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Field Team

REOs/PEOs

annual earnings (from EAS) less than Rs.1000/-. Thus EAS earnings do not adequately supplement the household income of the poor.

- v. Not only are the annual earnings from EAS and the number of days of employment very low, the beneficiaries did not also get sustained employment/earnings year after year. In Orissa, Rajasthan and West Bengal, some beneficiaries, however, got sustained employment. This finding is consistent with the findings of Chapter 5 where it was noted that all the villages of an EAS Block are not covered each year.

7.21 Table 7.8 presents the distribution of sample beneficiaries according to sex.

Table 7.8

Percentage Distribution of Sample Beneficiaries of EAS according to Their Sex.

Sl.No	State	Workers :		Total (No.)
		Male(%)	Female(%)	
1	2	3	4	5
1	Andhra Pradesh	61	39	80
2	Assam	85	15	80
3	Bihar	97	3	80
4	Gujarat	70	30	80
5	Haryana	87	13	80
6	Himachal Pradesh	80	20	80
7	Karnataka	85	15	80
8	Madhya Pradesh	71	29	80
9	Maharashtra	71	29	80
10	Orissa	96	4	80
11	Rajasthan	65	35	80
12	Tamil Nadu	76	24	80
13	Uttar Pradesh	89	11	80
14	West Bengal	87	13	80
Total		80	20	1120

It is noted from table 7.8 that in general 80 per cent of the sample beneficiaries have constituted male workers under EAS in 14 sample states. The dominance of male workers is observed in every sample state and the corresponding figure for male workers varied from a minimum of 61 per cent in Andhra Pradesh to a maximum of 97 per cent in Bihar.

7.22 The findings of the this chapter are now put in one place for sake of clarity and ready reference.

- i. While the large majority of EAS beneficiaries belonged to the daily-wage earning class, in some states a sizable proportion of the non-poor and non-wage earning class were among the beneficiaries of EAS.
- ii. About 7% of the EAS beneficiaries were found to have educational qualification upto or above "matriculation". This tends to suggest that some skilled and semi-skilled workers (like supervisors, accountants, masons etc.) were among the EAS beneficiaries. This is corroborated by the wide variations in wage rates paid under EAS in some states. This may also reflect the involvement of contractors who may have shown his regular employees/skilled workers as beneficiaries of EAS.
- iii. The revisit to some sample villages confirmed the deviations as observed in survey data and explained the reason for inclusion of the rich, the cultivators and the educated persons under EAS. The PEO field teams noted that varied profile of EAS beneficiaries presented through survey data is the reflection of extension of EAS to the non-poor and wide spread phenomenon of engagement of contractors in EAS works who hired their own select persons/workers with a profit motive.
- iv. In 8 out of 14 states, EAS is the major employment generation programme (in rural areas), as more than 90% of the wage income of the beneficiaries was derived from EAS. However, in the large majority of the states, the beneficiaries got employment for less than 30 days in a year with

6	Himachal Pradesh	90.00	10.00	0.00	0.00
7	Karnataka	100.00	0.00	0.00	0.00
8	Madhya Pradesh	96.25	3.75	0.00	0.00
9	Maharashtra	95.00	5.00	0.00	0.00
10	Orissa	48.75	47.50	3.75	0.00
11	Rajasthan	71.25	28.75	0.00	0.00
12	Tamil Nadu	91.25	8.75	0.00	0.00
13	Uttar Pradesh	95.00	5.00	0.00	0.00
14	West Bengal	51.25	33.75	12.50	2.75
Total		87.50	11.16	1.16	0.18

It may be noted that except in Orissa, West Bengal and to some extent in Rajasthan, the large majority of the EAS beneficiaries were covered for only one year during the first four years of its operation. Thus, the employment of the rural poor in the covered villages of EAS was not sustained year after year.

7.20 Table 7.7 presents the percentage distribution of the sample beneficiary households according to wage income earned from EAS during one year.

Table 7.7

Percentage Distribution of Sample Beneficiary Households according to Wage Income earned from EAS during one year.

Sl. No	State	Wage Income from EAS in Rs. :				
		0 - 500	501-1000	1001-2000	2001-4000	Above 4000
1	2	3	4	5	6	7
1	Andhra Pradesh	50.00	27.50	16.25	6.25	0.00
2	Assam	56.25	20.00	16.25	7.50	0.00
3	Bihar	32.50	35.00	23.75	8.75	0.00
4	Gujarat	11.25	35.00	38.75	10.00	5.00
5	Haryana	16.25	20.00	48.75	13.75	1.25
6	Himachal Pradesh	11.25	30.00	43.75	13.75	1.25
7	Karnataka	68.75	15.00	16.25	0.00	0.00
8	Madhya Pradesh	0.00	17.50	73.75	8.75	0.00
9	Maharashtra	42.50	21.25	13.75	16.25	6.25
10	Orissa	17.50	47.50	25.00	10.00	0.00
11	Rajasthan	57.50	35.00	6.25	1.25	0.00
12	Tamil Nadu	32.50	10.00	18.75	15.00	23.75
13	Uttar Pradesh	82.50	17.50	0.00	0.00	0.00
14	West Bengal	82.50	13.75	3.75	0.00	0.00
Total		40.45	24.64	24.55	7.77	2.59

It may also be noted (Table 7.7) that about 65% of the EAS beneficiaries could earn less than Rs.1000/- per annum from EAS. This is consistent with the finding that most of the beneficiaries got employment under EAS for less than one month in a year.

7	West Bengal	2.50	12,760	5.00	9,869	11.25	9,884
Average		23.75	18,173	23.75	16,315	5.71	14,695

It is apparent from the above table that in some states, the non-poor 'cultivators', have been given employment (wage) under EAS. Thus, the average household income of the "cultivator beneficiaries" of Assam, Haryana, Karnataka, and Tamil Nadu is above the poverty level income and they constitute a large proportion of the EAS beneficiaries in the first three states. Similarly, a significant proportion of the EAS beneficiaries belonging to "non-agricultural labour" category in Himachal Pradesh and Tamil Nadu had household income levels above the poverty line. The non-poor "non-agricultural labour" households were also the beneficiaries in Karnataka, though their proportion among the beneficiaries is not very large. Some relatively better off self-employed were also the EAS beneficiaries in Himachal Pradesh and Karnataka.

7.18 The inclusion of non-poor and semi-skilled workers among the beneficiaries of EAS is a violation of the guidelines. The relevant guidelines are being violated by most of the states in different degrees, except in Gujarat, Madhya Pradesh, Orissa, Uttar Pradesh and West Bengal. This violation occurs because of some inadequacies in Central guidelines for implementation. These inadequacies can be removed through better targeting of the EAS beneficiaries. The above findings tend to suggest that EAS should be targeted to :

- Agrilcutural Wage earners;
- Non-agricultural unskilled wage earners;
- Marginal farmers whose wage income constitutes a reasonable proportion of their household income.

If skilled and semi-skilled workers are required for asset creation under EAS, wages paid to them should be included in the capital cost (40%) of the project. The wage component (60%) should be earmarked for the three categories of beneficiaries mentioned above. This suggested change in the guidelines will help eliminate the non-poor from among the target group of EAS.

7.19 Another issue that assumes importance is the sustainability of income for the EAS beneficiaries. This issue also assumes importance in view of the finding (Chapter 5) that all villages of an EAS Block are not covered each year (Table 5.3). To assess if the beneficiaries could get employment opportunities year after year under EAS, the relevant information was collected for the four-year period from 1993-94 to 1996-97. The finding is summarised in Table 7.6.

Table 7.6

**Distribution of Sample Beneficiaries according to Their coverage
in Number of Years (1993 to 1997).**

Sl.No	State	Only one year	2 Years	3 Years	4 Years
1	2	3	4	5	6
1	Andhra Pradesh	98.75	1.25	0.00	0.00
2	Assam	100.00	0.00	0.00	0.00
3	Bihar	93.75	6.25	0.00	0.00
4	Gujarat	100.00	0.00	0.00	0.00
5	Haryana	93.75	6.25	0.00	0.00

Karnataka to a high of 34.88% in Orissa (Table 7.4). In six states, viz; Bihar (10.87%), Gujarat (12.40%), Maharashtra (16.15%), Orissa (34.88%), Rajasthan (14.45%) and Tamil Nadu (12.99%), the income from government employment generating schemes is more than 10 per cent of the annual household income.

7.14 However, even with the income from government programme, the estimated household income of the EAS beneficiaries in the states of Bihar, Madhya Pradesh, Maharashtra, Orissa, Rajasthan and West Bengal is very low and below the poverty line income. In the states of Haryana, Himachal Pradesh, Karnataka and Tamil Nadu on the other hand, the annual income of the beneficiaries during 1996-97 was more than the poverty line income even without taking into account the income from EAS.

7.15 To know as to why the non-poor are engaged in EAS works, the PEO team revisited some of the sample villages. It was observed that the coverage of the non-poor under EAS was primarily because of engagement of contractors in many of the sample villages. It is noted that in some sample villages of Tamil Nadu, all the EAS works were executed through contractors who had hired their own select persons/workers.

7.16 Low income from EAS is primarily because of the low levels of employment generation in most of the states. It may be noted in Table 5.6 (Chapter 5) that about 69% of EAS beneficiaries got less than 30 days of employment and the overall average in the sample states was 31 days per person per annum. The second reason for low income from EAS could be low wage rate. It was observed from table 7.4 that while the average wage rate in all the states was found realistic, abnormal variations were noticed in some of the states, viz; Andhra Pradesh (Rs.10 to Rs.60 /day), Bihar (Rs.30 to Rs.65), Karnataka (Rs.26 to Rs.75), Maharashtra (Rs.24 to Rs.60), Rajasthan (Rs. 25 to Rs.100) and Tamil Nadu (Rs.22 to Rs.150). This variation could be partly due to temporal variation in wage rate (selected beneficiaries got EAS benefits in different years during 1993-97) and partly because of the fact that some skilled and semi-skilled workers were also employed in activities taken up under EAS. The wide deviation in wage rates observed in the above mentioned states is primarily due to the fact that skilled, semi-skilled and unskilled workers were all given employment under EAS. As per guidelines, the payment to skilled workers should form a part of the capital cost, as such workers do not belong to the target group of EAS.

7.17 Table 7.4 also gives the average household income of EAS beneficiaries. The average household income of the EAS beneficiaries in Haryana, Himachal Pradesh, Karnataka and Tamil Nadu is high even if the EAS income is not taken into account. This implies that even non-poor have been the beneficiaries of EAS in these states. Table 7.5 gives the distribution of sample beneficiaries according to occupation (in select states) and the average household income for each occupation-group.

Table 7.5

**Distribution of Sample Households Occupation-wise
(Sample Beneficiaries in % & Household Income in (Rs./annum)**

Sl. No	State	Agricul. & Allied		Non-Agricul. labour		Other Self-employed	
		Sample Beneficiaries	Avg.Hh. Income (Rs.)	Sample Beneficiaries (%)	Avg. Hh. Income (Rs.)	Sample Beneficiaries (%)	Avg.Hh Income (Rs.)
1	2	3	4	5	6	7	8
1	Assam	25.00	18,830	60.00	11,671	13.75	12,568
2	Haryana	25.00	24,100	6.25	17,900	0.00	-
3	Himachal Pradesh	70.00	15,348	21.25	25,647	2.50	41,000
4	Karnataka	15.00	23,452	3.75	26,777	1.25	30,000
5	Tamil Nadu	6.25	22,778	41.25	19,282	0.00	-
6	Uttar Pradesh	22.50	15,450	28.75	14,262	11.25	14,561

7.11 In this context, it is felt that "population" and "poverty levels" are very narrow indicators so far as allocation principle determining the entitlement of EAS funds for a block is concerned. Therefore, it is suggested that there is a need to construct a development index with secondary data at the block level. This would comprise occupation pattern, land availability and its distribution, rainfall pattern, quality of social infrastructure in the block, etc. Accordingly, the development index should determine the criteria for allocation of funds per block under EAS.

7.12 With the assured of 100 days of wage employment to the rural employment seekers, the scheme intends to place the purchasing power in the hands of the target group. An attempt has, therefore, been made to assess the contribution of wage income from EAS to total income of beneficiary households. The field teams of PEO collected the information on wage income earned from EAS and other wage employment schemes from those persons who were employed under EAS. Table 7.4 presents the share of EAS earnings to total wage income from government schemes (employment generating) and also the share of EAS earnings to total household income.

Table 7.4

Percentage Income of Sample Beneficiary Households to Total Income and Income from Other Wage Employment Scheme in Sample Villages during One Year.

Sl. No.	State	% of EAS income to Total Wage Employment	% of Wage Employment Income to Total HH Income	Total Household annual income(Rs)	Range in EAS Wage rate (Rs)
1	2	3	4	5	6
1	Andhra Pradesh	93.87	8.63	13537	10 - 60
2	Assam	100.00	6.42	14154	25 - 50
3	Bihar	99.51	10.87	10165	30 - 65
4	Gujarat	95.22	12.40	14335	30 - 44
5	Haryana	100.00	6.49	19189	39 - 55
6	Himachal Pradesh	78.86	8.66	20561	45 - 46
7	Karnataka	100.00	4.92	18049	26 - 75
8	Madhya Pradesh	100.00	14.29	9794	20 - 80
9	Maharashtra	91.90	16.15	10213	24 - 60
10	Orissa	74.12	34.88	7671	25 - 30
11	Rajasthan	76.13	14.45	5669	25 - 100
12	Tamil Nadu	88.93	12.99	21975	22 - 150
13	Uttar Pradesh	67.00	9.35	12633	23 - 37
14	West Bengal	77.14	5.17	10334	29 - 58
Total		88.28	11.55	16195	

It is interesting to note that in eight (8) out of fourteen (14) states, EAS is the most dominant government employment generation programme, as more than 90 per cent of the wage income of the beneficiary households came from EAS. In four states, viz; Himachal Pradesh, Orissa, Rajasthan and West Bengal, nearly three-fourths of the wage income of beneficiary households were generated through EAS alone. It is only in Uttar Pradesh that the contribution of EAS to wage income of households is very small, implying that there are other government wage employment schemes in the sample villages of Uttar Pradesh.

7.13 Do wage employment schemes generate adequate income for the beneficiary households? In the sample villages, income from wage-employment schemes (including EAS) constitutes, on an average, 11.55% of the household income of the EAS beneficiaries. This ratio varies from a low of 4.92% in

First of all, the block was prosperous and known for cultivation of cash crops. Yet, it was covered under EAS. As a result, the employment seekers under EAS were found to be conspicuously absent. Besides, the block had peculiar geo-climatic conditions which differed from rest of the state, as it remains covered under snow for about half the year. The working season is very limited, lasting for 4-5 months in a year. The migrant labourers reach there only during late-summer when the vehicular traffic is restored. The implementing authorities cannot afford to wait for their arrival to start EAS works.

7.8 It is a single cropped area and the sowing season starts in April, but before that the cultivators have to renovate the surface channels (Kuhls) meant for diverting the water for irrigation from the snow-fed streams to their crop fields, which normally remain blocked due to accumulation of debris and silt during winter. Since almost all the villagers in the villages of sample block happen to be cultivators, each household has to contribute labour in proportion to its share in water for irrigation purposes, which is customarily prescribed. The renovation works on surface diversion channels lasted for not more than 3 days in most of the sample villages. This work was used to be carried out by villagers themselves traditionally without involving any payment. However, when the cultivators/villagers came to know about the operation of EAS in the block through GPs/BDOs, they were encouraged to become the claimants of EAS benefits. On the other hand, the implementing authorities thought it a safe outlet of EAS funds by extending the coverage of the Scheme to the villagers under this activity, as they were pressurised to submit the utilisation certificate for release of subsequent instalments of EAS funds. While doing so, the BDO had distributed the Muster Rolls worth Rs.10,000 to Rs.20,000 per village depending on the size of the hamlet/village. In the Muster Rolls, the villagers/cultivators had to enter their names and put signatures only, the rest of the relevant entries such as, mandays and wage rate were recorded by the functionaries of G.P./B.D.O. **which were nothing but simple arithmetic adjustment of figures as per EAS guidelines.** Once the formalities are completed, the lump sum amount of money is released by B.D.O. for its distribution among the total households in the village. On an average, a household gets Rs. 1000 to Rs. 2000 for contributing labour in traditional work. As a result, certain anomalies were observed. While the wage rate recorded in the MRs was shown as per the prescribed minimum rate, actual wages received by the cultivators work out to be substantially high. In one sample village, **some well off cultivators had engaged their own hired permanent migrant labourers in EAS works.** Yet, the names of such cultivators were also figured in the Muster Rolls.

