties to safeguard the interest of Adivasis working for forest contractors and plantation owners. And since 1947, the Government started to encourage formation of cooperative Labour Contract Societies for forest workers.⁴

While summing up, it is apparent that since start of the last decade of the nineteenth century, quite a few centres of rural reconstruction were started from time to time in different parts of the country. These centres made systematic efforts for development of life and society of specific rural communities and tried to make full use of technological knowledge. And by the end of the Forties of twentieth century a number of such centres based on well defined principles and approaches of community development were going on in various parts of the country. Some of these centres were started by the

Government of sub-national level and some others were initiated by the great individuals and private organizations including Christian missionaries. Gandhian Constructive Workers and independent voluntary associations.

After independence, in September 1948 the first and the foremost 'Pilot Project' was started in an area of 64 villages scattered in the vicinity of Mahewa, located at a distance of about 8 miles from the Headquarters of Etawah district.⁵ Subsequently, in the year 1949, there was again a move for 'Grow More Food' campaign with a view to attaining self-sufficiency in foodgrains by 1952. In the same year, on 18th April, the Bhoodan Movement was started under the leadership of Vinoba Bhave. The aim of the movement was to acquire land through donation from individual landowners and distribute it fairly among the landless families. A similar kinds of movements like 'Gramdan' and 'Shramdan' were also started in the direction of rural development during this period. But one of the major shortcoming of these efforts was that they were more or less *ad hoc* and inco-ordinated in nature without any conceptually broad-based strategy. Besides, these efforts were also more in nature of trials rather than experiments with well defined approaches and methods.

The first Five Year Plan conceived the National Extension Service (NES) as the agency and community development as the method through which it was envisaged that the successive Five Year Plans would create a better, richer and fuller life for the teeming millions living in thousands of rural communities in India. The National Extension Service (NES) was started in 1952 by the Government of India with the establishment of 55 Community Development Projects across the states in the country. By the year 1963, the Community Development Programme was extended to cover the entire country by a network of 5,265 community development blocks.⁶

A development block consisted of about 100 villages and covered a rural population of about one lakh. It was the lowest administrative unit and one of the constituent parts of the district. The headquarters of the block provided a

concentration of administrative functions and the block boundaries were decided purely on the basis of administrative conveniences. The staffing pattern for implementation of developmental programmes included specialists of various departments/disciplines and they had to work under the supervision and leadership of Block Development Officer. The programme aimed at achieving the all-round development in block. The various programmes launched for this purpose included: (a) substantial increase in agricultural production, (b) improvement in systems of communication, (c) improvement in rural health and hygiene and (d) improvement in village education. Through these programmes it was aimed at initiating and directing a process of integrated cultural change which could transform the social and economic structure of the rural society in India. This was the most applied programme of rural development in India. It was apprehended that this newly setup block development agency at the local level would better ensure the people's participation in the overall development of rural India. However, the experience of the first decade of community development witnessed only partial achievements and several deficiencies were gradually noticed, the most glaring among them was the total compartmentalization between urban and rural areas. In sum, the programme failed to make a significant dent on the rural set up and rural economy.

The Panchayat or the village council was the basic institution in the three-tier scheme of Panchayat Raj. The village council had the overall responsibility of carrying out the major functions as follows: (a) drinking water supply, (b) sanitation, (c) maintenance of public street, local roads, drains, culverts, etc., (d) lighting of village streets, (e) maintenance of land and cattle records and vital statistics, (f) supervision of primary schools and (g) welfare of backward classes. Besides, it was also to collect land revenue for Panchayat Samiti and Zila Panchayat on commission basis.⁷ However, the Panchayat Raj System finally proved to be unsatisfactory obviously because of numerous evils like financial, political, sociological, constitutional and administrative.

