

## Chapter - 3

### Review of Literature & Research Methodology

This chapter includes the review of the previous studies conducted on different aspects on the schemes of rural development including NREGS. The need of the study, objectives and methodology have also been discussed in the second part of this chapter.

#### 3.1 Review of literature

Sharma et al (1977:14)<sup>20</sup> are convinced that Rural Development as a concept and a reality has suffered intellectual importations, heavily biased by philosophical-methodological assumptions quite unrelated to the actual configuration of problem-situation. Over the years, it has created ambivalence and equivocation among those who regard rural reconstruction as a faith and a mission to the soil. It would be neither charitable nor compatible to blame wholly the lack of policy emphasis or even its clear articulation to account for the inadequate pace of rural development but the very nature of the process is extremely complex, requiring multidimensional approach and interdisciplinary knowledge. The effort also suffered owing both to paucity of resources and lack of commitment, not altogether unexpected in nation-building activities of developing countries having traditional societies.

Reddy et al (1985:238)<sup>21</sup> in their study of Andhra Pradesh come to the finding that the policy for small farmers' development could not create a significant impact on the target groups. The schemes proved to be too ill-organized to be viable. In fact some of the schemes proved to be counter-productive. The agricultural labourers are not only bypassed but are put to great misery. The administrative machinery is not property oriented, nor is it vigorous to help the poor. The middlemen, as a result, have been appropriating the benefits. The poor as a class are yet to develop participative

culture to overcome the serious limitations of a public policy and an inegalitarian socio-economic system. Thus, the Small Farmers Development Agency, another important public policy like green revolution failed to make a positive impact on the rural poor.

Regarding loopholes of Rural Development Programme, Meheshwari (1985:217)<sup>22</sup> comments that Rural Development Programmes in India suffer from a high degree of centralization as illustrated by the IRDP. This programme has been formulated in great detail at the central level with little flexibility permitted at the implementation level; so much so that it may not be very inappropriate to say that this programme is for the people but certainly not by the people and of the people. India is an example of a country which is seeking to promote rural development purely through its regular bureaucracy with little involvement of participation by the people.

Ghose (1986:15)<sup>23</sup> in an article on IRDP says that one of the most important findings of this concurrent evaluation is that the investment per beneficiary family under the IRDP has been rather low, particularly in view of the fact that the poverty line has now been redrawn at an annual income of Rs.6400. It was previously Rs.3600 only. As a result, a large section of the families which had received loans and subsidy during the sixth plan in order to enable them to increase their income by exploiting assets acquired by such assistance, did not actually cross the poverty line. All of them have to be given a supplementary dose of assistance so that they crossed the poverty line and the investments already made on them did not go waste.

Sinha (1986:823)<sup>24</sup> in an official paper regarding IRDP, opines that things have gone wrong at a multitude of levels. Firstly, the DRDA officials charged with plan formulation have neither the necessary skills nor the planning experience. Secondly, the pressure for achieving quantitative targets, the related malpractices and the consequent 'policing' role thrust upon the DRDA leave little time for such 'theoretical' exercises as planning. Thirdly, detailed

directives issued by the Centre and by State governments have, in practice, left little room for maneuver on the basis of local conditions.

Devi's study (1986:31)<sup>25</sup> holds that IRDP as anti-poverty programme is good in intentions but intentions alone are not sufficient. Measurement of poverty in absolute terms i.e., in terms of per capita income required to meet subsistence needs of the family is essential but it has limited utility. Having defined and measured poverty purely in economic terms, there is no need to have social categories within the poor such as scheduled castes, backward classes and others. The only relevant and meaningful categories for the purpose of providing appropriate capital assistance under IRDP are two categories of rural poor i.e., landless agricultural labourers, artisans and small farmers. In fact, there is every reason to exclude small farmers with more than one hectare of land from the category of poor as they have less constraints, different priorities and more potential to develop independently without any external assistance.

The more homogeneous are the poor in their needs and priorities, the more efficient will be the delivery of IRDP inputs to them and the more effective and successful will be the programmes.

While the immediate goal of anti-poverty programme is to improve income or financial conditions or viability of the poor, the ultimate goal will have to be to free them from the clutches of the upper caste or class and thereby reduce the degree of their despondence on other exploitative elements of the system in economic, social and political terms. One should not forget that the poor are really poor due to some serious and real constraints which cannot be overcome overnight and there is a cumulative effect of disadvantage leading to deprivation and both of them leading to despondence and perhaps dependence at the end. It may also be essential to organize the identified poor, encourage their own leadership and get them involved in decision-making which ultimately concern them with a view to avoiding the

feeling of alienation and powerlessness and create a sense of efficacy which is so crucial for the success of any anti-poverty programme in future.

Shekhar (1987:4)<sup>26</sup> a journalist states that an evaluation study of the Integrated Rural Development Programme (IRDP) in the district of Hamirpur, H.P. has revealed that 49 per cent of the families covered under the programme have crossed the poverty line. The percentage of the scheduled castes families which have crossed the poverty line is 49.1 and for others it is 48.92.

Singh and Lal (1987:25)<sup>27</sup> in their study came to the conclusion that about 48 per cent of the beneficiary households had crossed the poverty line. In an evaluative study entitled “Financing Under Rural Development Programme”, the State Bank of Patiala (1987:14) concludes that 42 among 100 persons seem to have crossed the poverty line but according to these beneficiaries, the additional income so generated has not improved their living conditions to the desired extent since the market price of essential consumer goods has increased so much that the additional income generated by them has been nullified. However, almost all the beneficiaries have claimed that they have increased their annual income and now they are living in somewhat better conditions than those prevailing before availing loans under IRD programme.