7.9 Thus, the anomalies in the profile of EAS beneficiaries in terms of income and education status as observed in survey data are the reflection of extension of EAS to the non-poor (cultivators who were quite well off with varied education status). Some officers of the implementing agencies admitted that during the initial years of EAS, they were unable to utilise the EAS funds in the desired manner, but they learned the tricks of the trade gradually and became friendly with EAS guidelines. As a result, now the utilisation rate is projected as high as 100%. They reiterated that **the deviations in implementation of the scheme were primarily due to impracticable guidelines of EAS vis-a-vis ground situation.** It is further observed that two types of works were executed in the sample block. The first type of works relate to earth work, namely, renovation of surface channels where cultivators are the beneficiaries. The second type of works relate to masonry works, like, pucca link roads and buildings for schools and anganwadis where migrant labourers were the actual beneficiaries. While the major proportion of EAS funds was utilised on renovation works carried out on surface channels, thereby benefiting the cultivators, only a small proportion of funds was utilized on other works, like pucca link roads, school buildings, etc. which were executed through contractors who had hired migrant labourers on their arrival during the late summer.

7.10 **Following this descriptive observatory note of the PEO team on anomalies, deviations and discrepancies in implementation of EAS, a pertinent question still remains to be answered. Whether such an abnormal delivery of EAS benefits at the end is the fall out of faulty planning or ineffective implementation? Remedy to such situations lies in proper planning of a scheme and preparation of flexible guidelines for implementation, which should take care of the diverse geo-climatic and socio-economic conditions of the rural areas of the country during implementation of a common national development scheme.**

7.5 Table 7.3 presents information on the educational status of the beneficiary respondents. More than half the beneficiaries are illiterate and another 18% have below primary level education. A little over 11 per cent have completed primary level and about 17% have above primary level education.

Table 7.3

Percentage Distribution of Sample Respondent Beneficiaries according to Their Literacy Status.

Sl. No	State	Sample Beneficiary Respondent	Literacy Status:				
			Illiterate	Below primary	Primary	Middle	Matric & Above
1	2	3	4	5	6	7	8
1	Andhra Pradesh	80	91.25	1.25	3.75	2.50	1.25
2	Assam	80	51.25	16.25	11.25	17.50	3.75
3	Bihar	80	50.00	20.00	6.25	15.00	8.75
4	Gujarat	80	63.75	5.00	6.25	11.25	13.75
5	Haryana	80	61.25	2.50	16.25	12.50	7.50
6	Himachal Pradesh	80	37.50	27.50	10.00	8.75	16.25
7	Karnataka	80	45.00	18.75	17.50	15.00	3.75
8	Madhya Pradesh	80	70.00	11.25	2.50	5.00	11.25
9	Maharashtra	80	76.25	1.25	11.25	8.75	2.50
10	Orissa	80	38.75	42.50	12.50	5.00	1.25
11	Rajasthan	80	35.00	47.50	12.50	5.00	0.00
12	Tamil Nadu	80	40.00	5.00	36.25	11.25	7.50
13	Uttar Pradesh	80	47.50	15.00	5.00	16.25	16.25
14	West Bengal	80	41.25	37.50	8.75	10.00	2.50
Total		1120	53.48	17.95	11.43	10.27	6.87

What is unexpected is that a relatively high proportion of the beneficiaries in Bihar, Gujarat, Haryana, Himachal Pradesh, Madhya Pradesh and Uttar Pradesh have secondary level qualification. The type of works where these educated workers were engaged comprise irrigation tanks, community works, link roads, etc. It is not clear as to why people with matric level educational background should work for daily wages under EAS. However, observations of the PEO field teams provide some plausible explanation. It has been observed that these educated people have either worked in community works, like, repair of irrigation channels, village tanks, anganwadi, etc. or in works done by contractors. Some community works which were traditionally being done by the villages through contribution of voluntary works, are now being done under EAS. This observation has been verified in the case of Himachal Pradesh. The other possible explanation is that the contractors who engage literate people for supervision, accounts keeping, measurements, etc., may have made full or part payments to them through EAS funds. A third explanation is that some of the works undertaken under EAS involved the services of skilled and semi-skilled workers, some of whom could have relatively high level of education.

7.6 While the above explanation may be logical, it was necessary to understand as to why the rich, the cultivators and the educated people are offering their services under EAS. Accordingly, PEO field teams were sent to some of the sample villages to verify the Muster Rolls and hold detailed indepth discussions with villagers, beneficiaries and knowledgeable persons so as to understand the causal factors for their inclusion under EAS.

7.7 The field teams noted that in one sample block of Himachal Pradesh, the poor or the agricultural labourers who would need employment under EAS constituted a negligible proportion of the population.

13	Uttar Pradesh	80	22.50	38.75	25.00	11.25	100
14	West Bengal	80	2.50	80.00	5.00	12.50	100
Total		1120	17.50	55.09	23.39	3.48	100

At the all India (average of sample states) level, more than three-fourths (78.48%) of the sample beneficiaries belonged to the daily wage earning groups, viz; the agricultural labourers (55.09%) and others (23.39%). Those engaged in cultivation and allied activities constitute the second largest group among the sample beneficiaries.

7.4 However, there is wide variation in the composition of the target group across states. In 10 out of 14 states, agricultural labourers constitute more than 50% of the sample beneficiaries. In four states, viz; Bihar, Karnataka, Madhya Pradesh and West Bengal, their proportion is more than 75%. In three states, viz; Assam, Gujarat and Tamil Nadu, non-agricultural wage earners constituted a large proportion of the beneficiaries. In the case of Himachal Pradesh, nearly 74% of the beneficiaries belonged to those whose principal occupation was cultivation. Cultivators formed a large proportion of beneficiaries for Andhra Pradesh, Assam, Haryana and Uttar Pradesh. Table 7.2 shows that marginal farmers and landless labourers constituted more than 92% of the beneficiaries.

Table 7.2

Percentage Distribution of Sample Beneficiary Households according to Size of Their Land Holdings

Sl. No.	State	Sample Beneficiary Households (No.)	Size of Land Holdings (in acre)				Landless Beneficiaries
			0-2.5	2.6-5.00	5.1-10	Above 10 Acre	
1	2	3	4	5	6	7	8
1	Andhra Pradesh	80	37.50	31.25	2.50	0.00	28.75
2	Assam	80	51.25	5.00	1.25	0.00	42.50
3	Bihar	80	46.25	0.00	0.00	0.00	53.75
4	Gujarat	80	18.75	8.75	0.00	0.00	72.50
5	Haryana	80	25.00	0.00	0.00	0.00	75.00
6	Himachal Pradesh	80	87.50	8.75	0.00	0.00	3.75
7	Karnataka	80	48.75	1.25	0.00	0.00	50.00
8	Madhya Pradesh	80	10.00	3.75	0.00	0.00	86.25
9	Maharashtra	80	27.50	3.75	1.25	1.25	66.25
10	Orissa	80	56.25	13.75	0.00	0.00	30.00
11	Rajasthan	80	26.25	10.00	1.25	0.00	62.50
12	Tamil Nadu	80	26.25	3.75	0.00	0.00	70.00
13	Uttar Pradesh	80	62.50	11.25	0.00	0.00	26.25
14	West Bengal	80	13.75	1.25	0.00	0.00	85.00
Total		1120	37.59	7.32	0.45	0.09	54.55

Chapter 7

Profile of Beneficiaries & Impact of EAS

Evaluation reports on many Centrally sponsored schemes reveal that Central guidelines for implementation of such schemes are often too general and do not adequately focus on the profile of the target groups and their identification. These also often do not adequately take into consideration the grassroots realities, such as the size of the target group, availability of resources, the organisational and administrative capabilities of the implementing agencies, etc. As a result, the available resources are, more often than not, thinly spread across larger areas and population (see Ninth Plan, Vol. I, Chapter 5). One way to bring in perfection in these guidelines is to adequately analyse the available information obtained from the concurrent and ex-post evaluation reports of such schemes. Keeping this utility in mind, PEO studies are designed to elicit the requisite information on the profile of the beneficiaries.

7.2. The guidelines of EAS stipulated that all adult rural poor normally residing in the villages are covered (Annual Report, MRAE, 1998-99). In Chapter 5, it has been observed that the beneficiaries of EAS in the sample villages constituted only a small fraction of the agricultural labourers of these villages. If the sizes of the non-agricultural labour population and the marginal farmers (many of whom belong to BPL category) are considered the constituents of the target group, the effective coverage under EAS would be negligible, except perhaps, in one or two states. The above observation is based on the assumption that all workers belonging to the above three occupational groups are in need of wage employment opportunities. This is not necessary. However, in the absence of any other reliable statistics, this observation throws some light on the inadequacy of the guidelines of implementation.

7.3. Table 7.1. gives the distribution of sample beneficiaries according to the type of main occupation.

Table 7.1

Percentage Distribution of Sample Beneficiary Households according to Type of Their Main occupation

Sl. No	State	Sample Beneficiary Respondent (No.)	Type of Main Occupation :				
			Cultivation & Allied Activities	Agri. Labour	Non-Agri. Labour	Other self-employed	Total
1	2	3	4	5	6	7	8
1	Andhra Pradesh	80	28.75	40.00	28.75	2.50	100
2	Assam	80	30.00	1.25	57.50	11.25	100
3	Bihar	80	0.00	80.00	20.00	0.00	100
4	Gujarat	80	0.00	60.00	40.00	0.00	100
5	Haryana	80	25.00	65.00	10.00	0.00	100
6	Himachal Pradesh	80	73.75	7.50	16.25	2.50	100
7	Karnataka	80	13.75	78.75	3.75	1.50	100
8	Madhya Pradesh	80	5.00	85.00	10.00	0.00	100
9	Maharashtra	80	15.00	63.75	17.50	1.25	100
10	Orissa	80	10.00	56.25	32.50	1.25	100
11	Rajasthan	80	13.75	65.00	17.50	3.75	100
12	Tamil Nadu	80	5.00	50.00	43.75	0.00	100

Observations

6.20 The analysis of this chapter is summarised as follows:

(1) The prescribed central norm of allocating 40 per cent of funds for watershed development and 20 per cent each for minor irrigation, link roads and buildings for schools and anganwadis was not maintained in any of the sample states while executing different activities under the scheme during 1993-94 to 1996-97. This indicates that the central norm for activity-wise allocation of funds as per fixed criteria is not feasible to adhere to at the village level. Therefore, the guidelines in this regard need to be modified. It is suggested that the norm for activity-wise allocation of funds as per fixed percentages should be maintained at the block level only.

(2) While none of the sample states were able to maintain the wage ratio as per the prescribed limit in construction of buildings for schools and anganwadis, it is only five states in link roads, four states in watershed development and five states in minor irrigation, which are said to have maintained the wage material ratio according to the prescribed norm during four years of implementation of EAS. This tends to suggest again that the central norm for wage material ratio of 60:40 for each activity under this scheme was not practicable to implement. Therefore, the guidelines for EAS on wage material ratio need to be modified suitably to indicate that the prescribed norm for wage material ratio should be allowed to maintain at the block level only instead of activity-wise adherence of norm at the village level.

(3) In Bihar, the unit cost of generating employment (Rs. 114 to Rs. 132) in all activities is very high, implying dominance of material cost in all activities (Table 6.4). Moreover, about 69% of available EAS fund was allocated to activities, like, school buildings/anganwadis which are less labour intensive and do not have the potential for sustained employment generation.

(4) In Gujarat, Haryana and West Bengal, the unit cost of employment generation in school buildings/anganwadis is abnormally high (Rs. 227 to 395) and it is difficult to justify any allocation of funds to such activities under any scheme whose primary objective is employment generation. The unit cost in link road construction is abnormally high in Haryana (Rs. 310). The states where the cost of employment generation is abnormally high (compared to the cost of labour) and which are devoting a substantial part of EAS funds to capital/material intensive activities, are not contributing towards realisation of the objectives of the EAS.

(5) Though in the above mentioned states the major deviation from the primary objective of EAS has been observed, in many other states also a large part of the EAS funds has been spent on activities which are less labour intensive and more capital/material intensive.

(6) The PEO teams noted that repair and renovation works on old assets which were already in existence were taken up under EAS in many of the sample villages.

(7) PEO field teams' physical verification of assets and their related data on expenditure maintained at secondary level revealed that in some of the sample villages almost all the assets created under EAS were masonry works which were of capital intensive in nature, like, pucca link roads (made of mortar), culverts and buildings. Yet, the figures of wage component of such assets were deliberately or artificially inflated so as to bring conformity with the prescribed wage material ratio as envisaged under EAS guidelines. This deviation was observed during revisit in some of those sample villages of Himachal Pradesh and Tamil Nadu where works were executed through contractors. Besides, no attention was given to felt need works by the implementing authorities in some sample blocks/villages.

objectives of the EAS. For instance, the unit cost in construction of buildings for schools and anganwadis is Rs. 132 in Bihar. Yet, 69% of EAS funds was allocated to this activity.

3) Though in the above mentioned states, the major deviation from the primary objective of EAS has been observed, in many other states also a large part of the EAS funds has been spent on activities which are less labour intensive and more capital/material intensive.

Quality and Maintenance of Assets

6.16 In order to assess the quality of assets created under EAS, the field teams of PEO made observation in sample villages where assets were created under EAS. The scheme provides that the assets created under EAS should be handed over to the concerned Panchayats for their maintenance. The observations of the PEO field teams reveal that while the details of expenditure and asset creation were made available to the PEO field teams, there is no way that one could find out which assets were created under which scheme, as many a time, funds under different development programmes for rural areas have been pooled to create common assets. While such pooling of resources from similar government schemes should be appreciated and encouraged, the guidelines for implementation of these schemes should be made flexible to facilitate such convergence at the grassroots level without compromising with the specific objectives of the individual schemes. The maintenance of accounts/records should be so systematized and made transparent that it becomes possible to ascertain if the objectives of individual schemes have been achieved. It was also not possible to find out as to which agencies the assets created were handed over for maintenance, and whether the assets created were community or private assets. Notwithstanding these, in some states, like, Himachal Pradesh, Karnataka, Maharashtra, Rajasthan, Uttar Pradesh and Tamil Nadu some of the assets (reported to have been created under EAS) were found to be of reasonable quality by the PEO field teams.

6.17 The PEO field teams observed that in many of the sample villages, the labourers engaged in activities, like, minor irrigation and link roads had worked for renovation of old assets which were already in existence.

6.18 PEO field teams' physical verification of assets and their related data on expenditure maintained at secondary level revealed that in some of the sample villages almost all the assets created under EAS were masonry works which were of capital intensive in nature, like, pucca link roads (made of mortar), culverts and buildings. Yet, the figures of wage component of such assets were deliberately or artificially inflated so as to bring conformity with the prescribed wage material ratio as envisaged under EAS guidelines. This deviation was observed during revisit in some of those sample villages of Himachal Pradesh and Tamil Nadu where works were executed through contractors.

6.19 As far as the felt needs of villages covered under EAS are concerned, it was noted in one case that the scarcity of fuel wood was acutely felt, while in another sample block identified under DPAP, lack of water for irrigation was felt by the locals. In these cases, afforestation and watershed development respectively should have been the felt need/priority works. Yet, masonry works, like, pucca link roads, buildings, etc. were taken up across the board. Therefore, no attention was given to the felt needs of the locals. On the other hand, the implementing authorities expressed their inability to take up such works primarily because of their involvement in implementation of numerous other developmental schemes. As a result, they were found to be too busy to execute EAS works as per the guidelines. Under such circumstances, the implementing authority allowed the contractors to take up the masonry works where profit margin was substantial. On the other hand, the contractors engaged their own select persons in EAS works, thereby depriving the target groups (poor) of EAS benefits. It was noted that in such cases, the relevance of EAS is lost, as the focus of EAS on engagement of the target group in labour intensive works as per the spirit of guidelines was observed to have been diluted at the grassroots level.