In the field of rural development, we notice that the cooperative movement made the most remarkable progress and the number of cooperative societies rose to about 35,000 by the end of 1963. But members of these societies never took keen interest in making the societies a great success. Further, in the year 1961, a new strategy primarily for agricultural development was evolved consisting of the following elements: (a) the districts which could best promise for food production, were required to be selected for intensifying the agricultural activities. These districts were expected to have a considerable amount of assured means of irrigation, pre-dominance of cereal cultivation, experienced peasantry, better transportation facilities, besides the network of Mandies and markets, (b) the full package of services comprising improved seeds, fertilizers, pesticides/insecticides, implements, extension advice and credit based on a farm household plan was planned to be provided on priority basis with a view to promoting the introduction of modern practices in the principal cereal crops and finally augmenting the overall cropping and land use patterns and (c) strengthening of administrative structure through expansion in staffing pattern and establishment of institutions for education, training, credit extension and agricultural research was to be taken up simultaneously as a part of the package programme. The programme incorporating this strategy was termed as Intensive Agricultural District Programme (IADP) and was started on experimental basis in 37 districts in 1961 with the assistance of the Ford Foundation. The results of the programme were quite revealing in some of the selected districts like Ludhiana and Tanjore, whereas in some other districts the results were not so attractive. But in sum, a potential promise was demonstrated.

During the year 1965-66, the Hybrid Seed varieties, which were already supported with proven research results, were chosen for widespread diffusion along with the package approach and infrastructure of Intensive Agricultural District Programme. Pursuing this, the Intensive Agricultural Area Programme (IAAP) was, therefore, launched subsequently in as many as 117 districts with a view to widening the coverage of maximum possible area under high yielding

varieties. This new approach was followed with such a grand success that the period of its implementation was termed as Green Revolution. In spite of this, the programme could not play any significant role in rural development. Rather, it quickened the process of economic polarization in rural areas and contributed to increasing social antagonisms between landlords and tenants and land owners and labourers.⁸

With the advent of the Fourth Plan in 1969, it was realized by the Planning Commission that ideology of equity in spatial development could not be achieved through adoption of *ad hoc* and *piecemeal* planning for urban and rural areas separately. Further, a clamor was raised by the geographers, planners, policy makers and social scientists for an urgency of introducing an integrated approach to planning.

Consequently, realizing that the benefits of various development programmes were, in the main, being taken by those better endowed in terms of land resources, the programmes especially designed for the development of small and marginal farmers and the landless and agricultural labourers were taken up in the early seventies. A special programme for the development of Drought Prone Areas (DPAP) was introduced in the mid seventies and a programme of development of desert areas in the late seventies. A programme of 'food for work' was launched in the year 1977 to extend opportunities of work to the rural poor especially in lean periods of agriculture which would, at the same time, help in creating the durable community assets. During 1974-77, special Sub-Plans of development were introduced with a view to removing regional disparities particularly in less endowed or disadvantaged areas, like the hill and tribal areas. Similarly, a National Programme of Minimum Needs was also started during this period to secure to the rural areas within a reasonable time frame certain basic amenities in the field of education, health, drinking water, electrification, roads and house sites.

At the close of seventies, it was, however, realized that the size of the problem, which above programmes had to deal with, was enormous. The

manner, in which the problem of rural poverty was tried to be solved, left much to be desired both qualitatively and quantitatively. It was only a small fraction of the rural poor (mainly landowners) that was covered effectively by the various anti-poverty programmes. Among the rural poor especially those belonging to the bottom stratum (i.e., landless and rural artisans) were left untouched. The major constraint with these programmes was not of finance but organizational inadequacies and lack of a clear-cut plan of development. Besides, the territorial overlapping of these programmes and their different funding patterns created considerable difficulties not only in effective monitoring but also thwarted achievements of the programme. In view of these, it was decided to combine these programmes into one and designate it as the Integrated Rural Development Programme (IRDP).⁹

Conceptually, the Integrated Rural Development is a strategy designed to bring about an improvement in life style of the people particularly the rural poor. Rural poor constitute bulk of our population and to make them free from evils arising from socio-economic inequalities would largely depend upon the extent to which transformation in rural economy occurs. This would require regular flow of benefits of development to the people of the lower income strata particularly those seeking livelihood in the rural areas. The major constituents of this group are small and marginal farmers, artisans and the landless. Therefore, the objectives of rural development cannot be confined to a particular sector. Broadly, they aim at enhancing the levels of productivity and employment leading to higher incomes of target groups, besides minimum acceptable levels of food, shelter, education and health.¹⁰

It is clear from the above discussion that the major aim of the integrated rural development is to assist the villagers especially the weaker sections in rural areas to enhance their productivity to earn more money, to have enough food to eat, buy clothes to wear, send their children to school, have a house to live and have means to provide medical care to the family. This all is designed

to provide opportunities to the rural people to get them out of the poverty - trap.