Srivastava and Singh (1987)<sup>28</sup> have come to the conclusion based upon the Proceedings of Dialogical Session, 1985 that asset creation under NREP and RLEGP should have a long-term income-employment generation effort rather than taking up only short-term projects at *ad hoc* basis. Creation of durable assets for strengthening economic infrastructure in rural area may provide long-term income-employment generation effect. Similarly, asset creation in terms of a large number of irrigation work will improve agriculture and will ‘reduce the risk involved in cultivation’ and will ‘lead to grater labour absorption’.

Singh (1988:8)<sup>29</sup> in his paper entitled “Socio-economic impact of Integrated Rural Development Programme on Weaker Sections in Punjab” has

concluded that the Integrated Rural Development Programme is showing its impact on the weaker sections served by it. Those who could take advantage of the facilities (especially credit) were in better position to improve their socio-economic life than those who did not avail themselves of such facilities. Again, it was noticed that comparatively well-off sections of the community derived more benefits than the weaker sections from IRDP.

Singh (1988:25)<sup>30</sup> in his study conducted for Agricultural Banking Department of State Bank of India concludes that; (1) there is a lack of infrastructural facilities like roads, market, veterinary hospitals and milk collection centre, for the success of the schemes; (2) technical guidance to the beneficiaries is not forthcoming properly so as to help them use their assets economically; (3) there is a lack of coordination among the bank and block officials; (4) insurance claims of animals are not being settled expeditiously; (5) under-financing of the project gives rise to poor return and renders the scheme unviable.

Sharma (1988:18)<sup>31</sup> in his study concludes that the experiences gained so far has shown that IRDP could not be organically interlinked with other on-going activities/programmes of the government and it has become clear that the benefits from other programmes, particularly social services, could not reach the targeted households.

Desai in his voluminous book, Rural Development (1988, 148-151, Vol.II)<sup>32</sup> inferred some results based on the study conducted by National Bank of Agriculture and Rural Development (NABARD) in 15 states to scan the performance of DRDA. His study found that DRDA and other concerned departments did not play any effective role in ensuring the supply of the right quality of assets to the programme participants. He (Vol. vi, 633) found that out of 868 sample beneficiary households initially having an annual income of less than Rs.3500, per annum, 49.42 per cent were able to achieve an annual income level of Rs.3500 and above after their coverage under the IRDP.

Mohanasundaram (1988:9)<sup>33</sup> in an evaluative study of two blocks of Coimbatore district of Tamil Nadu, entitled “How IRDP schemes can be better implemented?” suggests some important aspects regarding effective implementation of IRDP schemes. He states that very low perception of the rural poor indicates the dire need for increasing awareness among them about the special schemes meant for their welfare. The lukewarm attitude of the implementation machinery should also be changed. Selecting deserving beneficiaries by conducting household surveys, credit camps and gram sabhas etc. will ensure assisting of right beneficiary. The major advantages of such exercises are cutting across the dominance of intermediaries and avoidance of leakages. This can be done by active and also effective coordination among the various village level developmental functionaries. Improving the qualification of the VLWs and VEOs by way of giving training to them will improve their performance in the rural areas. In a nutshell it can be stated that taking care of the selection of VLWs, their training, supervision, avoiding interference in their working, etc., are some of the steps that need to be considered in order to ensure the effectiveness of implementation of the programmes/schemes.

Hirway (1988:17)<sup>34</sup> notes the following weaknesses in this programme. First of all, IRDP emphasizes self-employment rather too much. It assumes that the poor and especially the poorest of the poor are capable of self-employment and managing independent enterprise successfully. This assumption is not realistic as many of the poor are illiterate, have low risk capacity, possess little entrepreneurial abilities, and have no or very little assets and, therefore, they aren't credit-worthy. They are not capable of managing enterprises independently. Many of them would be better off if they are given wage employment.

Secondly, IRDP assumes that the poor need a subsidized income generating asset and when it is given, the needs of the poor are largely satisfied. This assumption also is not fully correct as the asset will perhaps

meet a part of their needs, but it will not help them in meeting their urgent needs like consumption loans, seed loans and loan to meet social functions etc. In this sense, IRDP is a partial approach which tends to create leakages in the working of the asset schemes and in running of the programme successfully.

Thirdly, IRDP assumes that the special arrangements made for the poor will reach them. When one realizes, however, that the implementing agencies are the same development administration, credit institutions and Panchyati Raj institution, it is difficult to accept that the benefits will percolate to the poor. It is, indeed, difficult to accept that IRDP, which does not attempt to change the system in which it operates, will change the process of percolation of economic programmes in favour of the poor.

Apart from the above, the planning component of IRDP also is found to be weak. First of all, there is no systematic approach regarding allocation of IRDP funds among various schemes, various areas and households. There is no provision in IRDP which provides for allocation of resources among talukas or villages on the basis of their needs and resources. To allocate specific schemes to the poor households mainly on the basis of their own demands is definitely not a sound way of planning.