Table 6.4

Expenditure per Manday across Activities in Sample Villages during 1993-94 to 1996-97.

(in Rs.)

Sl.No	State	Watershed Development	Minor Irrigation	Link Roads	Buildings for Schools & Anganwadis	Others	All Activities
1	2	3	4	5	6	7	8
1	Andhra Pradesh	98.02	40.35	42.01	112.79	62.73	44.08
2	Assam	321.46	0.00	50.33	148.96	50.70	70.73
3	Bihar	0.00	121.65	114.18	132.76	0.00	127.85
4	Gujarat	99.27	65.46	57.66	395.80	33.80	71.95
5	Haryana	92.03	0.00	310.89	227.08	124.68	152.17
6	Himachal Pradesh	74.72	96.18	45.76	110.17	69.97	79.37
7	Karnataka	38.90	43.35	67.23	59.31	0.00	55.35
8	Madhya Pradesh	56.05	56.00	51.80	41.95	0.00	49.30
9	Maharashtra	0.00	0.00	74.22	71.86	0.00	74.02
10	Orissa	0.00	50.20	105.56	118.48	0.00	79.47
11	Rajasthan	98.32	0.00	55.37	70.79	36.59	74.57
12	Tamil Nadu	53.07	50.09	50.43	78.80	99.04	56.27
13	Uttar Pradesh	38.74	58.87	43.46	171.40	78.46	56.00
14	West Bengal	40.87	41.99	93.48	325.33	0.00	63.42
Total		60.32	48.55	63.04	85.99	84.64	62.64

6.15 It can be seen from the table that during 1993-94 to 1996-97 in general, minor irrigation works have turned out to be comparatively more labour intensive as expenditure per manday works out to be Rs. 48.55, which is followed by watershed development (Rs. 60.32), link roads (Rs. 63.04) and buildings for schools and anganwadis (Rs. 85.99).

However, inter-state comparison of unit cost in each activity reveals wide variations across the activities in the sample states. Some interesting findings in this respect are:

1) In Bihar, the unit cost of generating employment (Rs. 114 to Rs.132) in all activities is very high, implying dominance of material cost in all activities (Table 6.4). Moreover, about 69% of available EAS fund was allocated to activities, like, school buildings/anganwadis which are less labour intensive and do not have the potential for sustained employment generation (Table 6.1).

2) In Gujarat, Haryana and West Bengal, the unit cost of employment generation in school buildings/anganwadis is abnormally high (Rs. 227 to 395) and it is difficult to justify any allocation of funds to such activities under any scheme whose primary objective is employment generation. The unit cost in link road construction is abnormally high in Haryana (Rs. 310). The states where the cost of employment generation is abnormally high (compared to the cost of labour) and which are devoting a substantial part of EAS funds to capital/material intensive activities, are not contributing towards realisation of the

Table 6.3

Distribution of Mandays across Activities in Sample Villages during 1993-94 to 1996-97.

Sl. No	State	% Mandays Generated in :					
Sl. No.	State	Watershed Development	Minor Irrigation	Link Roads	Buildings for Schools & Anganwadis	Others	Total Mandays
1	2	3	4	5	6	7	8
1	Andhra Pradesh	2.13	91.25	1.24	2.54	2.84	57291
2	Assam	4.05	0.00	81.79	9.54	4.62	18471
3	Bihar	0.00	17.02	16.28	66.71	0.00	6617
4	Gujarat	26.88	25.43	45.71	0.44	1.54	36766
5	Haryana	53.75	0.00	4.48	35.83	5.94	14008
6	Himachal Pradesh	15.34	15.77	21.13	24.01	23.76	9831
7	Karnataka	31.48	3.16	33.65	31.70	0.00	21891
8	Madhya Pradesh	0.83	30.71	29.69	38.76	0.00	53604
9	Maharashtra	0.00	0.00	91.28	8.72	0.00	42257
10	Orissa	0.00	49.37	41.02	9.62	0.00	17554
11	Rajasthan	27.45	0.00	15.60	52.94	4.01	30687
12	Tamil Nadu	47.64	18.63	21.17	7.22	5.34	224054
13	Uttar Pradesh	37.90	14.47	24.62	4.35	18.66	22108
14	West Bengal	16.13	53.74	27.50	2.63	0.00	32844
Total		26.71	25.97	29.28	14.03	69.28	587983

It can be seen from the table that in general during 1993-94 to 1996-97, maximum days of employment were generated through construction/renovation of link roads (29.28%) followed by watershed development (26.71%), minor irrigation works (25.97%) and buildings for schools and anganwadis (14.03%).

6.14 To realise the intended days of wage employment for the rural job seekers, the implementing authorities were envisaged to execute the labour intensive works in such a manner that 60 per cent of allocation could be earmarked for wage component. It may be interesting to know the unit cost of wage employment in different activities under EAS. Table 6.4 presents distribution of expenditure per manday across activities during 1993-94 to 1996-97.

8	Madhya Pradesh	41.71	38.57	44.53	32.62	0.00	38.50	1017401	2642940
9	Maharashtra	0.00	0.00	69.18	24.50	0.00	65.40	2045571	3127770
10	Orissa	0.00	94.25	50.53	29.00	0.00	61.08	852000	1395000
11	Rajasthan	19.40	0.00	29.09	43.67	30.00	32.93	753547	2288423
12	Tamil Nadu	47.15	44.23	54.28	33.56	34.76	45.48	5733761	12606917
13	Uttar Pradesh	80.41	40.46	75.94	16.69	28.27	51.36	635801	1237979
14	West Bengal	96.43	99.10	41.84	13.88	0.00	64.11	1335466	2082973
Total		43.31	58.23	56.45	30.88	38.30	47.52	17501921	36828773

6.8 It is interesting to note from the table that in general during four years of implementation of the scheme i.e. 1993-94 to 1996-97, the wage ratio of 60% has not been maintained in any of the activities taken up under EAS. For instance, the share of wage component in total expenditure stands at 43.31% for watershed development, 58.23% for minor irrigation, 56.45% for construction of link roads, 30.88% for school and anganwadi buildings and 38.30% for other works respectively.

6.9 Inter-state comparison reveals that ratio of wage component to total expenditure varied across the activities in sample states during 1993-94 to 1996-97. In the case of watershed development, while only four states, viz; Himachal Pradesh (60.93%), Karnataka (65.51%), Uttar Pradesh (80.41%) and West Bengal (96.43%) have maintained the wage ratio above or equal to the prescribed limit, in the remaining 10 states, the corresponding ratio varied from a minimum of 10.27% in Assam to a maximum of 53.23% in Haryana during 1993-94 to 1996-97.

6.10 In the case of minor irrigation works, while the prescribed ratio of wage component was maintained only by five states, viz; Andhra Pradesh (61.63%), Gujarat (63.99%), Karnataka (59.97%), Orissa (94.25%) and West Bengal (99.10%), in the remaining states the corresponding figure varied from a minimum of 27.28% in Bihar to a maximum of 46.85% in Himachal Pradesh.

6.11 In the case of construction of link roads, while only five states of Andhra Pradesh (100%), Assam (70.04%), Himachal Pradesh (100%), Maharashtra (69.18%) and Uttar Pradesh (75.94%) have maintained the prescribed wage ratio, in the remaining states the wage ratio varied from a minimum of 15.07% in Haryana to 58.68% in Gujarat.

6.12 As far as construction of buildings for schools and anganwadis is concerned, none of the states has been able to achieve the prescribed limit of wage ratio, however, the corresponding figure varied from a minimum of 8.64% in Gujarat to a maximum of 49.65% in Karnataka.

6.13 Table 6.3 presents percentage distribution of mandays generated across activities in sample villages during 1993-94 to 1996-97.

watershed development works. While the expenditure on watershed development works is less than 20 per cent in five states, viz; Andhra Pradesh, Assam, Himachal Pradesh, Madhya Pradesh and West Bengal, three states of Bihar, Maharashtra and Orissa have not implemented this activity during 1993-94 to 1996-97. In the remaining states, the corresponding figure varied from a minimum of 22.13% in Karnataka to a maximum of 37.09% in Gujarat.

6.4 Similarly in the case of minor irrigation, while equal to or more than 20 per cent of prescribed sectoral allocation of funds was achieved only by five states, viz; Andhra Pradesh (83.53%), Gujarat (23.13%), Madhya Pradesh (34.89%), Orissa (31.18%) and West Bengal (35.58%), four states of Assam, Haryana, Maharashtra and Rajasthan have not allocated any funds for this activity during four years of implementation of the scheme. In the remaining states, the corresponding figure varied from a minimum of 2.48% in Karnataka to a maximum of 19.11% in Himachal Pradesh.

6.5 In the case of link roads also the intended sectoral allocation of 20 per cent of funds was realised only by seven sample states, viz; Assam (58.19%), Gujarat (36.63%), Karnataka (40.87%), Madhya Pradesh (31.19%), Maharashtra (91.54%), Orissa (54.48%) and West Bengal (40.53%). In the remaining states, the expenditure figure for link roads varied from a minimum of 1.18% in Andhra Pradesh to a maximum of 19.10% in Uttar Pradesh. Similar pattern of sectoral allocation is noted in the case of works taken up under construction of buildings for schools and anganwadis during 1993-94 to 1996-97.

6.6 Thus, the wide variations as observed in achievement of sectoral allocation and non-implementation of some identified activities by some states tend to suggest that the EAS guidelines were not adhered to while implementing the scheme. This is a matter of concern which needs to be looked into.

6.7 It is emphasised under the scheme that major share (60%) of the financial allocation under EAS should be earmarked for wage component so that the desired level of wage employment could be created for the target group. It is, therefore, imperative to know as to whether the prescribed wage material ratio of 60:40 is maintained at the implementation level. Table 6.2 presents activity-wise percentage share of wage component for unskilled labour in total expenditure of EAS works undertaken in sample villages during 1993-94 to 1996-97.

Table 6.2

**Percentage Share of Wage Expenditure to Total Expenditure -
(Activity-wise) in Sample Villages during 1993-94 to 1996-97.**

Sl.No	State	% Share of Wage Component in :						Total wage Expenditure (Rs)	Total Expenditure (Rs)
		Watershed Develop- ment (%)	Minor Irriga- tion (%)	Link Roads (%)	Buildings for Schools & Anganwadis (%)	Others (%)	Average of all activities		
1	2	3	4	5	6	7	8	9	10
1	Andhra Pradesh	23.06	61.63	100.00	36.79	55.79	58.40	1474821	2525429
2	Assam	10.27	0.00	70.04	17.76	65.96	48.40	632377	1306522
3	Bihar	0.00	27.28	28.00	27.40	0.00	27.47	232366	845952
4	Gujarat	12.82	63.99	58.68	8.64	47.68	41.61	1100681	2645309
5	Haryana	53.23	0.00	15.07	17.73	36.43	29.94	638114	2131546
6	Himachal Pradesh	60.93	46.85	100.00	41.53	65.42	57.47	448442	780246
7	Karnataka	65.51	59.97	39.73	49.65	100.00	49.64	601573	1211767

Chapter 6

Asset Creation - Quality and Maintenance

One of the main objectives of the scheme is to create economic infrastructure and community assets for sustained employment and development while engaging the target group in labour intensive works under EAS. In this regard, the guidelines for EAS have indicated the norms for fixation of allocation of funds for each of the activities identified for implementation. It is stipulated in the guidelines that of the total allocation, 40 per cent is to be allocated for water and soil conservation including afforestation, agro-horticulture and salvipasture, 20 per cent for minor irrigation, 20 per cent for link roads and the remaining 20 per cent for construction of buildings for schools and anganwadis.

6.2 To see as to whether the aforesaid norms for sectoral allocation are followed, the necessary data were collected from block authorities. Table 6.1 presents the activity-wise expenditure (%) incurred in sample villages during 1993-94 to 1996-97.

Table 6.1 Percentage Distribution of Expenditure across Different Activities in Sample Villages under EAS during 1993-94 to 1996-97.

Sl. No.	State	% Expenditure in :					Total Expenditure(Rs)
		Watershed Development	Minor Irrigation	Link Roads	Buildings for Schools & Anganwadis	Others	
1	2	3	4	5	6	7	8
1	Andhra Pradesh	4.75	83.53	1.18	6.50	4.04	2525429
2	Assam	18.40	0.00	58.19	20.09	3.31	1306522
3	Bihar	0.00	16.19	14.54	69.27	0.00	845952
4	Gujarat	37.09	23.13	36.63	2.42	0.72	2645309
5	Haryana	32.51	0.00	9.16	53.47	4.87	2131546
6	Himachal Pradesh	14.44	19.11	12.18	33.32	20.95	780246
7	Karnataka	22.13	2.48	40.87	33.97	0.56	1211767
8	Madhya Pradesh	0.95	34.89	31.19	32.98	0.00	2642940
9	Maharashtra	0.00	0.00	91.54	8.46	0.00	3127770
10	Orissa	0.00	31.18	54.48	14.34	0.00	1395000
11	Rajasthan	36.19	0.00	11.58	50.26	1.97	2288423
12	Tamil Nadu	44.94	16.58	18.97	10.11	9.40	12606917
13	Uttar Pradesh	26.22	15.21	19.10	13.32	26.14	1237979
14	West Bengal	10.39	35.58	40.53	13.49	0.00	2082973
Total		25.73	20.13	29.47	19.26	5.41	36828773

It is observed from the table that during 1993-94 to 1996-97 in general while the expenditure has been equal to or above the prescribed sectoral allocation in three activities, viz. Link roads (29.47%), minor irrigation (20.13%) and buildings for school and anganwadis (19.26%), it is about 14% less than the prescribed norm in watershed development (25.73%).

6.3 The inter - state comparison of expenditure across activities taken up during 1993-94 to 1996-97 reveals wide variation in achievement of prescribed sectoral allocation of funds. For instance, except Tamil Nadu (44.94%), no other sample state has achieved the sectoral allocation of 40 per cent in

could not be stuck to. They, therefore, had to prepare the reports on the basis of the guidelines and to make fictitious entries in the Muster Rolls.

Finally, the survey data also reveal that only one eligible person was given employment under EAS for 81 per cent of the households selected in the PEO survey. All this tends to imply that the actual performance of EAS is far below its stated goals of generating sustained employment for the rural wage-earning class whose income levels drop in agricultural lean seasons.

It may be noted that for about 81% of the sample households, only one person per family got employment in a year under EAS. In Orissa and to some extent in West Bengal, the proportion of households getting employment for two/more persons per family is reasonably high.

Observations

5.22 The analysis carried out in this chapter so far can be summarized as follows :

First, the universal coverage of blocks under EAS does not necessarily imply universal coverage of villages of the blocks. The average annual coverage of villages in sample blocks showed considerable variation across states. The overall average in the sample blocks of the 13 states selected for the study is estimated at 32% (Table 5.4).

Second, a village once covered is not necessarily covered year after year. In fact, the implementation methods adopted by different states tend to suggest that the states are covering the villages of a block by rotation; only in a negligible proportion (5.4 per cent) of villages of a block, the EAS scheme has generated sustained employment during the first four years of its operation (1993 to 1997).

Third, except in the case of four states of West Bengal (37%) , Uttar Pradesh (35%), Gujarat (34%) and Maharashtra (32%), the coverage of the target group (agricultural labourers) in the villages under EAS is found to be extremely low. The overall average of the target group in the 13 states works out to be 16%.

Fourth, taking into account the percentage coverage of villages in a block and also the coverage of the target group in the villages covered, the effective annual coverage of the target group in a typical block was found to be negligible in most of the states studied. Except in Gujarat (16%), West Bengal (15%) and Maharashtra (11%), the effective annual coverage of the target group in the remaining 10 states works out to be less than 10 per cent. In some states, it is as low as 1 to 3 per cent of the estimated size of the target group.

Fifth, the secondary information on employment generation maintained at the block level reveals that in two states, viz; Tamil Nadu and Uttar Pradesh the average days of employment per person exceeded 100 days in a year . It is found to be less than 50 days in 8 states. The overall average for the 14 sample states works out to be 62.51 days/person/year.

