



An overview on the major employment schemes during pre and post reforms period in India

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Abstract:

An attempt is made in this paper to analyze the major employment programmes in India during the pre and post reforms period in India. Various programmes are briefly discussed and finally concluded that there are tremendous Challenges have also countering in this regard. Corruption in employment generation agencies as well as in government system, affect badly the employment possibilities, especially in rural areas.

Key words: Challenges, Employment, government system, poverty.

Introduction

Problem of employment is closely interlinked with the eradication of poverty. There are three main aspects of the employment problem in India. They are the problem of proportion of labour to total population, problem of productivity of labour and problem of unemployment and underemployment of labour. These three aspects are interrelated. There is low rate participation of labour in India. Low rate of employment among women is a striking feature in India. There has almost been no change in Labour Force Participation Rate. The dependency rate is quite high in India. Problem of unemployment and underemployment is the chronic feature of the Indian economy. It is the main cause of poverty in India. Unemployment in India is mostly structural. The rate of unemployment is different in different states. Sector wise unemployment in India is rural and urban unemployment.

Many people fear that the New Economic Policy (NEP) introduced in July 1991, by the Government of India would further aggravate an already acute

unemployment problem in India. In order to understand this issue, it may be useful to know about the working of special Unemployment Alleviation Programmes, Schemes, Yojanas which have been implemented in India over the past years, and about the impact of NEP on these programmes. The objective of this concept, therefore, is to present a systematic review of the operation of these programmes, and to critically discuss the prospects for and approach to them under the NEP.

Major employment generation Schemes during pre-reforms period

1. Agro-Service Centres (ASS), early 1970s):

To provide assistance for self-employment to the unemployed graduates and diploma holders by enabling them to setup workshops, repairing and hiring facilities.

2. Rural Works Programme (RWP-1970-71):



An employment oriented programme to construct permanent civil works such as soil conservation, roads construction, afore station to mitigate scarcity conditions and to promote integrated development in drought affected areas.

3. Crash Scheme for Rural Employment (CSRE-1971):

The objective of the scheme is to take up projects of durable nature like Minor Irrigation, Soil Conservation, Aforestation, Land Reclamation, Anti Water-logging with a view to alleviate unemployment and under-employment in rural areas.

4. Labourers Schemes- SFDA and MFALS: Small Farmers Development Agency (SFDA-1971) and Marginal Farmers and Agricultural (MFALS-1971) were introduced to make credit available to farmers of various sizes and agricultural labourers to enable them to use the latest technology, practice intensive agriculture, multiple cropping, and to take up subsidiary activities like Dairying, Poultry, Fishing and Horticulture. MFAL emphasized employment generation and improvement of earning capacity of landless agricultural labourers. They were merged into expanded SFDA in 1974, which, in turn, was merged with IRDP in 1980.

5. Maharashtra Employment Guarantee Scheme (MEGS-1972-73):

To provide gainful, productive, unskilled, manual, adult employment at a minimum living wage in rural areas through labour-intensive and durable-assets-producing activities. A unique State-level scheme which tried to offer work to everyone and give practical expression to the right to work.

6. DPAP, CADP, HADP and DDP programmes: Drought Prone Area programmes (1973), Command Area Development Programme (1974-75), Hill Area Development Programme (1974) and Desert Development Programme (1977-78) - all these are Area Development Programmes (ADPs). DPAP was a redesigned RWP. Their aims: to develop adequate infrastructure, to bring about integrated area development, to increase productivity and employment opportunities, to control the process of desertification, to mitigate effects of drought, to restore ecological balance, to raise productivity of land, water, live-stock, and human resources in respective types of areas, to diversify agriculture, to promote afore station and pasture development

7. Food for Work Programme (FWP)

(1977): To generate additional gainful employment in rural areas, to create durable community assets, to strengthen social and rural infrastructure and to raise living standards, the food for work programme was introduced. The wages were paid in the form of food grains, and Government surplus stocks were used for the purpose.

8. Training for Rural Youth in Self-Employment (TRYSEM-1979):

To provide technical skills and to upgrade traditional skills of rural youth 18 to 35 years old and from families living below the poverty line and to enable them to take up self-employment in agriculture, industry and services in rural areas themselves.

9. Wage Employment Programs:

Important components of the anti-poverty strategy, Wage Employment Programs have sought to achieve



multiple objectives. They not only provide employment opportunities during lean agricultural seasons but also in times of floods, droughts and other natural calamities. They create rural infrastructure which supports further economic activity. These programs also put an upward pressure on market wage rates by attracting people to public works programs, thereby reducing labour supply and pushing up demand for labour. It encompasses National Rural Employment Program (NREP) and Rural Landless Employment Guarantee Program (RLEGP) which were initially part of the Sixth and Seventh five year Plans.