Kulkarni et al (1989:78)<sup>35</sup> conducted a study in Bijapur district of Karnataka. They found that different socio-economic factors affect the success or failure of different IRDP schemes. According to them, the success of IRDP mainly depends upon the level of education, family size, ownership of livestock, durable assets and occupational structure. Hence, it is necessary to take up certain aspects of the environment, including characteristics of the beneficiaries. The study highlights that one of the reasons for poor performance of IRDP was the delay in actual sanctioning of loans and releasing of the subsidy amount by the development authorities. It is suggested that single window approach for both subsidy and loan would reduce the time gap and transaction cost of borrowing to the beneficiaries.

Calling it the world's ambitious credit-based poverty alleviation effort, the World Bank (1989:5)<sup>36</sup> attributes the failure of India's Integrated Rural Development Programme (IRDP) to its inability to ensure continued access to institutional credit for disadvantaged rural households. Unless constraints, which continue to block access of the poor to institutional finance, are effectively addressed, the window of opportunity to banking services offered by the IRDP will remain closed. Welfare gains derived thus, for by beneficiaries of the IRDP are likely to be short-lived without the opportunity to replenish working capital and undertake additional investment, using term credit.

Judge (1989:303)<sup>37</sup> conducted a survey in Hoshiarpur district of Punjab to evaluate the performance of special component plan (SCP) which is a part of IRDP. Regarding economic mobilization of sample respondents, after getting loan, he concludes that all those respondents who took a loan upto Rs.3,000, 34.18 per cent pointed out that there was no effect, whereas 39.24 per cent and 26.57 per cent respectively said that their income increased significantly and marginally. But in the case of those respondents who took loans amounting to Rs.3,001 to Rs.6,000, the increase in income was significant. It may, however, be pointed out that most of the respondents took loans only once which, in the case of loan for milch animals, is not economically viable.

Tenaja (1989:6),<sup>38</sup> states that despite tall claims about the success of various anti-poverty measures such as IRDP, NREP, RLGP and TRYSEM, most of the labour households are still not able to meet their minimum consumption requirements. These are people who do not have a bare sufficiency of anything - neither food, nor clothing nor shelter, what to speak of education or medical care. The fact we find such utter destitution here in Punjab (reputed to be the home of India's most progressive farmers) raises doubts about the designing and implementation of the poverty eradication programmes which have generally taken the forms of loan facilities, subsidies, grants, etc.

Rao (1998)<sup>39</sup> presented an overview of the rural employment situation and pointed out that through prosperity is positively related to agriculture,

poverty is found to be higher even among States with a better resource endowment position. Structural differences and structural mismanagement are the main reasons for this phenomenon. He emphasized the need for dovetailing the programmes basically meant for achieving a higher agricultural growth with those aiming at improvement in the off-farm sector. He also stressed the need for having some programmes at the household level targeting rural artisans, small and marginal farmers, agricultural labourers etc. Similarly at the village level, some programmes should be thought of which will ensure development at that level. He mentioned that the contribution of the private enterprises to GDP is much higher (72 per cent) when compared to that of the Government enterprises and in view of this, the strategy must be to give further fillip to the private enterprises in the form of extending necessary technical support and finances. The paper on TRYSEM depicts the successes and failures in the programme. The present phase of the implementation of TRYSEM provides mixed results. It was suggested that about two lakh village tanks may be developed using the TRYSEM funds which will go a long way in improving the resource base of the area. It was indicated that hardly 0.8 per cent of the funds earmarked are spent for the development of the artisan sector and this need to be increased significantly. Integration of various schemes and networking with various institutions will be necessary to achieve the desired results in this sector. Rao further mentioned that re-orientation of the present strategies would be necessary to improve the productive efficiency in the agriculture sector so that surplus is generated for the promotion of the non-farm sector in rural areas. The participatory approach may be attempted for achieving the desired goals.

Ramanujam et al (1998),<sup>40</sup> explained according to the estimates of the National Sample Survey Organisation, the number of unemployment people in the country in 1992 was 23 million and this has become 58 million backlog in 1997 and the backlog is expected to touch the mark of 94 million by 2002. The unemployment includes both open and underemployment. The estimates for underemployment can be obtained by subtracting the unemployment rate as

per the usual principal status definition form the based on the current status definition. In rural areas, open unemployment is declining faster when compared with the overall position. But underemployment has been increasing marginally. He also highlighted some trends in the unemployment levels according to the gender, occupation and educational levels. He observed that educated unemployment is much higher in the rural areas that too among the females. Another important point made by Ramanujam et al. relates to the casualisation of employment. According to him, casual employment has gone up from 23.4 per cent in 1972-73 to 35.6 per cent in 1993-94. The casualisation of employment would lead to lower skills, resulting in poor quality of work and lower wages. Though 65 per cent of the labour force is engaged in agriculture the rate of agriculture growth is very low. Some of the future strategies at the macro level should include the improvement in the quality of employment provided. The employment created must be basically productivity-oriented and to achieve this, the skills of the people concerned must be integrated with technological factors. The other suggested course of action would be involving females in a larger measure in the employment generation programmes and these two issues would mean spelling out a Human Resource Development Policy for the future. The reasons identified by him for a higher rate of unemployment include excessive dependence on agriculture, low growth rate of agriculture and marginal farmers entering the labour.

Karunakaran (1998),<sup>41</sup> felt that focusing on non-agricultural employment in the rural areas would be crucial to poverty reduction. There is a correlation in the employment in both agricultural, non-agricultural sectors and poverty levels. The shrinkage in the agricultural employment would normally lead to increase in the employment in non-agricultural sector which would result in the decline of the poverty level. Promotion of agricultural growth in the form of improving irrigational facilities through watershed development programmes would result in non-agricultural growth. Non-governmental organizations have a critical role to play in the area of market development. It was also felt that

highly professionalized marketing system and reservation/sops for the tiny industry would go a long way in achieving the desired results.