However, the information gathered from the beneficiaries of EAS revealed that about 69 per cent of the beneficiaries got less than 30 days of employment in a year, and another 17% got employment between 30 and 50 days. Thus, obviously the high rates of employment generation as revealed by official statistics, are not supported by the information obtained from the beneficiaries. In particular, the figures on employment for two states, viz; Tamil Nadu and Uttar Pradesh do not appear to be in tune with the grassroots level situation.

Why such deviations between the two sets of information occur need further investigation. Perhaps, the data on employment provided by the line departments which execute several plan schemes are not maintained properly. There is need for strengthening the organisational capability at the district/block levels so as to improve the quality of statistics being generated at the grassroot level. It also calls for strengthening of the monitoring mechanism at the district, state and Central levels.

To understand the cause for discrepancy in secondary statistics, PEO teams again made a visit to some sample blocks and villages. The re-visit confirmed that the secondary statistics indeed do not represent the grassroots reality. The local level implementing officials expressed that primarily because of the rigid guidelines on implementation of EAS, they had to often manipulate the figures of employment generation in a way that is in conformity with the guidelines. The actual wage rate in most cases was much higher than the minimum wage rate and the prescribed wage-material ratio in most of the activities undertaken

5.18 The data generated through the sample survey were not adequate to throw light on what actually causes this discrepancy. The field officers of PEO and their notes were consulted to find a satisfactory explanation. It was finally decided to visit some of the sample villages and have indepth discussion with the beneficiaries, villagers and knowledgeable persons (at village and block levels) for understanding 'the processes' that have caused this discrepancy in many states.

5.19 The re-visit confirmed that the secondary statistics indeed do not represent the grassroots reality. The local level implementing officials expressed that primarily because of the rigid guidelines on implementation of EAS, they had to often manipulate the figures of employment generation in a way that is in conformity with the guidelines. The actual wage rate in most cases was much higher than the minimum wage rate and the prescribed wage-material ratio in most of the activities undertaken could not be stuck to. They, therefore, had to prepare the reports on the basis of the guidelines and to make fictitious entries in the Muster Rolls. The officials explained that they had to make fictitious entries also because of provisions, like "on-engagement of contractors" and "employment to locals" in the guidelines.

5.20 During the revisit, PEO's field officers found that the actual wage rate in some cases was twice the minimum wage rate. In such cases for instance, though a beneficiary has worked for 5 days at Rs.80 per manday, the Muster Rolls showed generation of 10 mandays and the wage rate recorded was Rs.40 (prescribed minimum wage under EAS). A verification of the Muster Rolls revealed that a large number of the persons whose names were entered were not the actual beneficiaries of EAS. In one case, bogus names of beneficiaries were recorded in the Muster Rolls. In another case, migrant labourers were the actual beneficiaries, but the Muster Rolls contained the names of the locals.

5.21 The sample beneficiaries were asked whether more than one person from the same family got employment under EAS during 1996-97. The relevant information is presented in Table 5.7.

Table 5.7

Distribution of Sample Households according to Number of Persons Employed per Family per annum under EAS.

Sl.No.	State	No. of Sample House holds Employed with :			
		One Person	Two Persons	More than Two Persons	Total
1	2	3	4	5	6
1	Andhra Pradesh	50	20	10	80
2	Assam	69	9	2	80
3	Bihar	72	7	1	80
4	Gujarat	69	11	0	80
5	Haryana	80	0	0	80
6	Himachal Pradesh	70	10	0	80
7	Karnataka	67	10	3	80
8	Madhya Pradesh	80	0	0	80
9	Maharashtra	72	8	0	80
10	Orissa	13	64	3	80
11	Rajasthan	78	2	0	80
12	Tamil Nadu	80	0	0	80
13	Uttar Pradesh	69	10	1	80
14	West Bengal	40	39	1	80
Total		909	190	21	1120
%age		81	17	2	100

5.14 In the sample survey conducted by PEO, the beneficiaries were asked, among other things, about the number of days they were given employment under EAS during the year 1996-97. The information obtained from the sample beneficiaries is presented in Table 5.6 which is self-explanatory.

Table 5.6

Percentage Distribution of Sample Beneficiaries according to Number of Days of Employment per annum

Sl.No	State	0-30 days	31-50 days	51-100 days	Above 100 days	Average days of Employment per person
1	2	3	4	5	6	7
1	Andhra Pradesh	73.75	6.25	20.00	0.00	30
2	Assam	68.75	22.50	8.75	0.00	22
3	Bihar	72.50	16.25	11.25	0.00	24
4	Gujarat	61.25	23.75	11.25	3.75	34
5	Haryana	65.00	25.00	10.00	0.00	27
6	Himachal Pradesh	75.00	16.25	8.75	0.00	27
7	Karnataka	100.00	0.00	0.00	0.00	12
8	Madhya Pradesh	23.75	61.25	15.00	0.00	39
9	Maharashtra	75.00	15.00	5.00	3.75	29
10	Orissa	62.50	21.3	16.20	0.00	32
11	Rajasthan	100.00	0.00	0.00	0.00	17
12	Tamil Nadu	66.25	16.25	17.50	0.00	36
13	Uttar Pradesh	52.54	11.25	20.00	16.25	49
14	West Bengal	100.00	0.00	0.00	0.00	16
%age		68.75	17.14	11.43	2.68	31

5.15 It may be noted that information contained in Tables 5.5 and 5.6 are not consistent with each other for most of the states. Let us first take the case of Tamil Nadu and Uttar Pradesh where, as per the secondary data, a person employed under EAS got more than 100 days of employment. According to the beneficiaries, on the other hand, 82.5% of the sample beneficiaries in Tamil Nadu and 63.8% in Uttar Pradesh got less than 50 days of employment during 1996-97. Of these beneficiaries, a sizable proportion got employment for less than 30 days in a year.

5.16 In the case of three states, viz; Karnataka, Rajasthan and West Bengal almost all the sample beneficiaries got less than 30 days of employment during 1996-97. However, the number days of employment per person obtained from secondary data is also quite low in these three states. Thus, for these three states the secondary data are found to be in tune with the information of Table 5.6.

5.17 This discrepancy between the secondary statistics and survey data in the case of some states is a matter of concern. There are obviously some loose ends in the maintenance of secondary data that need to be plugged. First, in a large majority of the cases, the records of employment seekers are not maintained, nor are wage employment seekers given the job cards. Second, because of the involvement of contractors, the data maintained by the Block authorities may not be representative. Such discrepancies call for strengthening of the organisational capability of the grassroots level implementing agencies on the one hand and that of the monitoring authorities at the District, State and Central levels on the other.

to only 5%. Except in Gujarat (16%), West Bengal (15%) and Maharashtra (11%), the effective annual coverage of the target group in the remaining 10 states works out to less than 10 per cent. In some states, it is as low as 1 to 3 per cent (Table 5.4).

5.12 The next issue is to assess the quality of employment under EAS. To be more specific, we need to assess whether the ultimate beneficiaries (workers) are getting wage employment for about 100 days each, and for two persons in a family. Since the scheme is demand driven, it is logically possible that the number of days of employment per person and the number employed per family are less than the limits indicated in the guidelines.

5.13 To assess the average number of days of employment provided to an EAS beneficiary, the PEO field teams collected the detailed information on the number of mandays of employment generated and the number of persons employed in each sample village during the last four years (1993-97). The picture is presented in Table 5.5.

Table 5.5

Average Mandays Generated (Secondary data) under EAS in Sample Villages during 1993-94 to 1996-97 (as per records of Block authority).

Sl. No.	State	Mandays (No.)	Persons Employed(N0.)	Average Mandays
1	2	3	4	5
1	Andhra Pradesh	57291	1302	44.00
2	Assam	18471	268	68.92
3	Bihar	6617	184	35.96
4	Gujarat	36766	985	37.33
5	Haryana	14008	366	38.27
6	Himachal Pradesh	9831	176	55.86
7	Karnataka	21891	786	27.85
8	Madhya Pradesh	53604	696	77.02
9	Maharashtra	42257	533	79.28
10	Orissa	17554	578	30.37
11	Rajasthan	30687	741	41.41
12	Tamil Nadu	224054	1749	128.10
13	Uttar Pradesh	22108	210	105.28
14	West Bengal	32844	787	41.73
Total		587983	9361	62.81

The source of information for the statistics presented in Table 5.5 is the Block Level Authority. It may be noted that as per Block level records, only two states, viz; Tamil Nadu and Uttar Pradesh generated, on an average, more than 100 days of employment per person during 1993-97, while this only 62.81 days for all the states taken together. In a large majority of the states the average days of employment per person is found to be less than 50 days.

9	Orissa	18	21	4
10	Rajasthan	17	*12	2
11	Tamil Nadu	55	12	7
12	Uttar Pradesh	20	35	7
13	West Bengal	42	37	15
Total		32	16	5

* Since agricultural workers are much less compared to non-agricultural workers in the case of Himachal Pradesh & Rajasthan villages (sample), all workers have been considered in computing the ratio for these two states.

- Ratios of estimation for Assam were not computed for want of complete set of information.

It is observed from col.3 of Table 5.4 that the ratio varied from a minimum of 13% in Madhya Pradesh to a maximum of 55% in Tamil Nadu.

Coverage of Target Group

5.8 The target group under EAS consists of all the rural poor who are in search of wage employment during agricultural lean seasons. The agricultural labourers whose employment level shrinks before and after the major agricultural operations (viz. sowing and harvesting) because of lack of alternate employment avenues in areas where off-farm activities have not developed adequately, constitute a large proportion of the target group of EAS. The marginal farmers who supplement their income through wage-employment in agriculture and non-agriculture can also be the target group of EAS. As will be seen in chapter 7, this observation is supported by the survey data.

5.9 As per guidelines of EAS, all the rural wage-employment seekers are required to register themselves with the Panchayat. Thus, theoretically, the target group constitutes those whose names can be found in the record that is required to be maintained by the panchayat. However, it was noted during the sample survey conducted by PEO that the records for registered persons are not being maintained by most of the Panchayats. As a result, the estimated size of the target group of EAS is not known. Consequently, the extent of coverage of the target group under EAS cannot be worked out.

5.10 In the absence of any reliable information on the target group, an attempt has been made to arrive at an indirect and second best estimate of the size of the target group in a village covered under EAS. For this purpose, the number of agricultural labourers as obtained from 1991 census is taken to represent the work force available in the sample villages for wage employment under EAS. The ratio of the number of persons employed under EAS to total number of existing agricultural labourers in a sample village during 1996-97 will give a rough estimate of the extent of coverage of the target group in a village. The estimated ratio for the sample states is presented in col. 4 of Table 5.4. It is observed from the table that the extent of coverage of target group varied from 5% in the sample villages of Madhya Pradesh to 37% in sample villages of West Bengal.

5.11 Col.3 of Table 5.4 presents the effective coverage of villages in a block and col.4 gives the extent of coverage of the target group in a village. These two estimates can be combined to yield the Effective Coverage of Target Group in an EAS block. Since a block is the unit of planning under EAS and also because the blocks are selected at random in the PEO sample, the product of col.3 and col.4 of Table 5.4 gives an estimate of the effective coverage of the target group in a typical block (under EAS) of a state. This is presented in col. 5 of Table 5.4.

It is obvious from Table 5.4 that the effective annual coverage of the target group is very low. Since the annual coverage of villages of a block under EAS is about 32% and since 16% of the target group get employment in the villages covered, the effective annual coverage of the target group in a block works out

From the objective of the scheme, one may visualise that a village once identified under the scheme should find its coverage every year so as to realise the objective of sustained wage employment. But the impression is incorrect, as the survey information revealed that only a few villages (5%) were covered under the scheme every year, while a vast majority of the selected villages (85%) found coverage in only one or two years during the four-year reference period. This tends to suggest that effective coverage of villages for sustained wage employment is far less than revealed in Table 5.1.

5.7 It has been noted in the case of most of the states that the percentage coverage of villages was low in 1993-94 and was the highest in 1996-97. This is expected, as implementation of the scheme required adequate preparation and as the scheme was gradually extended to more blocks and hence more villages. Since the largest proportion of sample villages was covered in 1996-97, we have taken this proportion as the representative proportion of coverage of villages in a block under EAS.

To get an idea of the estimated annual coverage of villages in the selected states we have defined a parameter called "effective coverage" which is defined as :

Number of villages Number of sample Covered under EAS in villages covered all sample Blocks(as
perunder EAS in the State

list provided by block during 1996-97Estimate of annual authorities) in the state

Effective coverage = x

Of villages in a Total number of Total sample State villages in the sample villages in the state

blocks in the state

The ratios worked out on the basis of the above method for estimating the annual effective annual coverage of villages in each state is presented in col. 3 of Table 5.4.

Table 5.4

**Effective Annual Coverage of Villages and Effective Coverage of Target Group-
State-wise during 1996-97**

Sl. No.	State	Estimated Effective coverage of villages (%)	Ratio of Employed persons to Total No. of Agricultural Labourers (%)	Effective coverage of Target Group (%)
1	2	3	4	5
1	Andhra Pradesh	35	14	5
2	Bihar	37	8	3
3	Gujarat	47	34	16
4	Haryana	26	10	3
5	Himachal Pradesh	23	*27	6
6	Karnataka	28	14	4
7	Madhya Pradesh	13	5	1
8	Maharashtra	34	32	11

9	Maharashtra	33.92
10	Orissa	77.87
11	Rajasthan	74.88
12	Tamil Nadu	88.77
13	Uttar Pradesh	39.03
14	West Bengal	66.97
Total		52.93

It is important to note that the above figures represent the consolidated coverage during the initial four years (viz: 1993-94 to 1996-97) of the EAS. It is not necessarily true that the covered villages of a block have been covered every year during these four years. At the block level the year-wise coverage of the villages during the last four years was not collected in the PEO survey, as it required massive data handling at the block level.

5.6 However, the year-wise break-up of the (randomly) selected villages from each sample block was collected by the PEO field teams, which is presented in Table 5.2.

Table 5.2

Year wise Break-up of Coverage of Sample Villages under EAS during 1993-94 to 1996-97

Year	Villages Covered(No.)	%age Coverage to Total Sample Villages (112)
1	2	3
1993-94	17	15.18
1994-95	33	29.46
1995-96	48	42.86
1996-97	80	71.43

It is seen from the table that while only 15.18% of the villages found coverage during 1993-94, the percentage of coverage of villages increased to 71.43 during 1996-97. The distribution (%) of sample villages according to the number of years of coverage under EAS during 1993-94 to 1996-97 is presented in Table 5.3.

Table 5.3

Distribution of Sample Villages according to No. of years of their Sustained Coverage under EAS during 1993-94 to 1996-97.

No. of Villages Covered in :				Villages Where Works not taken up in any of the four years	Total Sample Villages
All 4 years	Only 3 years	Only 2 years	Only 1 year		
6	8	36	59	3	112
5.36 %	7.14 %	32.14 %	52.68 %	2.68 %	100%

Since sample villages were drawn randomly from the list of covered villages provided to PEO at the block level, the distribution of villages according to the number of years of coverage under EAS, as presented in Table 5.3 above is fairly representative.

Chapter 5

Coverage of Villages, Target Group and Employment Generation

The Employment Assurance Scheme was launched with the explicit objective of providing assured wage employment upto 100 days in a year to all rural wage employment seekers subject to a maximum of two persons from each family. Initially the scheme was confined to RPDS blocks, but later got extended to all blocks in the country. The unit of planning under EAS is a block.

5.2 The guidelines for implementation of EAS do not make it clear as to what is implied in the "coverage of a block". Should all the villages in the block be covered each year? Or, should EAS be confined to a few villages each year? Or, should it be confined to villages where employment seekers have registered with the Panchayats? Or, should all the villages be covered by rotation? Several such questions seem pertinent in view of the objectives of the scheme. However, the most meaningful interpretation of the objective of EAS is that the scheme should generate sustained employment during lean agricultural seasons each year for all wage employment seekers in a block.

5.3 The above interpretation becomes meaningful only if adequate financial and other resources are available to implement the scheme on such a wider scale. Though, the scheme is demand driven and financial resources are not a constraint at least theoretically, it may not be possible in practice to give 'universal' coverage to all villages and all employment seekers as intended in the scheme objective. For example, the state governments may find it difficult to generate adequate funds for providing their matching share and thus, funds may be a constraint. At the block and Panchayat levels, human and physical resources may not be adequate for implementing and monitoring in case of universal coverage of villages in a block.

