Impact of Rural Employment Guarantee Programme and Poverty in India

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Abstract

Development and utilization of human resources and the improvement in the overall quality of life of the people are central to any development planning. There are, however, two-way linkages between human development and overall economic progress. Sustained high economic growth is a necessary condition and a significant driver of human development, on the other hand, if people are healthy, educated and adequately skilled they can participate fully and contribute more to economic development process. The Tenth Five Year Plan recognized these linkages while laying down monitorable targets for human development for the plan.

1. National Rural Employment Guarantee Act 2005

The National Rural Employment Guarantee Act was noticed on September 7, 2005 and the scheme launched on February 2, 2006. The on-going programmes of Sampoorna Grameen Rozgar Yojana (SGRY) and National Food for work Programme (NFFWP) will be subsumed within the NREGS in the 200 districts identified in the initial stage, all the districts in the country will be covered under the scheme within five years.

The objective of the Act is to enhance the livelihood security of the people in rural areas by generating wage employment through works that develop the infrastructure base of that area. The choice of work suggested addresses the causes of chronic poverty like drought, deforestation and soil erosion. The objective behind suggesting certain key activities/works is to rejuvenate the natural resources of the area to stimulate the local economy enabling those who work for wage employment in creating an asset to take advantage of it to engage in productive ways of self-employment and augment their income. Implementation of the Act calls for the formulation of NREGSs by the State Governments. Section 4 of the Act provides that
within six months from the date of commencement of the Act, every state government shall, by notification make a scheme for providing not less than 100 days of guaranteed employment in a financial year to every household in the rural areas covered under the scheme and whose adult members volunteer to do unskilled manual work subject to the conditions laid down in the Act.

2. Structural Change
The most striking feature of the structural change in the Indian economy in recent decades has been the pre-eminence of services sector as the major contributor to growth, raising its share rather sharply in the national output but unable increase employment opportunities commensurately. On the other, Industry, particularly manufacturing, which has been observed historically to be the main contributor of growth, at least in the initial period of economic development, is playing only a minor role in India's, economic growth in recent years. While the developed countries entered the phase of predominance of services in their economies, after going through a phase of industrialization, and industry having attired a share of 50 percent in the economy, and thus India on the other way becoming a post-industrial 'service economy', without industrialization.

3. Anti-poverty, Employment Generation and Basic Services Programmes
3.1 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 Mirman, 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 upgradation 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. Up to December 2005, with an expenditure of Rs.12,049 crore, a total length of 82,718 km. of road works had been completed.

3.2 Indira Awaas Yojana (IAY)
IAY aims to provide dwelling units, free of cost, to the Scheduled Castes (SCs), Scheduled Tribes (STs), and freed bonded labourers, and also the non-SC/ST BPL families in rural areas. It is funded on a cost-sharing basis in the rates of 75.25 between the Centre and the States. Under (AY, the ceiling on construction assistance is Rs.25,000/- per unit in the plains and Rs.27,500/- for hilly/difficult areas; and Rs. 12,500/- on upgradation of unserviceable kutcha house to pucca/semi pucca house for all areas. Up to January 30, 2006, about 138 lakh houses had been constructed/upgraded with an expenditure of Rs.25,208 crore.
3.3 Swarnjayanti Gram Swarojgar 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 Centre 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.

3.4 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 Centre 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 persondays were generated with the Centre releasing Rs. 4,496 crore as cash component and about 50 lakh tonnes of foodgrains to the States/UTs. Besides, under the special component of the SGRY, with the States/UTs meeting the cash components, Centre released 26 lakh tonnes of foodgrains to the 13 calamity-affected States. In 2005-06 up to November, 2005, the number of persondays generated under SGRY was 48.75 crore, while the Centre’s contributions in terms of the cash and foodgrains components up to January, 2006 were Rs. 4651 crore and 35 lakh tonnes, respectively. Under the special component, about 11.65 lakh tonnes of foodgrains have been released to the 11 calamity-hit States in the current year.

3.5 DPAP, DDP and IWDP
Drought Prone Areas Programme (DPAP) was launched in 1973-74 to tackle the special problems faced by those areas constantly affected by severe drought conditions. Desert Development Programme (DDP) was launched in 1977-78 to mitigate the adverse effects of desertification. Integrated Wastelands Development Programme (IWDP) has been under implementation since 1989-90 for the development of wastelands.

3.6 Swarna Jayanti Shahari RozgarYojana (SJSRY)
In December 1997, the Urban Self-Employment Programme (USER) 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 between the Centre and the States. 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.

3.7 Valmiki Ambedkar Awas Yojana (VAWIBAY)
VAWIBAY, 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.

4. National Renewal Fund (NRF)
With the introduction of structural adjustment and liberalization policies in nineties, the government had initiated several measures to take care of their adverse implications for workers and vulnerable sections of the population. The pronounced policy of the government was to effect closures or retrenchments only as a last resort, after all avenues of reviving the units were exhausted. And where these measures were inevitable a National Renewal Fund (NRF) was constituted in 1992-93 to enable enterprises to pay reasonable benefits and assist the workers rendered redundant by their retraining and redeployment.

(a) water conservation and water harvesting; (b) drought proofing; (c) irrigation canals including micro and minor irrigation works; (d) provision of irrigation facility to land owned by households belonging to Scheduled Castes and Scheduled Tribes, beneficiaries of land reforms, or beneficiaries of Indira Awas Yojana; (e) renovation of traditional water bodies including desalting of tanks; (f) flood control and protection works including drainage in water logged areas; and (g) rural connectivity to provide all-weather access. All these activities improve rural infrastructure and increase agricultural productivity.

5. Conclusion
The National Rural Employment Guarantee Programme which was recently renamed as Mahatma Gandhi Rural Employment Guarantee Programme. Changing the design of schemes alone is not enough. Greater efforts are needed to build the capacity of administration and improve governance at the district level. The success of targeted poverty schemes in India is dependent upon proper identification of the beneficiaries, transparency, supervision over field staff, and social mobilization. Funds have more than tripled in the last ten years for poorer districts. And more than the capacity, one needs to examine if the States have the required will to improve themselves.

References