Based on the above conceptualization it was, therefore, decided before the start of the sixth Five Year Plan that the poorest sections belonging to the families of landless labourers, small and marginal farmers, rural artisans, scheduled castes/scheduled tribes and socially and economically backward classes will have to be assisted through an appropriate package of technologies, services and asset transfer programme.

The IRD Programme was, thus, accepted as a multi-level, multi-sector and multi-section concept. As to a multi-level concept, it comprises rural development at various levels in the space, i.e., village, block and district. In terms of a multi-sector concept, it includes development of different sectors of the rural economy such as agriculture, industry, economic infrastructure and social services. Finally, in terms of a multi-section concept, it aims at ameliorating the conditions of the poorest section of the rural population such as small and marginal farmers, landless labourers, artisans, scheduled castes and scheduled tribes.

Thus, the main objective of the IRD Programme as laid down in the India's sixth Five Year Plan was to evolve an operationally integrated strategy for augmenting production and productivity in agriculture and allied sectors based on better use of land and water and also enhancing resources and income of weaker sections of the population in all the blocks of the country. This would require creation of new productive assets for vulnerables. In this connection, it was deemed necessary to provide agricultural inputs like water, seed and fertilizer to those of the poor who own some land asset for higher agricultural productivity. An important plank of the programme was decided to be the diversification of agriculture through development of animal husbandry, dairying, forestry which would benefit both the landless and the landholders. Besides, an emphasis was to be laid on development of village and cottage industries and the service sectors offering considerable untapped potential for

self-wage employment. So far these sectors received only scant attention in the poverty amelioration programmes. These untapped potentials need to be exploited optimally by strengthening the arrangements for the supplies of raw materials, consumer based designs and marketing facilities.¹¹

1.2 Employment Generation in Rural Development Programmes

Employment generation has been an integral part of all the rural development programmes reflecting upon the concerns of Jawaharlal Nehru who had said as early as in April 29, “If we are to eradicate poverty, we must first do away with this wide spread unemployment” and Gandhi had even gone to the extent of maintaining that the unemployment had also been responsible for communal rights.¹²

Sharma (2003) in his article ‘Rural Development and Self Employment in Punjab’, has very aptly concluded that Employment is a vital indicator of rural development, particularly in thickly populated countries like India. Rural prosperity will not be judged merely by link roads, electric connections, Green revolution, White revolution, pump-sets and the like. The day our planners and statesmen succeed in offering employment opportunities to all able-bodied and job-seeking persons, the rural poverty shall get removed. On the other hand Kamra (2003) has very aptly summed up “However, as a result of rural poverty and prevalence of unemployment as well as under-employment in villages, there is a continuous stream of villagers migrating to towns, cities and metropolitan centres.¹³

Rural Development Programmes have laid great emphasizes on self employment as a result of some life supporting and sustaining training inputs to the beneficiaries, but as has been brought out by Prasad (2003) “Three schools of thought exist, each promoting the virtues of wage employment, asset and endowment for the self-employment, and land redistribution. Proponents of wage employment argue that self-employment policies are constrained by the lack of adequate opportunities for their promotion through credit and the

poor's incapacity for business on the demand side: "...the strategy for helping the poor in rural society to get over poverty with the help of assets is largely misconceived. only a very small production can be helped in this manner. Putting more burden on this approach will discredit the line of attack, generate wastage, corruption and ultimately cynicism". They maintain that the scope of job creation at a subsistence wage has in contrast been seriously underestimated. The self-employment school questions a strategy that perpetuates dependence on employers: "It is premature and unwise to write off the strategy of self-employment as peripheral to the poverty problem and opt for a strategy which for all practical purpose relegates millions of the poor to the status of mere wage earners".¹⁴