5.4 It has already been noted in Chapter 3 that EAS is being implemented without creating any additional organisational and administrative capability. In Chapter 4, the effective utilization of EAS funds at the block level was found to be around 57%. All this tends to suggest that there are operational constraints in giving universal coverage to villages in a block each year.

5.5 The above inadequacies in planning and implementation of EAS notwithstanding, it would be of interest to examine the extent of coverage of villages and wage employment seekers in the selected blocks/states. The field teams of PEO collected information on the coverage of villages for all the selected blocks from the respective block level authorities. The state-wise picture of the percentage of villages covered in the selected blocks is given in Table 5.1.

Table 5.1 **Percentage of Villages Covered in Selected Blocks during the Four-year period (1993-97).**

Sl.No	States	%age villages covered
1	2	3
1	Andhra Pradesh	55.72
2	Assam	52.86
3	Bihar	49.24
4	Gujarat	63.04
5	Haryana	54.00
6	Himachal Pradesh	57.00
7	Karnataka	32.28
8	Madhya Pradesh	16.91

4.18 The analysis carried out in this chapter is summarised as follows :

- i During 1996-97, eight (8) states out of fourteen (14) got funds in excess of their entitlement, while the remaining six (6) got less. The extent of excess disbursement over entitlement ranged from a minimum of 5.57% in Uttar Pradesh to a maximum of 83.82% in Andhra Pradesh. The shortfall in releases ranged from 0.74% in Haryana to 53.39% in Maharashtra.
- ii Sixty two (62) per cent of the sample districts (call these Category I) received EAS funds in excess of their entitlement. However, 75% of the sample blocks falling in these districts were found to have received less funds than their entitlement. On an average, the blocks falling in the Category-I districts received only 77.19% of their entitlement of funds in 1995-96 and 69.41% in 1996-97. The average utilization of available funds in these blocks was 88.62% (See Tables 4.7 and 4.8 for details).
- iii. The districts (Category-II) which received less funds (than entitlement), released to the blocks on an average 55.73% of their entitlement. The blocks falling in Category-II districts have shown very high utilization rates (95 to 96%).
- iv. All this implies that even though the blocks have the capacity to utilize EAS funds, adequate funds are not being made available to them. This has happened even in the districts (Category-I) which had received sufficient funds. As a result, the effective utilization rate of EAS funds at the block level hovers between 62% and 53% of their notional minimum allocations for districts Category I and Category II respectively. Thus, the average utilization rate of all the sample blocks together works out to 57.38 per cent during 1996-97 (see section 4.14).
- v. Though several factors could be responsible for low utilization rates of EAS funds, one major constraint seems to be the untimely release of funds from the Centre to the States. It was noted that 8 out of 14 (sample) states received more than 50 per cent of their allocation in the last quarter of the year. It is also interesting to note that a large number of states have reported more than 50% utilization of EAS funds during the last quarter (Table 4.9).
- vi. The other factors responsible for low utilization rates of EAS funds at the block level include: non-availability of the states' share in time, non-disbursement of funds according to entitlement from the districts to the blocks, non-receipt of utilisation certificates, absence of planning and the like.

The figures on allocation and expenditure of EAS funds at different nodes of implementation do not seem to be consistent with each other. For the districts (Category- I) which received excess funds, while the average utilization rate at the district level was as high as 89.9 per cent in 1996-97, about 75 per cent of the sample blocks did not get adequate funds and the blocks, on an average, could spend only 61.5 per cent of their national minimum allocation. This inconsistency needs to be probed in greater detail, as it could mean diversion and improper use of EAS funds. Incidentally, the CAG report (No-3 of 1997; Chapter-III) on Centrally Sponsored Schemes has noted diversion of EAS funds in their test checks of accounts.

4.15 The low utilization rate at the block level is not so much due to low spending capacity of the block authorities, as the utilization rate of funds made available at the block level is found to be reasonably good (Tables 4.7 & 4.8). It is primarily because of the fact that funds are not flowing to the blocks in accordance with their entitlement.

To understand as to why the district authorities are not able to provide adequate funds to the blocks, a detailed scrutiny of flow of funds from the Central government to DRDAs was undertaken for the selected states. It was observed that a large proportion of EAS funds was released during the last quarter of the fiscal year (1996-97). This, perhaps, is the major constraint towards the flow of EAS funds from the districts to the blocks and hence, its utilization. The other constraints to utilization of EAS funds include inability of the state governments to release their matching share.

4.16 What is important, however, is to note that a large number of states have shown very high utilization rates during the last quarter of the financial year. The state-wise position of release and utilization during the last quarter of 1996-97 is shown in Table 4.9.

Table 4.9

**Release/Utilization of Funds during last quarter of 1996-97
(percentage of total allocation).**

Sl.No	State	Release as % of Total Allocation	Utilisation Rate(%)
1	2	3	4
1	Andhra Pradesh	63.8	64.1
2	Assam	86.0	68.4
3	Bihar	60.2	50.0
4	Gujarat	52.6	28.0
5	Haryana	51.9	38.5
6	Himachal Pradesh	43.4	50.2
7	Karnataka	55.1	46.3
8	Madhya Pradesh	47.6	58.5
9	Maharashtra	69.5	51.4
10	Orissa	40.6	46.1
11	Rajasthan	42.7	47.1
12	Tamil Nadu	52.5	75.1
13	Uttar Pradesh	46.9	52.1
14	West Bengal	33.1	36.5

The proportion of Central release during the last quarter of 1996-97 to the total Central release during the year is more than 50% for 8 of the 14 sample States. Likewise, the ratio of expenditure incurred during the last quarter of 1996-97 to the total expenditure during the year is also greater than 50% for 8 sample States.

4.17 For proper utilization of EAS funds, planning at the block level must be done in advance and funds should be made available according to that plan. The existing pattern of flow of funds is not conducive to effective utilization of funds. The possibility of misuse and/or diversion of EAS funds under these circumstances cannot be completely ruled out.

Observations

Table 4.8

**Utilization of EAS funds in Sample Blocks : District Category: II
(Reference Year 1996-97).**

(Rs. in crore)

Type of Blocks	No. of selected blocks	Entitlement	Releases	Expenditure	Col.4/ Col.3 (%)	Col.5/ Col.4 (%)
1	2	3	4	5	6	7
A	2	2.00	0.90	1.07	45.00	118.89
B	12	10.50	6.62	6.42	63.05	96.98
C	12	6.00	2.79	2.28	46.50	81.72
Total for 13 Districts Category: II	26	18.50	10.31	9.77	55.73	94.76

4.14 A few observations can be drawn from Tables 4.7 & 4.8 and other Tables relating to allocation and utilization of EAS funds presented in this chapter.

- i. Even though some sample districts received adequate funds under EAS, the sample blocks from these districts did not get their notional minimum allocation. The release vis-a-vis entitlement from such districts (category:I) to the sample blocks constituted only 77.19% in 1995-96 and 69.41% in 1996-97.
- ii. The utilization of funds made available at the block level in the districts (Category: I) is reasonably high. It was 87.65% in 1995-96 and 88.62% in 1996-97.
- iii. In the districts receiving EAS funds less than their entitlement (Category: II), the release to the sample blocks constituted only 55.73% of their entitlement in 1996-97. However, the actual utilization of funds at the block level is found to be very high. It was 96.15% in 1995-96 and 94.76% in 1996-97.
- iv. To get an overall idea of the rate of utilization of EAS funds at the block level, we have computed the ratio of expenditure to notional minimum allocation for both categories of districts for the year 1996-97.

Overall Utilization Rate in Sample Blocks during 1996-97

District Category I District Category II

61.51% 52.81%

The blocks falling under district category I and category II are spending only about 62% and 53% of their Notional Minimum Allocations respectively. Thus, the average utilization rate of all the sample blocks together works out to 57.38 per cent during 1996-97. This is extremely low utilization rate .

REL (t-1)

COMP(t-1)= x U(t-1)

MIN.

MIN : Notional minimum allocation

U(t-1): Utilization rate during 1995-96.

It is obvious that the above regression explains the allocation behaviour reasonably well. In short, the relationship implies that release of funds to a block is dependent on the past releases and past utilization rates.

4.13 While allocation of EAS funds to a block is explained by past releases and utilization rates, it would be of interest to assess how EAS funds are actually being utilized at the block level. For this purpose, the relevant information is organised and presented in Tables 4.7 and 4.8 in such a way that meaningful conclusions with regard to the utilization of EAS funds could be derived. Table 4.7 presents the relevant information for those districts which received (EAS funds) equal to or in excess of their notional minimum allocation (District Category:I). Table 4.8 presents the same set of information for those districts which received (EAS funds) less than their notional minimum allocation (District Category:II).

Table 4.7

Utilization of EAS Funds in Sample Blocks: District Category: I
(Reference year: 1996-97).

(Rs. in crore)

Type of Blocks	No. of selected blocks	Entitlement	Releases	Expenditure	Col.4/ Col.3 (%)	Col.5/ Col.4 (%)
1	2	3	4	5	6	7
A	3	3.00	2.82	2.80	94.00	99.29
B	18	15.00	9.88	8.84	65.87	89.47
C	5	2.50	1.53	0.97	61.20	63.40
Total for 13 districts (Category I)	26	20.50	14.23	12.61	69.41	88.62

11	Rajasthan	126.26	120.63	47.47	83.64	71.68
12	Tamil Nadu	93.46	85.47	96.47	64.80	82.77
13	Uttar Pradesh	36.52	71.18	102.36	93.42	85.15
14	West Bengal	15.31	112.81	96.74	76.71	84.66
Total		53.52	83.04	87.38	91.48	84.81

Table 4.6

Percentage Utilization of Funds in 56 Sample Blocks under EAS during 1993-94 to 1996-97.

Sl. No	State	% Expenditure to Total Release of Funds				
		1993-94	1994-95	1995-96	1996-97	1993-94 to 1996-97
1	2	3	4	5	6	7
1	Andhra Pradesh	100.00	100.00	84.49	90.83	91.34
2	Assam	11.77	105.06	84.69	137.80	96.98
3	Bihar	0.00	0.00	40.33	91.83	67.14
4	Gujarat	97.27	90.55	98.15	95.35	96.47
5	Haryana	97.31	85.11	97.30	72.45	85.34
6	Himachal Pradesh	9.44	23.92	75.56	112.03	84.18
7	Karnataka	27.74	104.93	89.63	93.53	92.65
8	Madhya Pradesh	0.00	26.33	90.64	112.98	79.34
9	Maharashtra	96.33	81.30	112.52	99.94	100.58
10	Orissa	79.69	114.70	102.12	75.53	94.34
11	Rajasthan	0.00	113.55	67.41	105.74	84.38
12	Tamil Nadu	82.86	85.47	92.62	45.93	73.86
13	Uttar Pradesh	97.10	84.44	95.93	84.86	88.90
14	West Bengal	61.75	81.33	86.64	103.51	88.71
Total		79.28	86.92	89.79	92.77	89.43

It may be noted from Table 4.4 that some states have not been able to spend even the entire Central allocation under EAS. The overall utilisation of funds is low in Bihar and Himachal Pradesh. It is also interesting to note from Tables 4.4 to 4.6 that, in general, the rate of utilisation of EAS funds in the sample districts and blocks has improved during the successive years.

4.12 Since allocation of funds is influenced by more than one factor, it is appropriate that allocation behaviour can be explained by a multi-variate analysis or through a composite index of the explanatory factors. Several alternative models were experimented with for explaining the funds allocation behaviour under EAS. However, the following simple model seems more appropriate.

$$REL(t) = 16.004 + 0.37 COMP(t-1)$$

(5.27)

R = 0.39, Degrees of freedom: 44

Where:

REL(t) : Release to a block during 1996-97 and

To assess as to how utilization rates, notional minimum allocation, past releases and current allocation are related, the relevant information at the state, district and block levels was collected in the sample survey conducted by PEO. Table 4.4 through 4.6 give the relevant information.

Table 4.4

Percentage Utilisation of Funds under EAS in 14 Sample States during 1993-94 to 1996-97.

Sl.No	State	% Expenditure to total availability of funds					% of Expenditure to	
		1993-94	1994-95	1995-96	1996-97	1993-97	Centre release 1993-94 to 96-97	Total release 1993-94 to 96-97
1	2	3	4	5	6	7	8	9
1	Andhra Pradesh	57.02	92.40	63.04	79.20	76.27	111.23	88.98
2	Assam	37.22	55.50	73.72	51.63	58.71	92.75	74.20
3	Bihar	27.32	55.83	46.22	50.20	48.59	85.62	68.50
4	Gujarat	24.12	36.68	48.59	56.51	49.64	90.49	72.39
5	Haryana	60.23	68.17	69.30	48.16	61.75	99.58	79.67
6	Himachal Pradesh	-5.65	17.26	40.90	43.89	38.80	67.35	53.88
7	Karnataka	19.24	72.72	72.63	75.19	69.88	110.20	88.16
8	Madhya Pradesh	35.17	78.82	68.51	62.31	66.13	102.74	82.19
9	Maharashtra	13.01	63.99	55.32	70.99	59.78	107.71	86.16
10	Orissa	24.00	83.80	79.22	82.48	76.67	114.51	91.61
11	Rajasthan	20.26	67.88	65.11	60.33	61.05	103.17	82.53
12	Tamil Nadu	24.23	74.40	63.02	74.44	69.60	104.24	83.39
13	Uttar Pradesh	18.46	53.67	61.65	53.55	54.72	91.04	72.83
14	West Bengal	51.71	76.39	68.95	69.51	69.20	108.19	86.55
Total		32.00	69.53	63.38	64.16	62.93	101.49	81.19

Table 4.5

Percentage Utilization of Funds in 28 Sample Districts under EAS during 1993-94 to 1996-97.

Sl. No	State	% Expenditure to Total Availability of Funds				
		1993-94	1994-95	1995-96	1996-97	1993-94 to 1996-97
1	2	3	4	5	6	7
1	Andhra Pradesh	81.41	90.04	78.82	101.74	89.57
2	Assam	54.07	64.09	107.30	92.56	87.31
3	Bihar	0.00	0.00	23.80	26.66	45.47
4	Gujarat	71.06	51.07	94.16	111.77	88.20
5	Haryana	84.85	66.83	95.06	62.50	79.85
6	Himachal Pradesh	9.44	8.51	56.90	142.72	78.77
7	Karnataka	13.78	84.59	75.15	125.98	89.45
8	Madhya Pradesh	48.78	72.00	73.02	128.90	88.52
9	Maharashtra	8.41	86.23	103.23	73.45	85.92
10	Orissa	53.69	128.82	123.08	68.83	96.21

It is observed from the table that in the 16 sample districts which received EAS funds more than or equal to their entitlement, 24 out of the 32 sample Blocks got funds which were less than their respective notional minimum allocation during 1996-97. Similarly, of 10 sample districts (falling in nine states) which received allocations less than their entitlement, only 1 block out of 20 got funds greater than or equal to its entitlement.

4.8 For sake of clarity in exposition, the above findings are presented in the form of a summary statement below:

1(a) Number of sample districts which received funds, either equal to or more than their notional minimum allocation during 1996-97 : 16

(b) Percentage of sample blocks falling in these 16 districts received funds which is less than their entitlement: 75%

2(a) Number of sample districts which received funds less than their notional minimum allocation during 1996-97: 10

b. Percentage of sample blocks (falling in these 10 districts) which received more (or equal) funds than their notional minimum allocation : 5%.

4.9 Table 4.3 presents the category-wise distribution of blocks against sample districts according to deviations of releases from entitlements during 1996-97.

Table 4.3

Category-wise Distribution of Sample Blocks against Respective Sample Districts according to Deviations of Releases from Entitlement of Funds under EAS during 1996-97.

Sl. No	Districts getting funds	Blocks getting funds	Type of Blocks			Total
			A	B	C	
I.	More or equal to entitlement 16	Less	1	18	5	24
		Equal	1	1	0	2
		More	1	4	1	6
II.	Less than entitlement 10	Less	2	7	10	19
		Equal	0	0	0	0
		More	0	1	0	1
	Total 26		5	31	16	52

Note: For the remaining four blocks the full set of information on all the relevant parameters was not available.