Saxena (1998)<sup>42</sup> has also emphasized the need for providing employment in the non-agricultural sector. According to him the following are the gaps in the existing policy. a) Lack of focus; b) Appropriate support not being extended; c) Inadequate industrial mechanism; and d) Lack of research and development; e) IRDP not being used for forging backward and forward linkages to support micro enterprises.

He suggested a holistic approach in bridging the gaps in the policy for providing employment in the non-agricultural sector: a) There should be a clear policy for rural industrialization, b) Creation of separate structures with necessary manpower to implement and evaluate the programmes and c) Using the existing infrastructure effectively. He also provided a model for rural industrialization. As in the case of other important sectors he suggested that there should be a technology mission for rural industrialization. He also mentioned that nearly Rs. 600 crore is being spent on research by different organisations and if 20 to 30 per cent of this amount is earmarked for non-farm sectors in rural areas, higher employment and better production etc., can be achieved. Further, the manufacturing sector and service sectors need to be strengthened and the infrastructure sector given top priority.

Gangadharan et al (1998)<sup>43</sup> has mentioned that the non-farm sector was given a priority status for financing since bank nationalization in 1969. However, NABARD and RBI studies showed that the performance of banks is not encouraging with respect to financing the non-farm sector. He mentioned that currently total credit requirements of the non-farm sector in rural areas is approximately in the range of Rs. 8000 crores whereas banks are financing only up to around Rs. 4000 crores. This credit gap of Rs. 4000 crores has to be met for development of the non-farm sector. He remarked the banks are not enthusiastic in meeting the credit gap principally due to lack of commercial approach to non-farm sector and inadequacy of rural infrastructure like power,

roads and communications etc. The appropriate strategy would be to improve the linkages including a cost-effective technology through meaningful inter-agency co-ordination. Another important strategy would be a group-based approach to the non-farm sector in the context of higher investment needs. He spelt out other strategies to develop rural industries for gainful employment.

Rath (1998)<sup>44</sup> pleaded that the data collected by NSS merits a careful interpretation. He mentioned that, a) total number of days of employment is increasing at a lower rate compared to the total number of persons unemployed, b) due to tremendous growth of labour force, the phenomenon of work sharing has started leading to shorter working days. Length of real work per person has actually come down. At the same time the amount of time taken to complete a given work has been increasing. The NSS data cannot capture such things, c) for studying the rural unemployment, the farm cost studies data has not been used. If the farm cost data is used, it is found that number of days of reported employment is not the actual number of days of employment. The actual number of days of employment is less, d) for schemes like IRDP there is no meaning in collecting information in terms of number of man-days generated. It would be better if, information is gathered about income generation, e) there has been a rapid demolition of the rural industrial sector in post-independent period. For promoting employment in the non-farm sector, information and organization are more important and subsidy and the role of state in spreading the information is vital and f) in our policy, education has been equated with literacy. Because of such an approach we are spending almost three times more money on literacy campaign than on primary education. Training and education must be integrated.

Haque (1998)<sup>45</sup> felt that historically, development of the non-farm sector follows automatically as a consequence of the farm sector. This, however, has not happened in Punjab and Haryana where agriculture has grown and continues to grow at a very high rate. The infrastructure is also highly developed. But no such development of the non-farm sector has taken place.

The reason for this as interpreted by Ramanujam is that the cropping pattern in Punjab and Haryana are labour intensive. Because of this, labour is withdrawn from the manufacturing sector resulting in a low growth of the non-farm sector. He also emphasized the need for developing composite skills in the rural labour. Another question raised was regarding the quality of employment.

Kumar (2006)<sup>46</sup> has held that economic issues are the most important issues in the elections and for Himachali voters unemployment is the single most important issue determining the outcome of the elections.

Saho (2007)<sup>47</sup> reporting about NREGAS in Orissa quoting a study carried out by New Delhi-based Centre for Environment and Food Security (CEFS), in its recent survey to evaluate and assess the performance of the National Rural Employment Guarantee Scheme (NREGS) in 100 Orissa villages, has revealed that there is “participatory loot and plunder of NREGS fund.”

The Survey was conducted during May-June 2007 to assess the impact of Orissa’s Rural Employment Guarantee Scheme (OREGS), the regional version of NREGS. It covered six most backward districts of the state - Bolangir, Nuapada, Kalahandi, Koraput, Nabarangpur and Rayagada. The preliminary findings of this rapid survey are shocking, scandalous and outrageous. The NREGS, which is projected as the biggest anti-poverty programme in the history of Independent India, has been hijacked by officials responsible for implementing this scheme.

“There is open loot of tax-payers’ money, there is plunder of poor’s right to guaranteed employment and there is pillage of every single norm of democratic governance and administrative accountability,” the survey points out.