The new economy policy has also added to the dimensions of the unemployment in rural areas as Parthasarathy and Nancharaiah (2003) has pointed out the withdrawal of subsidies for inputs in agriculture would reduce employment depending upon (a) price-elasticity of input-use (b) elasticity of crop yield to input-use and elasticity of employment to yield. He observes that 30 percent price raise in fertilizer prices given the daily status unemployment rate of the order of 8.0 per cent, unemployment rate is likely to rise by 17 per cent. At the same time even if agricultural exports are stepped up through promotion of agro-processing, their short-run effects on employment are unlikely to be favourable since the employment intensity of modern processing is likely to be less than the corresponding intensity of traditional industry. Therefore, rural development programmes, sponsored by public agencies will have to be on a much larger scale in the short and medium term of the operation of NEP. He also opined that "while the strengthening of the R-D programmes is necessary, their success depends on an improved rate of agricultural growth, especially allied occupations, non agricultural employment in rural areas and an effective implementation of land reforms". Parthasarathy et al further point out that 72.55 per cent of youth population lives in rural areas. Youth form 36.47 per cent of total labour force in rural areas.¹⁵

It may be slightly paradoxical but a very important indicator in respect of vanishing of hunger from Himachal Pradesh is produced below (Parthasarathy & Nancharaiah, 2003)¹⁶: -

Table 1.1
Percentage Distribution of Households by Type of Response on the Question -
Whether all Members of the Household get Two Square Meals a Day: 1983

| State | Only some months in the year | | No | |
|-------------------------|------------------------------|-------------|-------------|----------|
| | Rural | Urban | Rural | Urban |
| Andhra Pradesh | 14.69 | 6.93 | 0.82 | 0.04 |
| Assam | 12.49 | 7.23 | 3.58 | 1.79 |
| Bihar | 31.81 | 9.14 | 5.42 | 2.89 |
| Gujarat | 2.78 | 1.05 | 0.07 | 0.09 |
| Haryana | 0.73 | 0.53 | 0.12 | - |
| Himachal Pradesh | 3.08 | 0.74 | 0.24 | - |
| Jammu & Kashmir | 1.51 | 0.88 | 0.30 | 0.12 |
| Karnataka | 17.81 | 10.37 | 0.93 | 0.58 |
| Kerala | 15.29 | 11.67 | 3.68 | 1.85 |
| Madhya Pradesh | 13.35 | 4.86 | 1.72 | 0.37 |
| Maharashtra | 9.31 | 5.00 | 0.68 | 0.42 |
| Orissa | 31.80 | 11.33 | 5.02 | 0.84 |
| Punjab | 1.33 | 1.80 | 0.24 | 0.82 |
| Rajasthan | 3.11 | 1.18 | 0.69 | 0.27 |
| Sikkim | - | 0.60 | 0.69 | - |
| Tamilnadu | 16.06 | 7.15 | 1.36 | 1.05 |
| Uttar Pradesh | 10.39 | 3.86 | 0.62 | 0.71 |
| West Bengal | 31.01 | 6.14 | 8.60 | 1.35 |
| All-India | 16.19 | 5.56 | 2.35 | 0.77 |

Source: Sarvekshana, Vol. XIII, No. 2, Issue No. 41, Oct-Dec. 1989, pp. 36.

This may appear to be a misplaced kind of a thing but nonetheless it is a pointer towards the existence of hunger in Himachal Pradesh. Security of employment is essential for obtaining food security. A number of trends have been affecting security of employment. Of these, the major trend is the shift to agricultural and casual labour. The shift to agricultural labour affects the ability of these groups to obtain self provision of food. Besides, the trends in the labour market such as shift from kind of money wages subject the labour to food insecurity.