4.10 It is observed that in those districts which received funds greater than or equal to their entitlement during 1996-97, shortfall in releases against entitlement was noted in 24 (sample) blocks, of which 1 was of A type, 18 were of B type and 5 were C type blocks. Similarly, in the districts which got releases less than entitlement, shortfall of funds against entitlement was observed in 19 sample blocks, of which A, B and C type blocks were 2, 7 and 10 respectively. Thus, 43 of the 52 sample blocks (82.69%) about which the relevant information is available received less funds than their entitlements during 1996-97.

4.11 The above analysis tends to suggest that allocation of EAS funds to districts and blocks does not depend on availability of funds alone. Perhaps, it is also linked with the utilization rates and past releases.

5	Haryana	3375	3350.00	-25.00	-0.74
6	Himachal Pradesh	1150	1987.50	837.50	72.83
7	Karnataka	11225	14450.00	3225.00	28.73
8	Madhya Pradesh	24075	28337.71	4262.71	17.71
9	Maharashtra	18050	8412.50	-9637.50	-53.39
10	Orissa	16600	20534.44	3934.44	23.70
11	Rajasthan	13450	12987.50	-462.50	-3.44
12	Tamil Nadu	14050	18406.25	4356.25	31.01
13	Uttar Pradesh	25225	26630.94	1405.94	5.57
14	West Bengal	16125	12712.50	-3412.50	-21.16
	Total	208475	220340.59	11865.59	5.69

Note : Entitlement figures have been worked out on the basis of notional minimum allocation.

4.6 The "Entitlement" to funds of each state has been worked out on the basis of notional minimum allocation to be made, considering the number and type of blocks covered under EAS. It can be seen from the table that while eight (8) states have been given funds in excess of their entitlement (this is possible, as the scheme is demand driven), the remaining six (6) sample states got funds less than their entitlement. The deviation of releases from entitlement for those states which got higher allocation over and above their entitlement varied from a minimum of 5.57 per cent in Uttar Pradesh to a maximum of 83.82 per cent in Andhra Pradesh. The shortfall in releases as observed for 6 states ranges between 0.74 per cent in Haryana and 53.39 in Maharashtra.

4.7 As the EAS funds are released direct to the DRDA, it is more appropriate to examine if the districts and blocks were given funds in accordance with their "Entitlement". Table 4.2 presents percentage deviations of releases from entitlement for sample districts and blocks during 1996-97.

Table 4.2

Percentage Deviation of Releases of Funds from Entitlement in Sample Districts and Blocks during 1996-97

Sl.No	State	1st Sample District			2 nd Sample District		
		District	1st Block	2 nd Block	District	1st Block	2 nd Block
1	Andhra Pradesh	112.50	-52.93	-33.47	10.00	50.00	50.00
2	Assam	-35.56	-29.10	-76.58	-10.00	-72.21	-78.04
3	Bihar	163.83	-24.32	-35.44	-81.58	-73.30	-75.54
4	Gujarat	0.00	64.00	-82.00	NA*	NA	-67.33
5	Haryana	-53.33	-35.69	-85.60	0.00	-62.68	-99.75
6	Himachal Pradesh	0.00	35.03	-13.33	-91.40	-90.76	-83.44
7	Karnataka	0.00	0.00	0.00	67.77	51.69	-3.33
8	Madhya Pradesh	11.07	-83.33	-68.72	-16.67	-53.40	-99.12
9	Maharashtra	152.00	-20.00	-94.60	-15.71	-1.09	4.64
10	Orissa	129.54	-21.10	-38.15	50.01	-73.20	0.30
11	Rajasthan	0.00	-63.83	-63.67	0.00	-84.53	-58.13
12	Tamil Nadu	-3.64*	NA	NA	-6.11	-12.80	-24.90
13	Uttar Pradesh	-22.58	-79.80	-78.48	21.90	-30.84	-2.95
14	West Bengal	-3.33	-60.00	-50.00	38.46	-66.67	-7.11

* Not considered in analysis as full set of information on all relevant parameters was not available.

Chapter 4

Allocations and Utilisation of Funds

Allocation and release of EAS funds are made taking a 'Block' as the unit of planning. The Central share of funds (80%) is released directly to the District Rural Development Agency (DRDA) of the concerned district by the Department of Rural Areas and Employment, and the State's matching share (20%) is also required to be released to the DRDA by the concerned State Government within a fortnight of the receipt of Central funds.

4.2 For the purpose of release of funds, the blocks covered under EAS are categorised into A, B and C on the basis of " Weightage Factors " obtained by dividing the rural population of the block by the total rural population of all the blocks covered under the scheme in the country and multiplying the resultant by ten thousand. Thus, the blocks with a Weightage of 7.5 or more (i.e. population more than 196287) were put in A category, those with a Weightage of less than 7.5 but more than 2.5 (i.e. population between 196287 to 65585) were put in B category and the blocks with Weightage of less than 2.5 (i.e. population less than 65585) was considered in C category. This method was followed prior to the universalisation of the scheme. However, all the remaining 2244 blocks which were covered under EAS in two phases of expansion, were put in C category irrespective of the "Weightage Factor ", as they were considered relatively better- off blocks.

4.3 The scheme is also envisaged to be demand driven. Therefore, no fixed allocation of funds is made for the districts/blocks. However, initial notional minimum allocations are made to the districts at the commencement of each year, which are based on the above categorisation of blocks. The districts can request for additional funds under the scheme depending upon supplementary employment to be created and the utilisation of funds.

4.4 The notional minimum allocation per annum for a block is fixed at Rs. 1 crore for A-Type Block, Rs.75 lakh for B-Type and Rs. 50 lakh for C-Type Block. This allocation is released in two instalments. The first instalment of funds (of the Central Government's share) comprising Rs.40 lakh, Rs.30 lakh and Rs.20 lakh for A,B and C-type blocks respectively is scheduled to be released at the beginning of financial year. The balance is to be released on receipt of utilization certificates. This schedule does not seem to have been adhered and at times, monthly releases have been resorted.

4.5 What is important, however, is whether the notional minimum allocation as prescribed is being made to the states/districts/blocks. Table 4.1 presents the percentage deviation of releases from the notional minimum allocation for 14 sample states during 1996-97.

Table 4.1 Entitlement and Release of Funds in Sample States during 1996-97. (Rs. in lakhs)

Sl. No	States	Entitlement	Total Releases	Deviation	% Deviation
1	2	3	4	5	6
1	Andhra Pradesh	13675	25137.50	11462.50	83.82
2	Assam	10050	13525.00	3475.00	34.58
3	Bihar	30550	26556.25	-3993.75	-13.07
4	Gujarat	10875	7312.50	-3562.50	-32.76

taken up under EAS in each block area. The works included in the shelf of projects should be such that they can normally be completed within a period of two years and that their implementation should be phased for each working season. The preparation of the shelf of projects should be finalised by December every year.

3.7 However, the PEO field teams observation reveals that in most cases, there was no evidence of preparation of a shelf of projects and planning with regard to employment generation, asset creation and sectoral priorities and allocation, rather ad-hocism was observed in actual implementation of EAS. For instance, under the activities, like, minor irrigation and link roads, repair/renovation works on old/already existing assets were carried out in most cases.

3.8 It was observed by the field teams that though the list of beneficiaries was available at the block/panchayat level, proper procedure for identification and registration of the wage employment seekers was not being followed in any of the sample blocks. Family cards in which number of days of employment is to be entered were not issued in most cases. Only a small fraction of the beneficiaries reported that they had been given such cards. Thus, the figures relating to the number of registered employment seekers reported in secondary statistics do not seem to represent of the ground reality.

III. Implementation

3.9 Though the D.C. is the implementation authority, who is responsible for overall planning, coordination and implementation of EAS, yet all the EAS works have been executed through line departments in all the sample states, except West Bengal where executive officers of Blocks, Block Panchayat Samities and Village Panchayats are the nodal functionaries to execute the EAS works.

IV. Monitoring

3.10 It is envisaged that the State Level Co-ordination Committee for the Rural Development Programmes will be responsible for the overall supervision, guidance and monitoring of EAS at the state level. The state shall constitute a District Employment Assurance Scheme Committee in every district where the scheme is in operation and a Block EAS Committee in every block covered under EAS.

3.11 The information gathered on constitution of committees at different levels reveals that while majority of sample states (nine) have constituted State Level Coordination Committees, the remaining five states of Andhra Pradesh, Assam, Haryana, Karnataka and Rajasthan have not constituted such committees. At the district level, of the 28 sample districts, 10 districts (35.71%) falling in 6 states of Andhra Pradesh, Haryana, Himachal Pradesh, Madhya Pradesh, Maharashtra and Orissa have not constituted co-ordination committees. Besides, a large majority of sample blocks (62.50%) falling in 11 states of Andhra Pradesh, Assam, Bihar, Gujarat, Haryana, Himachal Pradesh, Madhya Pradesh, Maharashtra, Orissa, Rajasthan and Tamil Nadu have not constituted the co-ordination committees at the block level.

3.12 The sample survey of PEO was designed to collect information on the various financial and physical parameters being monitored at the block, district, state and central levels. It was found that the aspects (availability and utilisation of funds, mandays of employment generated, the number of assets created and under construction, etc.) being monitored do not reflect whether the objectives of the scheme are being achieved.

Chapter 3

Planning, Implementation and Monitoring

I. Organisation

For better organisation of EAS works, the guidelines on EAS have indicated specific functions to be carried out by implementation authority and implementing agencies in the district. While the District Collector is the implementation authority responsible for co-ordination of works and allocation of funds among the EAS Blocks within the district, the heads of the development departments are the implementing agencies responsible for execution of all EAS works departmentally.

3.2 It is indicated in the guidelines that the implementation authority (DC) with the assistance of Project Directors (DRDA), SDOs, BDOs, etc. would discharge the functions relating to (a) planning of works under EAS, (b) sanction of works, (c) ensuring that the employment is provided as envisaged and (d) reporting to state governments. However, the functions pertaining to (a) preparation of estimates, (b) giving technical sanction, (c) execution of works on receipt of administrative sanction from DC, (d) making payments to the labourers and (e) reporting to DC would be performed by the implementing agencies, such as; Executive Engineer (Roads and Buildings), Executive Engineer (Irrigation), Divisional Forest Officer, etc.

3.3 The qualitative information gathered on organisational set ups in sample states revealed that the existing organisational arrangements for planning, coordination and implementation of EAS works are more or less the same as indicated in the guidelines. At the state level, Department of Rural Development or Panchayati Raj is entrusted with the responsibility of over all co-ordination of the scheme. At the district level, District Collector/Deputy Commissioner/Chief Executive Officer (CEO) is the overall incharge of planning, co-ordination and implementation of EAS. District Collector/CEO is also the Chairman of DRDA and he is responsible for setting priorities and according administrative approvals for EAS projects. The funds are released by DRDA to development departments after projects are sanctioned by District Collector. Execution of works is carried out by line departments at the block/village levels.

II. Planning

3.4 At the outset, it may be mentioned that the 94th Report (April, 1987) of the Public Accounts Committee and the 30th Report of the Estimates Committee (April, 1993) on JRY expressed concern over the multiplicity of schemes under rural development and other Ministries of Centre (JRY, DPAP, DDP, MWS, IAY, IRDP, TRYSEM, DWCRA etc) and States that have been designed with rural employment generation as either the primary or secondary objective. The Committees had suggested for their convergence with a view to executing these in a co-ordinated and focussed manner. However, the Ministry decided to implement EAS as a separate wage employment generation scheme.

3.5 Planning of EAS assumes importance in identification of priority works and preparation of shelf of projects for their effective implementation. In this context, it is envisaged under the scheme that the District Collector shall be the overall incharge of the EAS as the implementation authority. It is also indicated in the guidelines on EAS that the implementation authority of each district should obtain blockwise plans for various works proposed to be taken up in the current and succeeding years from the heads of various implementing agencies by October every year. The plans should incorporate details as to whether works are continuing or new, the budget provisions are made or likely to be available, whether estimates have been prepared or are underway, the direct employment in manual labour likely to be generated in these works and arrangements for maintenance.

3.6 On the basis of these details, the District Collector has to prepare a shelf of projects of productive works pertaining to (a) blockwise works under plan/non-plan budget and (b) new works which should be

2.5.5 Similarly, from each Block, two villages covered under the EAS were selected randomly resulting in a total of 112 chosen villages.

Beneficiaries

2.5.6 10 respondent beneficiaries from each village were selected randomly. Thus, a total of 1120 beneficiaries came under final selection.

Coverage

2.6 The study constituted the following sample size:

1. States : 14
2. Districts : 2x14 28
3. Blocks : 2x28 56
4. Villages : 2x56 112
5. Beneficiaries : 10x112 1120

Reference Period

2.7 The study has covered a reference period of four years i.e. 1993-94 to 1996-97.

Orientation of the Field Teams

2.8 The study design including instruments was discussed in detail in the orientation programme conducted for the field teams in July, 1997. The study was launched in the field in September, 1997.

2.4.2 State level and district level schedules were designed to collect secondary information on aspects, like, the extent of employment, the pattern of Centre and State allocations of funds for the scheme, their disbursement in terms of wage and material cost, creation of mandays of employment and the mechanism adopted for its supervision and monitoring.

Block Level Schedule

2.4.3 This schedule was prepared with a view to collecting information on number of villages covered in a block under EAS. In addition, the information on physical and financial performance indicators at secondary levels was also collected through this schedule.

Village Level Schedule

2.4.4 The Village Level Schedule was designed to generate data on aspects, like, population, literacy, generation of employment and creation of economic infrastructure, the nature and status of works undertaken and to record the observations of the field teams on identification and registration of target group, maintenance of records, quality of assets created, supervision and monitoring of the scheme, etc.

Beneficiary Level Schedule

2.4.5 The beneficiary schedule was designed to collect primary information on the profile of beneficiary households and the impact of the scheme on their living in terms of assured days of employment, receipt of wages and the resultant change in income.

Guidepoints

2.4.6 Guidepoints were structured to help the field teams in preparing qualitative notes on the mode of selection of target group, allocation and release of funds, implementation of the scheme, maintenance of records, nature, type, quality and maintenance of assets created and the mechanism adopted for planning, organisation, co-ordination, supervision and monitoring of the scheme.

Sample Design

2.5.1 A multi-stage sampling design was adopted in the study which is as follows:

States

2.5.2 A total of 14 states were purposively selected for the study, viz; Andhra Pradesh, Assam, Bihar, Gujarat, Haryana, Himachal Pradesh, Karnataka, Madhya Pradesh, Maharashtra, Orissa, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal.

Districts

2.5.3 From each state, two districts covered under the EAS were selected randomly. As a result, a total of 28 districts were selected for the study.

Blocks

2.5.4 From each District, two Blocks covered under EAS were selected. Accordingly, a total of 56 Blocks were selected for the study.

Villages

Chapter 2

The Evaluation Study - Objectives and Methodology

At the instance of the Planning Commission, the Programme Evaluation Organisation (PEO) undertook the evaluation study on Employment Assurance Scheme (EAS) to assess the performance, the appropriateness of implementation methods adopted by the states, extent of coverage of target group for providing assured days of wage employment and the impact of EAS on the target group.

Objectives of the Evaluation Study

2.2.1 The specific objective of the evaluation study, inter alias, included the assessment/examination of the following:

- (1) The type of mechanism adopted and arrangement made for planning, co-ordination, monitoring and implementation of the scheme;
- (2) The extent to which allocations, releases and utilization of funds were made under EAS;
- (3) The extent to which the number of days of employment provided to target group;
- (4) Whether sectoral allocations were made as per the norms laid down and assessment of quality and maintenance of assets created under EAS; and

Identification of constraints in implementation of the scheme.

2.2.2 On the basis of the findings of the study, the evaluation study may suggest modifications in design and implementation of the scheme that could contribute to the improvement in performance and hence effective utilization of resources allocated to EAS. The specific objectives of the study as outlined above are in the nature of general hypotheses. Each of these could be converted into a number of empirically testable specific propositions. The results of such empirical test can help answer (a) if the mandated objectives of the scheme are being met, (b) in identifying the areas of strength/weakness and (c) in making diagnostic analysis of success and failures.