10. Integrated Rural Development Programme (IRDP-1976-80): First introduced in 1976-77 in some blocks and extended to other areas subsequently. In 1980, it covered all blocks in the whole Country. To promote self-employment and to raise the level of living of the poorest families in rural areas above the poverty line on a lasting basis by giving the income generation assets and access to credit as well as other inputs. Towards this, it aimed at achieving integration of Sectoral programmes, spatial dimensions, social and economic process and policies.

11. National Rural Employment Programme (NREP-1980):

This is a restructured and renamed FWP. To provide gainful wage employment during periods of seasonal and sporadic unemployment to assist liberated bonded labour, to secure minimum wages to agricultural workers, to play supportive role in IRDP and ADPs, to create community assets, to strengthen rural infrastructure

12. Development of Women and Children in Rural Areas (DWCRA-1982-83): Development of Women and Children in Rural Areas is a supportive programme for IRDP. To increase the income of rural women and to provide child care facilities and other support services and financial assistance to them to take up self-employment in viable economic activities, individually or in homogeneously organized groups. Due to failure of the objectives, it is converted in to SHGs.

13. Rural Landless Employment Guarantee Programme (RLEGP-1983): A programme is to supplement of the NREP. It aimed at guaranteeing employment to at least one member of landless household up to 100 days in a year, with a focus on women in SC/ST categories. Wage Employment programme in which a part of wages were paid in the form of subsidized food grains.

14. Self-Employment Scheme for Educated Unemployed Youth (SEEUY-1983-84): To provide self-employment to the educated unemployed youth in the age group of 18-35 years with a minimum qualification up to Matriculation, ITI, etc, in industry, services and business, Self-Employment Scheme for Educated Unemployed Youth (SEEUY) was introduced in 1983-84).

15. Self-Employment Programme for Urban Poor (SEPUP-1986-87): SEPUP is aimed to encourage families living below the poverty line in Metropolitan, Urban, Semi-urban areas to undertake self-employment by providing subsidy and credit. The share of SC/ST beneficiaries was to be 30 per cent in terms of number and amount.



16. Jawahar Rozgar Yojana (JRY-1989): A programme launched by merging NREP and RLEGP and has very similar objectives. It aimed at covering all Villages, Panchayats and to create nearly 1000 million man days of employment per year, 30 per cent of which is reserved for women.

Launched in 1989 by merging two operational programmes, the National Rural Employment Programme (NREP) and the Rural Landless Employment Guarantee Programme (RLEGP), JRY was the biggest employment programme ever sponsored by the Government of India. A Centrally sponsored scheme, like its predecessors, 80 per cent of JRY funding came from Central Government. An important and novel innovation is that 80 per cent of the combined Central and State budgets for JRY were released directly to the Village Panchayat, to be utilized for village works, with the remaining 20 per cent being spent by the District Rural Development Agency (DRDA). This devolution of power and funds to the village level was considered a bold initiative.

The JRY has been restructured and renamed, and is no longer an employment creation programme, but a rural infrastructure development programme. Under the Jawahar Gram Samridhi Yojana (JGSY), as it is now called, each Gram Panchayat has the responsibility of preparing an annual action plan for taking up works, according to the felt needs of the people. The stipulation that 60 per cent of the budget be allocated to wages and not more than forty per cent to materials is longer operative. However, the types of works that are taken up at the village-level are inevitably labour-intensive.

17. Nehru Rozgar Yojana (NRY-1989): This scheme framed with three components, viz. Scheme of Urban Micro Enterprises (SUME), the Scheme of Urban Wage Employment (SUWE) and the Scheme for Housing and Shelter Upgradation (SHASU). While JRY is for rural areas, NRY is for urban areas. SUME provides subsidies and loans to urban underemployed and unemployed youth in order to train and upgrade technical and commercial skills (or) to provide infrastructural support for promoting self-employment among the youth with a focus or reservation for women and SC/ST youth. SUWE aims at providing wage employment to the urban poor through the creation of productive assets in the low-income neighborhoods in towns with a population below one lakh, at minimum wages for unskilled workers and at market wages for the skilled workers, SHASU aims at skills upgradation of masons, carpenters, plumbers, sanitary workers etc., and at providing common infrastructural facilities to beneficiaries and machinery / equipment to training institutions, in towns with population of 1 to 20 lakhs.