Ironically, the surveyors could not find a single case where entries in the job cards are correct and match with the actual number of workdays physically verified with the villagers. Most of the job cards are kept in the homes of VLWs against the will of the job card holders, in many cases job cards are with

the VLWs for over 8 -12 months. “We found many villages where even after the completion of the OREGS work and payment of the work made long ago, there is no entry in the job cards whatsoever. We found many villages where OREGS work is going on without any villager having received job card. Most of the villages where employment has been given, only half or one third of the wage payment was made and that too after 4-6 months of the work being done”, the survey says. There are many villages where actual wage has been given at the rate of Rs. 40 to Rs. 30 or even Rs. 22 per day. In some villages no wage payment has been made even after 6-8 months of the work. Out of 100 sample villages covered for this survey, 18 villages have not received any job card, 37 villages have not received any job under OREGS even after 16 months of launch of the scheme, 11 villages have received neither job cards nor any job, job cards of 21 villages are lying with Village Level Workers (VLWs) and job cards of 2 villages are lying with junior engineers, in 25 villages only half, one third or partial payments have been made.

Dre’ze and Lal (2007)<sup>48</sup> writing about NREGS in Rajasthan have come to the conclusion that Rajasthan comes first in terms of employment generation per rural household under the National Rural Employment Guarantee Act (NREGA). In 2006-07, the average rural household in Rajasthan’s six “NREGA Districts” worked for as many as 77 days under this programme, earning nearly Rs.4,000 in the process. This is an unprecedented achievement in the history of social security in India.

Further, disadvantaged sections of the population are the main gainers. The share of women in NREGA employment is around two thirds in Rajasthan, and that of Scheduled Caste and Scheduled Tribe households is as high as 80 percent. In this and other ways, the Act contributes to social equity and economic redistribution.

These figures are based on official data released by the Ministry of Rural Development, but they are fully consistent with independent reports, as well as with our own experience from Dungarpur district in April 2006.

The inspection team visited three blocks (Bakani, Dag and Sunel), verified job cards and muster rolls in half a dozen villages, and had detailed discussions with labourers, mates, sarpanchs, gram panchayat secretaries, engineers, programme officers and block development officers, among others.

In Bakani, three muster rolls at random were checked among these available at the block office, and “verified” them with the laborers concerned, also interviewed about 20 labourers who had worked on these worksites. In each case, the muster roll details matched with the job card details, and the labourers confirmed that the details were correct. Further, there was no evidence of “fake names” having been entered in the muster rolls. This reinforces the findings of earlier investigations in Dungarpur district, suggesting that “fudging” of muster rolls is rare in Rajasthan today.

#### **“Transparency safeguard”**

The labourers on the job also confirmed the same. Public awareness has also reached a high level. Instances of less payments in some blocks were also found.

Aulakh (2007)<sup>49</sup>, writing about the implementations of NREGS in Nawanshar says that people still prefer low paid government office job rather than manual work under the NREGS, the situation is everywhere in Punjab calling the manual labour aversion as a social stigma, the writer has narrated some of the good works done under the NREGS but educated people generally, even after getting registered avoid the physical labour. The migrant labour which is barred under the act wants to work on the scheme. Similarly women folks also want to work but social stigma stops them alongwith the reluctance of the educated youths to work with their hands.

Misra, Neelesh (2007)<sup>50</sup> said that funds for the national employment guarantee scheme are being misused in U.P. and, all this is happening because of nexus among village heads, government officials and politicians and he further raises a question as to why can't the NREGA workers be integrated into, say the PM's roads project, where they can be a force multiplier for machine-

aided projects? Otherwise, there will be cases like the one at Arsaliya in Hardoi, where the headman decided to dig a pond though the villagers didn't need it. So none of them have job cards with them, and none of them got to work for 100 days. The job cards are with the village officials. I called up the *pradhan*. He said the truth was that the villagers were lazy and they did not want to work. Then he excused himself. He had an election meeting to organize, he said.

Dhuru, Arundhati (2007)<sup>51</sup> has been skeptical about the implementation as the muster rolls fabricator cannot be ruled out and the minimum payments are also not guaranteed. According to her the success of the scheme depends more on politics and less on economics.

Swaminathan, P. (2007)<sup>52</sup> on the other hand has depended the scheme that merely on the basis of corruption reports and poor performance the scheme cannot be outrightly rejected.

Economic Times (2007)<sup>53</sup> has reported about the adverse impact of the NREGS as the farm activities in states of Andhra Pradesh and Kerala and that this scheme should be implemented only in least agricultural sector.

#### **Status of NREGS in Madhya Pradesh and Chhattisgarh <sup>54</sup>**

The NREGS faced the following problems in Madhya Pradesh and Chhattisgarh:

- Lack of awareness about the scheme.
- Lack of community participation.
- Lack of planning.
- Quality of assets created not always up to the required standard.
- Reports of false muster rolls.
- Problems in payment: often less than the prescribed wage, and disparities between wages paid to women and those paid to men.
- Use of contractors.
- Diversion of funds.
- Weak monitoring and verification systems.
- No comprehensive database.
- Inadequate capacity of implementing agencies.
- Multiple wage employment programmes running in parallel.
- No public accountability.

For panchayati raj institutions (PRI) there is a strong need for:

- Strengthening and augmenting the monitoring and evaluation skills of district and intermediate panchayats.
- Strengthening gram sabhas for supervision and social audit.
- Strengthening the technical skills of implementing agencies.
- Training of functionaries as a continuous process.

On the crucial question of equity, there is a need to:

- Give priority to women in the allotment of work.
- Give work to at least one-third of women who ask for it.
- Ensure parity in wage payments by proper valuation of each task done.
- Provide crèches for children at work sites.
- Design works that are sensitive to the capacities of women and the disabled.