Methodology

2.3 For testing the hypotheses implicit in the aforesaid objectives, both primary and secondary data were collected through instruments structured at different levels. While the secondary data obtained through the state, district, block and village level schedules were used to assess the financial and physical performance and the adequacy of the implementation mechanism for the scheme, the primary information derived through field teams' observations and beneficiary schedules formed the basis for the assessment of the quality and maintenance of assets created, identification of target group, impact of the scheme, etc.

Instruments

2.4.1 In order to generate requisite information to address the objectives of the study, the following instruments at different levels were structured.

State and District Level Schedules

1.7 However, the indicated performance that are monitored at various levels, do not reflect the performance of some important aspects of the scheme, such as, extent of coverage of villages and target group under the scheme, mandays of employment per household, assets created, etc. In the absence of such requisite information, it is not possible to assess as to whether the objectives of the scheme have been realised. Therefore, it becomes imperative to gather the requisite information on such relevant indicators by which the performance of the scheme could be judged. To assess the performance of the scheme, generation of information at micro level is necessary which has underlined the need for conducting an evaluation study on performance of EAS. Besides, such micro studies are urgently required to justify the continuance of EAS, for which substantial amount of funds is allocated annually.

Chapter 1

Introduction

The Employment Assurance Scheme was launched on 2nd October, 1993 in 1778 identified backward blocks situated in drought prone, desert, tribal and hill areas, in which the revamped public distribution system was in operation. During 1994-95, the scheme was extended to 409 additional blocks which included the newly identified blocks under Drought Prone Areas Programme (DPAP), Desert Development Programme (DDP) and Modified Area Development Approach (MADA) having a larger concentration of tribal population. In March, 1995 the scheme was further extended to 256 blocks, of which 233 blocks were under flood prone areas of Uttar Pradesh, Bihar and Assam and 23 blocks in Jammu & Kashmir, which were covered in view of special conditions prevailing in the state. In addition, 722 non-EAS blocks previously covered under second stream of Jawahar Rozgar Yojana (JRY) were also brought under EAS during 1996-97. Subsequently, the EAS was extended to cover all the remaining rural blocks in the country by April, 1997.

Objectives of EAS

1.2 The primary objective of the Employment Assurance Scheme is to provide gainful employment during lean agricultural season in manual work to all able bodied adults in rural areas, who are in need and desirous of work, but cannot find it elsewhere. The secondary objective is the creation of economic infrastructure and community assets for sustained employment and development.

1.3 The scheme envisages to provide about 100 days of assured manual employment during the lean agricultural season, at statutory minimum wages, to all persons above the age of 18 years and below 60 years, who need and seek employment on economically productive and labour intensive social and community works. The works are to be selected by the District Collector and implemented through the line departments in such a manner that the ratio of wage to non-wage component would stand at 60:40.

1.4 The village panchayats are involved in the registration of persons seeking employment and they are required to maintain a record of job seekers under EAS. They are also required to coordinate and monitor the works. A maximum of two adults per family are to be provided employment under the scheme. The applicants, who register themselves for employment under the EAS, are normally issued family cards in which the number of days of employment are entered as and when such employment is given to them.

1.5 The EAS is a Centrally Sponsored Scheme. The scheme is demand-driven and, therefore, no fixed allocations are made for the districts/blocks. Instead, notional initial allocations are made to districts at the commencement of each year, and thereafter, depending on the demand for supplementary employment and the actual utilisation of funds, the district authorities can seek additional funds. For the purpose of initial release, the blocks have been classified under three categories i.e. category A, B, & C and Central funds to the tune of Rs. 40 lakhs, Rs. 30 lakh and Rs. 20 lakh are released in the first of the two instalments to these blocks respectively. This corresponds to the notional minimum allocation of Rs. 1 crore for A, Rs. 75 lakh for B and Rs. 50 lakh for C category block per annum including the State's matching share. The centre's share is directly released to DRDA of the concerned district and the state's matching share is to be released within a fortnight of the receipt of central release.

1.6 Since the inception of EAS in 1993-94 (i.e. October 1993) upto 1996-97, a total amount (Centre and State) of Rs.6514.5 crore has been released under the scheme, against which the total utilisation was Rs. 5278.16 crore (81.02%). As per available information from secondary sources as many as 25.90 million persons registered themselves for employment under the EAS. The scheme generated 1068.0 million mandays of employment from 1993-94 (October 1993) to 1996-97.

Fourth, **both the wage employment seekers and the users of assets need to be involved in identification of schemes/ projects that are useful and productive for the community, and would have the potential of generating sustainable and gainful employment.** The records of Patwari and Forest Guard should also be consulted for identification of target groups and projects. This is possible only if the **Gram Sabha** is vested with the responsibility of preparing the list of the wage employment seekers and the shelf of projects useful to the community.

The list of projects can then be sent to the block development office for assessing the cost and technical feasibility of the proposed schemes and for prioritization of viable projects in consultation with the **Gram Sabha**. The list of wage employment seekers and viable projects so prepared in all the villages of a block may be examined by a block level Planning Committee comprising the **Block Samiti**, BDO and the technical officers of the development administration for prioritization, phasing and co-ordination. On the basis of this prioritized list of projects and the capacity of the implementing agency, the block development office may prepare a detailed plan for examination, approval and sanction by DRDA.

For execution of projects/works in villages/blocks, **a village level committee may be constituted comprising the representatives of the beneficiaries (both wage earners and users of assets) and the Gram Panchayat members. The Committee may be called the Village Beneficiaries' Committee (VBC).** The block level implementing agency must undertake execution of the approved projects through the VBC and in close co-ordination with the Block Planning Committee.

It may be noted that the assets to be created under EAS are of durable nature and are required to be maintained properly to realise their potential of sustained employment generation. The PEO field teams noted that the assets created under EAS are not maintained properly. **The Village Beneficiaries' Committee may be vested with the responsibility of maintaining these assets, as they have a stake in keeping the assets in working condition.** For all such schemes that aim at creation of assets, a certain proportion of their annual allocation could be earmarked for maintenance of created assets. This fund may be transferred to the VBC. Alternatively, the **VBC may be empowered to collect user-charges from the direct users of assets to generate funds for maintenance.**

Though the above method of planning and implementation is suggested for EAS, it could be adopted for any Scheme for which the 'block' is the unit of planning. If this approach is adopted, it would be easier for DRDA to **give a practical shape to the idea of "convergence" of schemes with similar/related objectives, which are currently being implemented vertically.**

The above approach to planning and implementation needs to be backed by capacity building at the block and village level through training of the block level officers and members of the village and block Panchayats. They need to be sensitised about the details of various government schemes and the role that they could play in their planning and implementation. This would enable them to participate effectively and meaningfully in the "bottom-up" planning process.

Finally, the monitoring mechanism of EAS and other Centrally Sponsored Schemes needs to be strengthened. Four issues assume importance in this context. **First**, identification of suitable performance indicators for each scheme must be done, so that there is a direct correspondence between the performance indicators and the scheme objectives. **Second**, it is important to strengthen the capacity of the district and the block level implementing agencies to generate and transmit quality data on identified parameters to aid decision-making. **Third**, increasing use of information technology should be made for speedy transmission of data to the decision-making authorities for the system to be effective. **Fourth**, the State level Co-ordination Committees for implementation of Centrally Sponsored Schemes must **include representatives of the Central Ministries and Planning Commission.** The Committee should meet at least twice a year to review progress and take follow-up action. **The Planning Commission could take a lead role to reactivate these Co-ordination Committees.**

The two schemes of rural development, viz; JRY and EAS, which aim at creating employment opportunities for the rural poor, have been getting an annual outlay of about Rs. 4000 crore during the last three years, which constituted around 55-60 per cent of the approved outlay on the plan schemes of the Department of Rural Employment and Poverty Alleviation (P-143, Annex-II, Annual Report, MRAE, 1998-99). The amount of funds available for rural poverty alleviation and employment generation is substantial and can contribute significantly towards reducing rural poverty. The efficient use of such resources is, therefore, of utmost importance.

The findings of the study suggest that the objectives of generation of sustained and gainful employment, supplementing the income of the rural wage-earning class in agricultural lean seasons and improving the wellbeing of the rural poor through EAS have not been realised. Some mid-course corrections with regard to the design and implementation need to be introduced to ensure effective delivery of the intended benefits to the target group. These corrections have already been indicated in appropriate places. However, more fundamental changes in planning and implementation of EAS and other rural development schemes are required to bring about an improvement in the wellbeing of the rural poor. An outline of such changes is indicated below for consideration of planners, policy makers and implementing agencies.

The EAS is a demand driven scheme, but the method of planning and implementation adopted is "top-down" instead of "bottom-up". In most cases, there is no evidence to suggest that the implementing agencies have actually assessed the demand for wage employment at the village level and formulated suitable proposals for creation of useful community assets that have the potential for generating gainful employment on a sustained basis. In other words, **the implementation method adopted is not consistent with the intended objectives of the scheme.** Several steps that need to be taken to address this problem are indicated below:

The first and foremost task is to **make the villagers**, for whom the scheme is meant, **aware of the existence of such a scheme for them and how they could benefit from it.** Both official and non-official agencies could be mobilized for awareness generation. For example, it could be done: (a) by explaining the scheme details in a **Gram Sabha** meeting by the VLV or any government official, (b) by NGOs and (c) **by distributing pamphlets containing A-B-C of Government schemes in simple local languages to both students and teachers of middle and high schools.** This is of utmost importance not only for EAS, but also for other RD Schemes, **as the target groups are either not aware of such schemes, or do not know the details of rules and procedures for accessing the benefits of such schemes.**

Second, it has been found in the PEO survey that a **large number of villages are using the EAS funds just because such funds are made available to the villagers.** In such villages there is no local demand for the type of wage-employment being offered under EAS. As a result, a large proportion of funds goes to either capital intensive works or, to unintended beneficiaries or, both. Perhaps, the present allocation principle needs to be changed. It would be more appropriate to **make the allocation principle "demand – driven".** One way of doing so would be to prepare a list of eligible blocks on the basis of some objective criteria by making use of block level development indicators and invite specific proposals that are designed to create community assets for sustained employment generation. In other words, funds may be **sanctioned on project basis to eligible blocks. The routine allocation of funds to all blocks and each year should be done away with.**

Third, another aspect that merits serious consideration is the linkage of allocation of funds for EAS with the government's food policy. **It is worth examining if a large proportion of the wage payment under EAS could be made through the surplus food stocks with the government.** Though, as per EAS guidelines payment in kind is permissible, this is not being implemented at present. For making this implementable, the EAS guidelines may be suitably modified. **This linkage will reduce the financial allocation to EAS on the one hand, and minimize the budgetary food subsidies considerably on the other.** Apart from this, the widespread practice of getting projects implemented through contractors under EAS can be done away with.

Bengal, the beneficiaries continued to remain far below the poverty line, even with supplementary income from government wage employment schemes. Low income from EAS is primarily because of low levels of employment generation (Table 5.6).

It is important to note that the average household income of EAS beneficiaries in Haryana, Himachal Pradesh, Karnataka and Tamil Nadu is above the poverty level income, even if income from EAS and other schemes is not considered. **This implies that non-poor are also receiving benefits of EAS. This observation is further supported by the fact that a large proportion of EAS beneficiaries in some states are non-poor cultivators, non-agricultural labourers and self-employed** (See Table 7.5). **This is in violation of EAS guidelines.**

Another issue that assumes importance in assessing the impact of EAS is the **sustainability of employment and income of the beneficiaries.** It has been found **that 87.5% of the beneficiaries got employment for one out of four years of its operation (Table 7.6). Another 11% got employment for 2 years. This is consistent with the finding that all the villages of a block are not covered each year under EAS.** It may also be mentioned that the majority of EAS beneficiaries earned less than Rs. 1000/- (Table 7.7) and got less than 30 days of employment (Table 5.6) per annum, but **even this meagre benefit did not accrue to them each year.**

Paradox Explained

With the information generated through structured questionnaires in the PEO's Sample Survey, it was not possible to explain as to why a large proportion of cultivators, educated and rich people worked as wage labourers under EAS. To find a plausible explanation, it was decided to **revisit some sample blocks and have interaction with officials and beneficiaries.**

In one sample block, it was found that a village received funds under EAS, but did not have many eligible workers. In fact, the villagers get their work done primarily through migrant labourers. The muster rolls were, however, prepared in keeping with the guidelines to show that the beneficiaries of EAS were locals.

In another village, it was found that the villagers traditionally give their labour voluntarily for community works, such as maintenance of community assets. The EAS funds were shown to have been used up in such activities. In this case, while the beneficiaries were locals, all of them did not belong to the eligible category.

Another factor that explains the above paradox is the execution of EAS works through contractors whose hired labourers did not necessarily belong to the village/block where the works had been undertaken. The Muster Rolls, however, were prepared in keeping with the EAS guidelines to reflect that only locals had worked. In this process, the names of ineligible villagers also figured along with some eligible ones in the official records.

All this brings home the point that the statistics available from secondary sources (such as panchayat, block and district level records) on the identity of beneficiaries and employment generation are not always the reflection of grassroots reality.

Observations & Suggestions

The direct intervention through a number of income and employment generation schemes constitutes an important poverty alleviation strategy of the government. The relative importance of these and other major social sector schemes has gone up in the post-reform period. The share of major social sector schemes in the Central Government's plan expenditure has risen from around 19 per cent in 1990-91 to about 27-28 per cent in recent years. The plan outlay of the major rural development schemes, too, has risen and currently stands at around 14 per cent of the total plan outlay of the Centre.

- In Bihar, the unit cost of generating employment (Rs. 114 to Rs. 132) in all activities is very high, implying dominance of material cost in all activities (Table 6.4). Moreover, about **69% of available EAS fund was allocated to activities like school buildings/anganwadis which are less labour intensive and do not have the potential for sustained employment generation (Table 6.1).**
- In Gujarat, Haryana and West Bengal, the unit cost of employment generation in school buildings/anganwadis is abnormally high (Rs. 227 to Rs. 395) and **it is difficult to justify allocation of funds for such activities under any scheme whose primary objective is employment generation.**
- Though, in the above mentioned states, the major deviation from the primary objective of EAS has been observed, in many other states also a **large part of the EAS funds has been spent on activities which are less labour intensive and more capital/material intensive.**
- While the details of expenditure and asset creation were made available to the PEO field teams, there is no way that one could find out which assets were created under which scheme, as many a time, funds under different development programmes for rural areas have been pooled to create common assets. While such pooling of resources from similar government schemes should be appreciated and encouraged, the guidelines for implementation of these schemes should be made flexible to facilitate such convergence at the grassroots level without compromising with the specific objectives of the individual schemes. The maintenance of accounts/records should be so systematized and made transparent that it becomes possible to ascertain if the objectives of individual schemes have been achieved. It was also not possible to find out as to which agencies the assets created under EAS were handed over for maintenance, and whether the assets created were community or private assets. Notwithstanding these, in some states, like, Himachal Pradesh, Karnataka, Maharashtra, Rajasthan, Uttar Pradesh and Tamil Nadu some of the assets (reported to have been created under EAS) were found to be of reasonable quality by the PEO field teams.

Profile of Beneficiaries & Impact of EAS

At the all India level, **more than three fourths (78.48%) of the sample EAS beneficiaries belonged to the daily wage earning class, with agricultural wage earners constituting more than 55 per cent of EAS beneficiaries.** However, there is wide variation in the composition of the EAS beneficiaries across states. **In four states, viz; Bihar, Karnataka, Madhya Pradesh and West Bengal, the proportion of agricultural labourers is more than 75%.** In Himachal Pradesh, the principal occupation of 74% of the EAS beneficiaries was cultivation (marginal farmers). The cultivators also formed a large proportion of the EAS beneficiaries in Andhra Pradesh, Assam, Haryana and Uttar Pradesh. About 92% of the EAS beneficiaries were either landless or marginal farmers (but, not necessarily BPL).