18. Scheme for Educated Unemployed for Employment Generation in Urban Localities (SEEGUL): To provide self-employment opportunities in towns with a population above one lakh by providing training and enhancing technical skills of unemployed Matriculates, ITI diploma holders and those who have completed at least six-months technical course.

The most of UAPs have been sponsored / launched by the Central Government, although they have been implemented through the State Governments and in many cases, the latter have contributed financially also



towards them. The MEGS is a unique programme which has been launched and implemented by the State of Maharashtra. The most of these programmes target rural and other special areas, but there are some programmes which specifically deal with the urban unemployment problem. Thus, in terms of coverage, while some programmes have been operated for a span of years in selected areas, several programmes have been operated in the same area and for the same target groups in a large number of blocks in the Country. But none of these programmes, except the IRDP and perhaps JRY, have really covered the whole Country.

While some of these programmes viz. JRY, MGNREGP, RLEGP have aimed at increasing the wage employment, the others such as IRDP, TRYSEM, SEEU have aimed at creating self-employment. In general, UAPs have primarily aimed by absorbing the seasonally and temporarily unemployed. They have been so designed as to provide for a significant increase in employment off-season, and significant decrease in employment in busy season. The schemes initially had little scope for training and they were meant to benefit primarily unskilled agricultural labour¹. However, in due course, some programmes have been designed for training the educated and

Major Poverty Employment Schemes during post reforms period: The ongoing reforms attach great importance to removal of poverty and addressing specifically the wide variations across States and the rural-urban divide. Anti-poverty strategy has three broad components. They are

1. Promotion of Economic Growth
2. Promotion of Human Development and

skilled (in technical and other areas) workers also. Among the UAPs, the IRDP has been a major programme and it has attracted attention of many people. However, in terms of expenditure, NREP and RLEGP taken together or JRY have been as major programmes as the IRDP. IRDP is meant to provide more opportunities for self-employment and private employment. It is based on the premise that the real obstacle to employment of the poor is that they have no assets and that credit creation can give them a command over the required assets. It expects the beneficiary to develop into an Entrepreneur, a skilled producer, and a businessman. Unlike NREP, it does not offer any guaranteed income, but gives beneficiary a chance to earn more and pass on his business to his family. It has two components that individual works and community works. Following the Antyodaya principle, it aims at reaching the poorest sections of the population first. It would be observed that the expenditure per man-day of employment created has increased more than six-fold during 1972-1992. The expenditure was Rs. 1.9 crore in 1972 and the expenditure per man-day was Rs 4.2. But the employment generated only 45 lakh man days. Meanwhile, the figures were Rs 200 crore, Rs 26.67 and 750 lakh man days during 1991-92 respectively

3. Targeted programmes of poverty alleviation to address multi-dimensional nature of poverty.

Some of the above mentioned programmes were routinely implemented during post reform period. However, the strategy of rural development programmes were modified as wage employment programmes. At the same time, all the poverty alleviation programmes were taken under a single umbrella of SGSY since 1999. The



various programmes targeted at the poor have been streamlined and strengthened in recent years, including through the MNREGS. Some more employment programmes are²:

1 . Swarna Jayanti Shahari Rozgar Yojana (SJSRY):

In December 1997, the Urban Self-Employment Programme (USEP) and the Urban Wage Employment Programme (UWEP), which are the two special components of the SJSRY, substituted for various programmes operated earlier for urban poverty alleviation. The SJSRY is funded on a 75:25 basis by the Central and the State Governments. In 2003-04, the Central allocation of Rs. 94.50 crore plus Rs. 10.50 crore for North- Eastern Region including Sikkim was fully utilized. Even 2004-05 saw the release of the entire budgetary allocation of Rs. 122.00 crore. In 2005-06, out of an allocation of Rs. 160.00 crore, Rs. 84.52 crore had been utilized until November 30, 2005.

2. Swarnjayanti Gram Swarozgar Yojana (SGSY): SGSY, launched in April, 1999 after restructuring the Integrated Rural Development Programme and allied schemes, is the only self-employment programme for the rural poor. The objective is to bring the self-employed above the poverty line by providing them income-generating assets through Bank Credit and Government Subsidy. Up to November 2005, the Central and States, sharing the costs on 75:25 basis, had allocated Rs.8,067 crore, of which Rs. 6,980 crore had been utilized to assist 62.75 lakh self-employed.