### **Status of NREGS in Uttar Pradesh <sup>55</sup>**

There is lack of clarity about the role of various agencies responsible for developing perspective plans. The state NREGS council has not been constituted. The council is responsible for monitoring and reviewing implementation of the National Rural Employment Guarantee Act (NREGA) at the state level.

#### **District-level problems**

Registration forms for job cards are not available in many places. It appears that in a number of cases forms are being deliberately not issued to avoid payment of unemployment allowance, which will be inevitable as work projects have not been identified. In most areas, demand for job cards is greater than supply. District-level officers are uninformed and ignorant about provisions under the scheme.

Block development officers (BDO) have been designated as programme officers (PO). The PO is the backbone of the NREGS's implementation. However, as a document prepared by the Uttar Pradesh Voluntary Associations Network (UPVAN) notes, about half the posts for BDOs are vacant. Similarly, a majority of posts for officials at the gram panchayat level lie vacant.

Hence, there is no information on the development of perspective plans. While these and the prioritisation of work have not been framed, funds have been released. There is a fear that this could lead to misuse of funds.

The schedule of rates is another major hurdle. In many NREGS districts, the government's minimum wage works out to less than the current market rate.

### **Block- and panchayat-level problems**

Many gram pradhans are ignorant about provisions under the scheme and, in the absence of village development officers and aware and alert gram sabhas, the NREGS is being implemented in an ad hoc manner. Lists of registered households and people who have got job cards are not displayed; gender bias is visible in the registration process; even children have been registered.

### **Status of NREGS in Jharkhand <sup>56</sup>**

Non-issuance of job cards and only 30 to 50% of the applicants had been issued job cards.

### **Status of NREGS in Bihar <sup>57</sup>**

- There is low awareness about the NREGS, and several misconceptions about it. Some people believe it is only for BPL (below the poverty line) families; women think they need their husbands' signatures on application forms; there is no clarity on the amount of unemployment allowance.
- At the block and village level, awareness-building is required not only among beneficiaries but also among teachers, village elders, panchayat members, media reporters and others to whom the villagers look for information.
- Many applicants think that after getting job cards, work will automatically be allotted to them. They do not know that they have to fill in an application for employment.
- A large portion of BPL families have not availed of NREGS benefits, thus defeating the major thrust of the scheme. On the other hand, in some

- villages, government officials are only registering BPL households, depriving other poor people of the benefits.
- In most places, application forms for job cards are not available with the panchayat or block office. Though applications can be given on plain paper, the format is not known.
  - People are made to pay as much as Rs 60-Rs 80 for photographs for their job cards although the rules say photographs must be provided free of cost.
  - Incomplete job cards are issued. In Pirri panchayat, Darbhanga district, 1,750 job cards were issued without registration numbers or photographs of the applicants. The date of employment and other details too were not filled in.
  - In some instances, villagers are employed on any ongoing government project without adhering to the guidelines. This fraudulently enhances government data on NREGS employment.
  - A major weakness is that a proper shelf of projects under National Rural Employment Guarantee Act (NREGA) guidelines has not been created. Issuance of job cards is therefore often delayed, or people are dissuaded from applying for work because there is no work scheme.
  - There is no social audit system or grievance redressal cell.

### **General observations regarding the working of NREGS in Maharashtra <sup>58</sup>**

Awareness of the scheme among villagers is low. There is confusion regarding forms and the registration mechanism.

Government officials take advantage of people's ignorance by demanding money (Rs 100 and more) to issue identity cards and photographs. People are under the mistaken impression that an identity card will ensure them a job. They do not know that they have to submit a demand form to the gram panchayat to get work. Gram sevaks, talathis and tehsildars do not know enough about the scheme, and do not inform and guide people about their entitlements.

As the government's campaign for registration was held in the month of February, the names of villagers who had migrated were missing from the lists made by the gram sevaks.

Villagers who already have a means of livelihood register with allowance that has to be paid if no work is provided.

Women from self-help groups (SHGs) are demanding work under the NREGS instead of taking loans. According to them, working for wages is a more dignified way of financing themselves than taking loans.

Landholders are worried that they will have to pay more than Rs 60 a day to their labourers once the NREGS is fully functional.

No village micro plans were prepared in the identified villages of all 4 districts. The agriculture department has asked CSOs to help draw up these plans.

Substantially, defects in NREGS's implementation are the same as those in the Maharashtra Employment Guarantee Scheme that has been around for more than 30 years.

### **Several problems in NREGS implementation in Madhya Pradesh <sup>59</sup>**

- Widows applying for work are told to bring along a man if they want work.
- Women are being given work for just 2-3 days.
- Work is given to those with no job cards.
- In Dharadi, job cards are yet to be made. In Laloni, most of the 250 job cards distributed had no photos, signatures or numbers.
- In a majority of cases, applicants have been bluntly told to get photos taken at their expense.
- People who are 'close' to the sarpanch demand Rs 200 from potential applicants for 'helping' them to get their job cards made.
- Women are being paid Rs 55 per day, and Rs 5 is being deducted from their wages every day for 'facilities provided' at the work site.

## **3.2 Research Methodology**

Initially National Rural Employment Guarantee Scheme was implemented in the Chamba and Sirmour district of Himachal Pradesh. Employment generation has been a major component of all the rural development programmes and after taking a chronological journey of the rural development programmes and employment components in these programmes, the need for conducting this study is detailed out below: -

### **3.2.1 Need for the Study**

Himachal Pradesh is predominantly a rural area with more than 90 per cent of its population living in villages. Agriculture/horticulture is the major absorption area for the labour force available in the state. The unemployment scenario in the state has been compounded by the fact that the literacy in the state has jumped past 75 per cent and a majority of those registered on the employment registers of the state of the total unemployed force of 9.00<sup>60</sup> lakhs consists of postgraduate 34950, graduates 82500, under-graduates 1.8, matriculates 5.98 lakh.

