

**STUDY OF SPECIAL EMPLOYMENT PROGRAMME FOR THE
EDUCATED UNEMPLOYED (1971-74) - 1979**

1 **The Study**

Three special programmes were implemented during the Fourth Five Year Plan period to abate the menacing problem of unemployment of the educated youth. These programmes included (1) The Programme for Educated Unemployed (PEU) initiated in 1971-72 for three years (1971-74), (2) the Special Employment Programme (SEP) launched in 1972-73 for two years (1972-74) and (3) the Half-a-Million Jobs Programme (HAMJP) taken up in 1973-74 to cover that year only. Under the PEU, States were offered a set of Schemes which comprised of rural engineering surveys, financial assistance to small entrepreneurs, scheme of agro-service centres, expansion of consumer co-operative stores etc. The SEP, which was intended to benefit both educated as well as uneducated unemployed both in urban and rural areas, conferred full freedom upon states to design schemes on their own. The HAMJP, which was designed to clear a backlog of 20% of the educated unemployed every year, was an amalgam of three sets of schemes i.e self-employment schemes, training schemes and subsidised employment schemes. The programme covered different types of educated persons like ITI's certificate and diploma holders, technicians, other highly qualified persons and matriculates. As an exception, help under this programme was also extended to hereditary artisans and traditional craftsman belonging to weaker sections of the society.

At the instance of the Planning Commission and the Ministry of Finance, the Programme Evaluation Organisation took up a Study to assess the effectiveness of the PEU, the SEP and the HAMJP. The report was brought out in 1979.

2. **Objectives**

- i) To estimate the level of employment and expenditure attained in 1973-74 due to the implementation of the special programme.

- ii) To analyse the nature of employment generation, the "costs" of generating a job, the types of beneficiaries and the impact of the programmes on different sectors of the economy.
- iii) To look into the extent to which the social objectives underlying the programmes were achieved.

3. Sample Size/Criteria for Selection of Sample

selection were expenditure incurred and employment generated. The sampling design adopted for the selection of beneficiaries was a stratified multi-stage sampling design with states forming the first stage and districts the second stage. Beneficiaries under various programmes formed the successive units of sampling. The selection of the beneficiaries of Training for self-employment and those of Schemes for Training and Employment in the Private Sector was made through simple random sampling. The selection of the beneficiaries of Subsidised Employment Scheme was done in two stages. The beneficiaries of seed capital margin money assistance schemes were stratified into two strata viz Co-operative and `others'. Beneficiaries in each Stratum were classified into (1) agriculture and allied activities (2) industries (3) transport and (4) others. From each sub-group under the head co-operatives, one beneficiary was selected while three were selected at random from each sub-group under `others'.

4. Reference Period

Data were collected and analysed for the period 1971-74, during when the schemes were implemented. Cumulative achievements upto June, 1975 were also reported to account for spillovers in expenditure.

5. Main Findings

1. Out of an allocation of Rs.241.21 crores to the states, a sum of Rs.189.21 crores was released. The total expenditure incurred was to the tune of Rs.155.23 crores. The supplementary expenditure incurred by the State Governments stood at Rs.21.37 crores.

2. The Special Employment programme provided employment to 8.5 per cent of the job seekers who had registered themselves with employment exchanges. Of this, the shares of jobs in government, self-employment and private sector were 64.6%, 32.1% and 3.3% respectively.

3. Quantum of labour absorption, cost per job and composition as well as inter-sectoral mix of employment generation varied conspicuously across the programmes. The absorption of surplus labour in the HAMJP was four times higher than that in the PEU. The cost per job was substantially lower in the SEP and HAMJP than in the PEU. Prominence was attached to government jobs in the PEU while the HAMJP was highly inclined towards self-employment. Service sector received maximum central assistance and generated maximum employment under the PEU and the HAMJP whereas under the SEP, co-operative sector which received minimum assistance, paradoxically, generated maximum employment.

4. The extent of utilisation of funds and the cost per job varied considerably across states.

5. The targets, in general, were too fantastic to be achieved. This was exemplified by the gaps between the targeted and actual figures of the number of persons to receive training and between the number of persons trained and the number of those who were absorbed in jobs.

6. Employment generated under several schemes died out abruptly due to the squeeze of plan resources in subsequent years.

6. Major Suggestions

1. Measures to improve the performance of self-employment schemes must include (1) endeavours to clear off the aversion of educated unemployed towards self-employment, (2) schemes to enable technically trained unemployed persons to venture into contract works in govt., wherever possible, (3) identification of more agencies to sponsor self-employment schemes in the field of agriculture, transport, trade & services, and (4) provision for financial assistance through margin money for purchase of machinery, share capital support, etc. for those who want to start self-employment activities in rural areas.

2. The Union Ministry of Labour and the State Labour Departments should act as pivots for training and self-employment oriented schemes and should assess the efficacy of various schemes from the point of view of employment generation.

3. Co-ordination groups, effectively backed by Labour Departments, should be set-up at the central, state and district levels. These groups should have the representatives of Ministries of Labour, Education, Industry, Agriculture, Civil Supplies & Co-operation and Finance & Banking.

4. To better the performance in the service employment front, the possible steps could be (1) to identify the gaps in the availability of persons for specified jobs through improved system of market intelligence, (2) to identify the weaknesses of the SC/ST candidates and rectify the same through supplementary training, and (3) to earmark places for proposed specified training i.e. existing projects, offices or educational institutions/technical institutions.