3. Pradhan Mantri Gram Sadak Yojana (PMGSY): Launched in December 2000 as a 100 per cent CSS, PMGSY aims to provide all-weather

connectivity to all the eligible unconnected rural habitations. Bharat Nirman, envisages connectivity by 2009 to all the habitations with a population of 1000 or more in the plains, and of 500 or more in the hilly, desert and tribal areas. The systematic up gradation of the existing rural road network also is an integral component of the scheme, funded mainly from the accruals of Diesel Cess in the Central Road Fund, with support of the multilateral funding agencies and the domestic financial institutions. Upto December 2005, with an expenditure of Rs.12,049 crore, a total length of 82,718 km. of road works had been completed.

4. Valmiki Ambedkar Awas Yojana (VAMBAY): VAMBAY, launched in December 2001, facilitates the construction and up-gradation of dwelling units for the slum dwellers, and provides a healthy and enabling urban environment through community toilets under Nirmal Bharat Abhiyan, a component of the Scheme. The Central Government provides a subsidy of 50 per cent, with the balance provided by the State Government. Since its inception and up-to December, 31 2005, Rs. 866.16 crore had been released as Central subsidy for the construction / upgradation of 4,11,478 dwelling units and 64,247 toilet seats under the Scheme. For 2005-06, out of the tentative Central allocation of Rs. 249 crore, up to December 31, 2005, an amount of Rs.96.4 crore had been released covering 60,335 dwelling units and 381 toilet seats.

5. Sampoorna Grameen Rozgar Yojana (SGRY): SGRY, launched on September 25, 2001 to provide additional wage employment in the rural areas, has a cash and food grains component, and the Central Government bears 75 per



cent and 100 per cent of the cost of the two with the balance borne by the States/UTs. In 2004-05, 82.23 crore person days were generated with the Central Government releasing Rs. 4,496 crore as cash component and about 50 lakh tonnes of food grains to the States/UTs. Besides, under the special component of the SGRY, with the States/UTs meeting the cash components, Central Government released 26 lakh tonnes of food grains to the 13 calamity affected States. In 2005-06 up to November, 2005, the number of person days generated under SGRY was 48.75 crore, while the Central Government's contributions in terms of the cash and food grains components up to January, 2006 were Rs. 4651 crore and 35 lakh tonnes, respectively. Under the special component, about 11.65 lakh tonnes of food grains have been released to the 11 calamity-hit States in the current year

6. National Food for Work Programme (NFFWP): The NFFWP was launched as a CSS in November 2004 in the 150 most backward districts to generate additional supplementary wage employment with food security. States receive food grains under NFFWP free of cost. The focus of the programme is on works relating to water conservation, drought proofing including afforestation / tree plantation, land development, flood-control/protection (including drainage in water logged areas) and rural connectivity in terms of all-weather roads.

7. National Rural Employment Guarantee Programme (2005) – A noble programme : The National Rural Employment Guarantee programme (MGNREGP) has been devised as a public work programme to address the issue of a rights-based

approach to development, provide income security to the rural households through guaranteed wage employment, reduce/check distress migration from the rural to urban areas and create durable community assets (in the rural areas) to trigger an overall development of about six lakh Indian villages. The jobless growth of the 1990s, stagnation or even decline in the growth of agricultural productivity, distressed farmers committing suicides in various parts of the Country and increased migration from the rural to urban areas was the larger socio-economic contexts of the National Rural Employment Guarantee Act (NREGA). The National Rural Employment Guarantee Act (NREGA), 2005 is landmark legislation in Indian history. NREGA is renamed as Mahatma Gandhi National Rural Employment Guarantee Act-MGNREGA from 2, October 2009. The Act is an important step towards realization of the right to work. It is also expected to enhance people's livelihood on a sustained basis, by developing the economic and social infrastructure in rural areas. This recognized and recorded as a noble scheme among the all which has introduced by the Central Government. The present study is to be focused on this scheme and presented forth coming chapters.

Conclusions

The analysis shows that there are many employment generation programmes have been introduced in India. But tremendous Challenges have also countering in this regard. Corruption in employment generation agencies as well as in government system, affect badly the employment possibilities, especially in rural areas. Although this factor can't be reduce automatically by a



common man, but it can be reduce by implementing the transparency in the system and automation in the system such as schemes like e-district, e-Governance, RTI etc. There is a huge gap between policy making (planning) and implementation phase of the employment generation Private companies play a vital role in the employment generation in any country, but in India private companies are not functioning properly because of Govt. policies specially State Govt.

¹ Datt and Sundaram (1991), P 317 and Planning Commission (1992), Vol. III.pp.32.

² Ashok K. Pankaj, 'NREGA: Guaranteeing the Right to Livelihood in India' Social Development Report 2008 (Delhi: Oxford University Press, 2008), pp. 221-23.