Of late industrialization has started coming up in a big way in the state and the state government taking into account the grim unemployment scenario has made it mandatory for the industrial establishments in the state to employ at least 70 per cent of the workforce from Himachal. While a detailed study on this has not been conducted so far, the figures released by the concerned department of the government tell a different story. The labour intensive works/projects started, reveal that not many Himachali's are working in these projects. The National Rural Employment Guarantee Programme has been started in the two of the most backward districts of the state i.e. Sirmour and Chamba. District Sirmour which has been selected for this study has an area of 2825 sq. km. and a population of 4,58,593 consisting of 81,441 households.

In Himachal Pradesh the minimum wages payable to a casual labourer is higher as compared with other states, notwithstanding this in the rural areas when the harvesting season is there local labour is not available. This is further made out from the number of avenues employing labour from outside

the state. This is apparently a very enigmatic situation where local labour force is available in plenty on papers while the labour on actual work is imported from outside!

Himachal Pradesh has a total of 2.40 government employees which is 3.88 per cent of the total population, this is a very high percentage, demonstration value and expectation of a government job may have in more than one way contributed to the swelling of unemployment registers while simultaneously resulting in artificial scarcity of hands for manual work.

Uptill now no study has been conducted which could figure out the following:

1. Why the local people after a certain level of education don't prefer to work with their own hands.
2. What are the reasons for the local educated people for migrating to urban areas in search of jobs.
3. Whether the agricultural practices have diversified and the extent to which these diversifications have absorbed the additional labour force.
4. The number of people engaged in self employment and their preparedness for alternatives in case new economic policy results in some practices adversely affecting them.
5. The status of the assets created under the previous employment generation programmes.
6. Creation of need based assets/repair of earlier created assets.

In addition to these, there are certain other pertinent questions such as, what is the attitude of beneficiaries, government officials, and financial institutions towards the effectiveness of this scheme? What is the success and failure ratio of this scheme? Is this scheme able to fulfill the expectations of the stakeholders and also fulfill the broader objectives of Rural Development Programmes? Keeping in view the above considerations, it is imperative to undertake a study which could examine the effectiveness of these schemes.

## **OBJECTIVES**

- To study the status of unemployment in the rural areas of Sirmour district of Himachal Pradesh.
- To evaluate the effectiveness of rural employment schemes before the commencement of National Rural Employment Guarantee Scheme in the district.
- To examine the perception of unemployed ruralites implementing agencies and other stakeholders regarding NREGA.
- To analyze the contribution of National Rural Employment Guarantee Scheme in rural development.
- To study the status of those who had been shown to have crossed the threshold of poverty line and whether anyone from those families is again taking the benefit of the scheme.
- To find out the profile of the family members contributing to the 100 days at various occasions under the scheme.
- To examine the extent to which the decentralization in the scheme has helped in the qualitative improvement of the NREGA and also fillip which the IRDP programme has got because of the NREGA.
- To identify the flaws in the previous schemes and recommend suggestions to make the present scheme more result oriented.

## **METHODOLOGY**

### ***Sampling***

The present study related to the investigation of the conditions and consequences of the effectiveness of rural employment schemes in Sirmour district of Himachal Pradesh. There are 6 blocks in Sirmour district, at the first stage, 4 blocks out of 6 namely, Rajgarh, Sangrah, Shilai and Paonta Sahib had

been selected on the basis of simple random sampling. At the second stage 12 Panchayats in proportion to their numbers in each block had been selected. Further in order to reach the ultimate beneficiaries inhabited in villages, a sample of 50 villages had been chosen from these Panchayats at third stage. At the fourth stage, a sample of 1000 beneficiaries @ 20 beneficiaries per village was selected. While selecting the sample, all social, cultural, political, economical and geographical variations were given due representation. In order to study the effectiveness of this scheme, 50 respondents which include community leaders, executives, administrators, NGOs and other stakeholders had been picked up.

### ***Instrument of Data Collection***

As stated above, the principle instrument of data collection was the schedule. The schedule had essentially been a structured one with very few open-ended questions. The schedule has been in Hindi. This had also been done in order to facilitate better communication with the respondents and also to maintain certain uniformity in administering the schedule.

The questions had been framed under the following broad heads:

1. background information about the head of the household (respondent) and the members of the family;
2. occupation(s);
3. educational qualifications;
4. total family income;
5. job expectations of each member;
6. job preferences of each member;
7. work orientation, and development participation;
8. Family, caste and social structure.

## ***Interview***

The schedule had been personally administered by the researcher in an interview situation. Normally, the head of the household had been interviewed and the researchers made it a point to interview the respondents in their houses/Panchayat ghars. Each interview normally lasted for about an hour and a half. The researchers had tried to establish good rapport with the respondents and, in achieving this, the researcher, before commencing the interview, explained the purpose of the investigation to the respondents. The respondents had also assured that complete anonymity would be maintained and that the information collected from them would not be divulged to any other person. The heads of the households who were not available at the first instance had been interviewed during the subsequent visits, wherever necessary, the field data collected by the researchers had also been cross-checked with the official records available in the villages. These records had also been used in order to verify the number of inhabited houses and the extent of land owned by the families etc.