They further have gone on to say that the shift in processing from household enterprises to factories on an increasing scale, with adoption of

more capital intensive technology is likely to reduce the elasticity of employment to output. Similarly, changes in the structures of marketing with the entry of big business will imply reduced elasticity of employment to marketed output as trucks entering straight to the production centres replace the fruit and vegetable vendors who play a key role in shifting the primary produce to the assembling centres. Thus the entry of big business can be expected to displace both the petty producers and petty traders. These displacing effects in specific enterprises could however be compensated with increased momentum of growth and shift to higher rate of growth. In the medium term however, the displacing effects are likely to be more pronounced than the absorbing effects as shifts to far higher growth rates are likely to be slow. Safety nets for those who are likely to be thrown out of jobs within the unorganized sector are likely to be even more important than safety nets for the organized sector. The entry of big business houses into the retail markets may have serious implications for the state of Himachal Pradesh as the horticulture produce and off season vegetables employ a substantial number of rural folks. The employment requirements of the rural areas have been estimated 2.5 times the corresponding requirements of urban areas.¹⁷

According to the writers rural development programmes required to be implemented at larger scales and the shift within the agriculture sector from cereals to allied enterprises such as sericulture, pisciculture, horticulture, dairy and poultry, as these are more employment intensive and add higher net values per hectare.

A brief history of the employment programmes is discussed in the subsequent paragraphs.

While generation of adequate employment and substantial reduction in poverty has been the goal of successive plans in India, for quite sometime, it was thought that the growth in the overall production would take care of poverty and employment as increased production creates a capacity to deal with the problem of poverty, unemployment as well as under-employment.

Experience, has shown that there has been a slow growth in production and hence the 'trickle down' effects were rather limited. The problem of unemployment and under-employment in rural areas is a serious one. This has been compounded by more than two - third's, of the population deriving its livelihood from agriculture, which still continues to be dependent on the vagaries of monsoon.

A grim pointer towards the contribution of agriculture which employees nearly 60 percent of the labour force has been brought out in a recent study.¹⁸

The Rural Manpower Programme (RMP) had been started in the early 60's followed by CSRE i.e. Crash Scheme for Rural Employment. The lessons learnt were visible in the Pilot Intensive Rural Employment Programme (PIREP). A review of this project resulted in recommendation of more labour intensive technologies and the strategy was adopted in Drought Prone Area Programme (DPAP). Food for Work Programme (FWP) was started in April 1977 as a non-plan scheme for the maintenance of public works by the state governments and also for generating gainful employment and a simultaneous utilization of foodgrains for the development of human resources. NREP and TRYSEM (Training of Rural Youth for Self Employment) were two major programmes for self-employment in the rural areas with the food for work programme becoming a part of the National Rural Employment Programme (NREP). The Rural Landless Employment Guarantee Programme which was fully funded was launched in 1983 and this programme envisaged employment to at least one member from each landless household upto 100 days in a year. The National Rural Employment Guarantee Scheme is an improvement on RLEGP. Subsequently, Jawahar Rozgar Yojna was started as a centrally sponsored programme of which Indira Awas Yojna and MWS i.e. Million Wells Scheme were earlier a components. JRY later was merged with the Employment Assurance Scheme (EAS), 1993.¹⁹

The Rural Employment Guarantee Programme under the statutory provisions contained in the scheme and popularly known as National Rural

Employment Guarantee Act, 2005 (NREGA-2005) is the latest and the most ambitious of all these programmes. The objective of the scheme is to provide for the enhancement of livelihood security of the households in rural areas of the country by providing at least 100 days of guaranteed wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work. This universal and enforceable legal right is the most basic form of employment. The work guarantee scheme has been applied to 200 notified districts only and is limited to 100 days per household per year.

This is an attempt to provide employment security in the rural areas as the unemployment is directly related to growth, development and absence of hunger from the rural areas. One of the major differences between the earlier employment programmes and the NREGA-2005 is the applicability of the programme to all rural households. The other noble feature of the scheme is that any adult member can contribute to the 100 days meaning that different persons can work on different days or even on the same day as long as their combined days of employment do not exceed 100. The role of the Panchayat is very important and it appears that the procedures have been made very simple. . The National Rural Employment Guarantee Programmes provides for the independent funds but conversance to avoid duplication has been authorized.