## **SECONDARY DATA**

Certain data collected by different agencies for other than the present purposes has been used. This type of data has been collected from:

- i) Publications of Government of India, State Governments relating to Rural Development.
- ii) Publications of Directorate of Economic and Statistics.
- iii) Publications of Planning Department.
- iv) Publications of World Bank and CSO.
- v) Census Reports 1991 and 2001.
- vi) Information compiled by statistical wing in the Directorate of Panchayati Raj and Rural Development, Government of Himachal Pradesh.

- vii) Panchayat registers, revenue papers, assets created registers of the blocks, etc.
- viii) Information prepared by the District administration.

## **FRAMEWORK OF ANALYSIS**

The task of analyzing the field data obtained in the present study centers round the stated problem, the objectives and the theoretical framework. It was undertaken through the identification of relevant major variables and their components, and through the testing of appropriate hypotheses formulated for the purpose. Thus, the task of analysis was to provide the necessary empirical support to the problem as defined and the stated objectives under the fabric of a well-articulated theoretical framework. In achieving this purpose, the major variables and their components had been identified, and relevant hypotheses had also been formulated to be tested in terms of the field data obtained.

### ***The Major Variables***

The following are the major variables:

#### ***I Background Variables***

1. Social origins
2. Educational attainment of the respondents
3. Size of household

#### ***II Structural Variables***

1. Household structure (work patterns and dependency)"
2. Caste structure (functional grouping of castes)
3. Economic structure (ownership and control of land)

### ***III Development Variables***

1. Awareness of development needs
2. Efforts made to achieve development benefits
3. Actual achievement of development benefits

### **MAJOR HYPOTHESES**

The following are the hypotheses formulated for the present study:

1. Social origins and awareness are related.
2. Educational attainment of the respondents and awareness are related.
3. Size of household and awareness are related.
4. Caste and awareness are related.
5. Economic structure in terms of land-ownership and awareness are related.
6. Awareness and efforts are related.
7. Awareness and achievements are related.
8. Efforts and achievements are related.
9. Education and expectations are related.

### **STATISTICAL TECHNIQUES USED**

#### **Tools of Analysis**

The data collected from the different sources has been classified and arranged in tables according to the requirements of analysis. For the analysis of results, the following statistical techniques have been applied.

- A. Chi-Square Test
- B. Tabular Analysis
- C. Simple Statistical Techniques

## A. Chi-Square Test

This test is a non-parametric test. Non-parametric data does not follow the normal curve of the probability and have unequal or un-measurable scale intervals between categories. Chi-square test is a test, which describes the magnitude of difference between observed frequencies and the frequencies expected under certain assumptions. With the help of Chi-square test, it is possible to find out whether such differences are significant or are insignificant and could have arisen due to fluctuations of sampling. The information gathered through questionnaires from the different categories of voters, media personnel and managers of political parties is in the form of nominal data. Hence Chi-square test is considered more appropriate in the present study. In the chi-square test, the only problem is to decide as to how the expected frequencies have to be arrived at. There is no hard and fast rule of it and the method of arriving at the expected frequencies would depend upon the nature of the problem. Once the expected value has been arrived at, the calculation of chi-square and its interpretation are very easy and involve the following steps:

- a) Calculation of the expected frequencies, denote them by E.
- b) Find out difference between observed frequencies denoted by O and expected frequencies. In other words find (O-E).
- c) Square up the various values of (O-E) or find out  $(O-E)^2$  and divided each value of  $(O-E)^2$  by the respective value of E or the expected frequency.
- d) The value of  $(O-E)^2$  and this will be the value of  $X^2$ . In other words =  $(O-E)^2/E$ .
- e) Compare the calculated value of chi-square with the independent value of chi-square (available in tables) for the desired level of significance.
- f) If the calculated value of Chi-square is more than the relevant table value the difference between observed and expected values is significant. If the calculated value of Chi-square is less than the table

value the difference between observed and expected frequencies is not significant and could have arisen due to fluctuations of sampling.

## **B. Tabular Analysis**

In tabular analysis, percentages are calculated to draw the inferences, it is very scientific and perfect analysis. In the present study, it is used to support the inferences drawn from the above statistical analysis as non-parametric analysis is not that powerful as parametric test.

## **C. Simple Statistical Techniques**

For analysis of the data collected, simple statistical techniques such as diagrams, graphical presentation, percentages and averages have been used.

### **Significance of study**

1. Apart from bringing out the execution of the scheme in a vivid manner, the gaping holes with the spirit of the scheme and the actual executions, raises the question about the preparedness and the training of those officials who are engaged in the execution of the scheme.
2. The selection of the schemes may be improved.
3. Dove - tailing of the programme with the ongoing schemes would result in better utilization of the resources.
4. The publicity of the scheme as far as quality content is concerned needs to be improved.
5. On going Government programmes/activities can be better executed if the NERGS clusters are properly tapped.
6. NERGS appears to be a pale substitute for the jobs seekers.
7. A large number of persons from outside the State are working on a number of works/projects in the district and these persons are not

eligible under the scheme, the publicity of the scheme and a knowledge that the scheme is available at their native places may in the longer run prompt them to look for jobs in their own areas, the same thing does not appear to have happened in respect of Sirmouri labours working outside the district.

8. Some of the execution defects may be ractified at the district level itself.