More than half the EAS beneficiaries were illiterate and another 18% had below-primary level education. **About 7% of the beneficiaries were found to possess educational qualifications upto or above matric level. This tends to suggest that some skilled and semi-skilled workers were among the EAS beneficiaries.** This is further supported by the wide variation in the wage rates paid in some states, viz: Rs. 25-100 in Rajasthan, Rs. 22-150 in Tamil Nadu and Rs. 20-80 in Madhya Pradesh (See Table 7.4).

In some sample villages other government employment programmes were operational along with EAS. However, EAS was found to be the most dominant employment generation programme in the sample villages of almost all the states. In only five out of fourteen states, viz; Himachal Pradesh, Orissa, Rajasthan, Uttar Pradesh and West Bengal did the EAS beneficiaries receive 21% to 33% of their wage income from other government schemes (Table 7.4). However, **income from government wage employment schemes constituted only 11.55% of the total households income of the beneficiaries. In the states of Bihar, Madhya Pradesh, Maharashtra, Orissa, Rajasthan and West**

exceeded 100 days in a year. It is found to be less than 50 days in 8 states. **As per official records, the overall average for the 14 sample states works out to 62.81 days/person/year (Table 5.5).**

However, **the information gathered from the beneficiaries of EAS reveals that about 69 per cent of the beneficiaries got less than 30 days of employment in a year, and another 17% got employment between 30 and 50 days. The overall average for the 14 states works out to 31-days/year. Thus, the high rates of employment generation as reported in official statistics, are not supported by the information obtained from the beneficiaries.** In particular, the figures on employment for two states, viz; Tamil Nadu and Uttar Pradesh do not appear to be in tune with the grassroots level situation.

Why such deviations between the two sets of information occur need further investigation. Perhaps, the data on employment provided by the line departments which execute several plan schemes, are not maintained properly. In a few cases, a systematic relationship between the wage component of EAS funds and employment generation has been observed at the district and state levels. **However, the data collected by PEO at the block, village and household levels do not justify the existence of such a relationship. This inconsistency is a matter of serious concern, as the official statistics do not seem to represent the grassroots reality. There is need for strengthening the organisational capability at the district/block levels so as to improve the quality of statistics being generated. It also calls for strengthening of the monitoring mechanism at the district, state and centre levels.**

Finally, the survey data also reveal that only one eligible person was given employment for 81 per cent of the households selected in the PEO survey, as against the provision of giving employment to two persons from each family under EAS. **All this tends to suggest that the actual performance of EAS is far below its stated goal of generating sustained employment for the rural wage-earning class whose income levels drop in agricultural lean seasons.**

Asset Creation - their Quality and Maintenance

The prescribed Central norm of allocating 40 per cent of funds for watershed development and 20 per cent each for minor irrigation, link roads and buildings for schools and anganwadis was not maintained in any of the sample states while executing different activities under the scheme during 1993-94 to 1996-97. There is need for making the guidelines more flexible. It would be more appropriate to fix these limits in a way that gives some flexibility to the implementing agencies. For example, at the block level the limits may be fixed at 75% for activities that have the potential for generation of sustained employment and 25% for other activities. Further earmarking of funds specifying the limits for each activity is not warranted.

In the construction of buildings for schools and anganwadis, none of the sample states was found to have observed the prescribed norm of wage-material ratio (60:40). Only five states for link roads, four states for watershed development and five states for minor irrigation have maintained the prescribed wage expenditure ratio in the activities taken up during 1993-94 to 1996-97 (Table 6.2). This tends to suggest that the Central norm for wage material ratio of 60:40 is difficult to implement individually for each activity. Therefore, **the guidelines for EAS on wage- material ratio need to be modified suitably to indicate that the stipulated ratio need to be maintained at the block level only.** This would give some flexibility to the implementing agencies.

The cost of generating one manday of employment (Table 6.4) and the percentage distribution of EAS funds across different types of activities were computed to examine if the primary objective of the scheme was kept in view while allocating financial resources between alternate activities. Some interesting findings of the PEO study in this respect are:

which had received sufficient funds. As a result, **the effective utilization rate of EAS funds at the block level hovers around 57 per cent of their notional minimum allocations** (for both Category-I & Category-II districts/ See Section 4.14).

- Though several factors could be responsible for low utilization rates of EAS funds, **one major constraint seems to be the untimely release of funds from the Centre to the States. It was noted that 8 out of 14 (sample) states received more than 50 per cent of their allocation in the last quarter of the year. It is also interesting to note that a large number of states have reported more than 50% utilization of EAS funds during the last quarter** (Table 4.9).
- The other factors responsible for low utilization rates of EAS funds at the block level include: non-availability of the states' share in time, non-disbursal of funds according to entitlement from the districts to the blocks, non-receipt of utilisation certificates, absence of planning and the like.
- **The figures on allocation and expenditure of EAS funds at different nodes of implementation do not seem to be consistent with each other.** For the districts (Category- I) which received excess funds, **while the average utilization rate at the district level was as high as 89.9 per cent in 1996-97, about 75 per cent of the sample blocks did not get adequate funds and the blocks, on an average, could spend only 61.5 per cent of their notional minimum allocation. This inconsistency needs to be probed in greater detail, as it could mean diversion and improper use of EAS funds.** Incidentally, the CAG report (No.-3, 1997; Chapter-III) on Centrally Sponsored Schemes has noted diversion of EAS funds in their test checks of accounts.

Coverage of Villages and Target Group

The guidelines for implementation of EAS do not make it clear as to whether all the villages of a block need to be covered. The findings of the PEO study in this regard may be summarised as follows:

The average annual coverage of villages in sample blocks showed considerable variation across states, from a low of 13% in Madhya Pradesh to a maximum of 55% in Tamil Nadu during 1996-97. The overall average in the sample blocks of the 13 states selected for the study is estimated at 32% (Table 5.4).

A village once covered is not necessarily covered year after year. In fact, the implementation methods adopted by different states tend to suggest that the states are covering the villages of a block by rotation. **Only in a very small proportion (5.4%) of the covered villages of a block, did the scheme remain operational each year during the first four years (1993 to 1997).**

Except West Bengal (37%), Uttar Pradesh (35%), Gujarat (34%) and Maharashtra (32%), the coverage of the target group (agricultural labourers) in the villages covered under EAS is found to be extremely low in the remaining nine states. The overall coverage of the target group in the 13 states works out to 16%. In some states, it is as low as 5 per cent of the estimated size of the target group.

Since the annual coverage of villages of a block under EAS is about 32% and since 16% of the target group get employment in the villages covered, **the effective annual coverage of the target group in a block works out to only 5%. Except in Gujarat (16%), West Bengal (15%) and Maharashtra (11%), the effective annual coverage of the target group in the remaining 10 states works out to less than 10 per cent. In some states, it is as low as 1 to 3 per cent** (Table 5.4).

Employment Generation

The village level secondary information on employment generation maintained at the block level reveals that in two states of Tamil Nadu and Uttar Pradesh, the average days of employment per person

current and previous years, in addition to other financial indicators on which data are being routinely submitted.

- The indicators of physical progress should include: the **total number of villages, the proportion of villages covered, those covered for more than one year, the size of the target group, the number registered and proportion covered, the number of assets created and their distribution according to type and expenditure intervals.** These data may be maintained in addition to those being generated now.
- However, the maintenance of data in the aforesaid format would call for strengthening the capacity of the block and district level implementing agencies by increasing the manpower, regular skill upgradation and by making use of the information technology. **This capacity building at the district and block levels should be undertaken keeping in view not only the EAS, but also a large number of other rural development programmes currently being implemented.**
- The monitoring mechanism at the State level needs to be strengthened to oversee the implementation of the scheme. The State level Co-ordination Committees could be made more effective by including senior officers of the Ministry of Rural Areas and Employment (MRAE) and Planning Commission as members. The Committee should meet at least twice a year to review progress and take follow-up action.

Allocation & Utilization of Funds

For the purpose of release of funds, the blocks covered under EAS are categorised into A, B and C (See Sections 4.2 to 4.4). The notional minimum allocation per annum is fixed at Rs.1 crore for A-type, Rs.75 lakh for B-type and Rs. 50 lakh for C-type blocks. This allocation is scheduled to be released in two instalments. The first instalment of the Central Government's share of fund comprising Rs.40 lakh, Rs.30 lakh and Rs.20 lakh for A,B and C-type blocks respectively is scheduled to be released at the beginning of financial year, while the balance on receipt of utilization certificates. **This schedule has not been adhered and at times, even monthly releases have been resorted to.**

What is of greater importance, however, is whether the States, Districts and Blocks are getting funds according to their notional minimum allocation. An analysis of the data collected from the various nodes of the implementing agencies reveals that:

- **During 1996-97, eight (8) states out of fourteen (14) got funds in excess of their entitlement,** while the remaining six (6) got less. The extent of excess disbursement over entitlement ranged from a minimum of 5.57% in Uttar Pradesh to a maximum of 83.82% in Andhra Pradesh. The shortfall in releases ranged from 0.74% in Haryana to 53.39% in Maharashtra.
- **Sixty two (62) per cent of the sample districts (call these Category I) received EAS funds in excess of their entitlement. However, 75% of the sample blocks falling in these districts were found to have received less funds than their entitlement.** On an average, the blocks falling in the Category-I districts received only 77.19% of their entitlement in 1995-96 and 69.41% in 1996-97. The average utilization of available funds in these blocks was 89% (See Tables 4.7 and 4.8 for details).
- The districts (Category-II) which received less funds (than entitlement), released to the blocks on an average 55.73% of their entitlement. **The blocks falling in Category-II districts have shown very high utilization rates (95 to 96%).**
- **All this implies that even though the blocks have the capacity to utilize EAS funds, adequate funds are not being made available to them.** This has happened even in the districts (Category-I)

the financial and physical performance and the adequacy of the implementation mechanism, the primary data collected through field teams' observations and beneficiary schedules, formed the basis for assessing the quality of assets created, profile of the target group and impact of the scheme.

A multi-stage sample design was adopted for the study. The sample units at different stages are: States, Districts, Blocks, Villages and Beneficiary Households. The first stage sample units are the 14 states. Two districts from each state, two blocks from each district and two villages from each block were selected randomly. Finally, 10 beneficiary households from each village were selected randomly. Following the above sample design, 1120 beneficiary households, 112 villages, 56 blocks spread over 28 districts of 14 states were selected for the study.

Planning, Implementation & Monitoring

At the outset, it may be mentioned that the 94th Report (April, 1987) of the Public Accounts Committee and the 30th Report of the Estimates Committee (April, 1993) on JRY expressed concern over the multiplicity of schemes under rural development and other Ministries of Centre (JRY, DPAP, DDP, MWS, IAY, IRDP, TRYSEM, DWCRA etc) and States that **have been designed with rural employment generation as either the primary or secondary objective. The Committees had suggested for their convergence with a view to executing these in a co-ordinated and focussed manner.** However, the Ministry decided to implement EAS as a separate wage employment generation scheme.

While the guidelines for implementation give the methodology for preparation of annual action plan (for the current and succeeding years) and the shelf of projects at the district level, ***ad hocism* has been noticed in actual implementation of EAS. In most cases, there was no evidence of preparation of a shelf of projects and planning with regard to employment generation, asset creation and sectoral priorities and allocation.**

Though the list of EAS beneficiaries was available at the block/Panchayat level, proper procedure for identification and registration of the wage employment seekers is not being followed in any of the sample blocks. **Thus, the figures relating to the number of registered employment seekers reported in secondary statistics are often not the representation of the grassroots reality.**

Since no proper procedure was followed for identification and registration of employment seekers, family cards which were to be issued to those registered, were not issued in most cases. **Only a small fraction of the beneficiaries reported that they had been given such cards.**

As per guidelines, the co-ordination committees at the state, district and block levels were to be constituted by the States for guidance, supervision and monitoring the implementation of EAS. It was found that five states, viz; Andhra Pradesh, Assam, Haryana, Karnataka and Rajasthan had not constituted state level committees. It was also noted that in 35.7% of the sample districts and in 62.5% of blocks, such committees were not constituted.

The sample survey of PEO was designed to collect information on the various financial and physical parameters being monitored at the block, district, state and Centre levels. It was found that the aspects (availability and utilisation of funds, mandays of employment generated, the number of assets created and under construction, etc.) being monitored do not reflect whether the objectives of the scheme are being achieved. At different levels, **suitable indicators need to be identified for this purpose and the existing monitoring formats may be suitably modified.** On the basis of the findings of the PEO study, among other things, the following modifications may be suggested:

- At the district level, records on financial parameters should be maintained separately for A, B and C type blocks. For the district as a whole, the proforma for onward transmission of information must include: **type of blocks and their numbers, funds released (to blocks) and utilised in the**

EXECUTIVE SUMMARY

Employment Assurance Scheme

The Scheme

The Employment Assurance Scheme was launched on 2nd October, 1993 in 1778 identified backward blocks situated in drought prone, desert, tribal and hill areas where the revamped public distribution system was in operation. During 1994-95, the scheme was extended to 409 additional blocks which included the newly identified blocks under Drought Prone Areas Programme (DPAP), Desert Development Programme (DDP) and Modified Area Development Approach (MADA, having a larger concentration of tribal population). Subsequently, the scheme was extended to cover all the blocks by April 1997. The different blocks under EAS are categorised as A, B and C-type for the purpose of release of funds. This categorization, to a large extent, reflects the degree of backwardness and the relative needs for generation of wage employment in different blocks.

The primary objective of the Employment Assurance Scheme is to provide gainful employment in manual work during lean agricultural seasons to all able bodied adults in rural areas who are in need of work, but cannot find it. The secondary objective is the creation of economic infrastructure and community assets for sustained employment and development. The scheme is designed to provide upto 100 days of assured manual employment at statutory minimum wages to each wage employment seeker in rural areas, subject to a maximum of two beneficiaries from each family.

The guidelines for implementation provide for identification and preparation of a shelf of projects and detailed action plan by the DRDA in consultation with the block level officers, so that money is spent on creation of useful socio-economic infrastructure and community assets. As per guidelines for implementation, the village panchayats are required to maintain a record of persons seeking employment. They are also required to coordinate and monitor the works. The applicants who register themselves for employment under the EAS are to be issued family cards in which the number of days of employment are entered, as and when such employment is given to them.

The EAS is a Centrally Sponsored Scheme with the states' share at 20 per cent. The Central share is directly released to DRDA of the concerned district, and the states' matching share is required to be released within a fortnight of the receipt of Centre's share.

Evaluation Study

At the instance of the Planning Commission, the Programme Evaluation Organisation (PEO) undertook the evaluation study on Employment Assurance Scheme (EAS) to assess the performance, the appropriateness of implementation methods adopted by the states, the extent of coverage of target group and the impact of EAS on the beneficiaries. In addition to the aforesaid broad objectives, the study was also designed to reflect on other specific issues which, inter alia, included assessment/examination of (a) the type of mechanism adopted and arrangements made for planning, co-ordination, monitoring and implementation of the scheme, (b) the pattern of releases and the extent of utilisation of funds, (c) the number of days of employment provided to a beneficiary, (d) whether sectoral allocations were made as per the norms laid down and (e) the quality and maintenance of assets created under EAS.

Methodology

For testing the hypotheses implicit in the aforesaid objectives, both primary and secondary data were collected through structured instruments at different levels. **While the secondary data obtained through the state, district, block and village level schedules were used to assess**

- The majority of EAS beneficiaries received less than 30 days' wage employment in a year. Non-poor households were also found to have been the beneficiaries of EAS. The income from the EAS was not enough to enable the poor households to cross the poverty line. Most of the EAS beneficiaries got employment in one out of the four years of its operation.

Based on these findings, major changes in the design and implementation of EAS have been suggested. It is hoped that these findings and suggestions will be of some value to the concerned Ministry and the implementing agencies in taking suitable mid-course corrective actions and in ensuring that the intended benefits of EAS reach the target group.

The study received constant support and encouragement from Deputy Chairman, Minister of State for Planning, Statistics and Programme Implementation, Secretary and Chairman (EAC) of Planning Commission. The study was designed and conducted under the direction of Shri Amar Singh, Deputy Adviser (PEO). The efforts put in by the officers of PEO (Hqrs.) and Regional/Project Evaluation Offices under the guidance of Shri V.K.Bhatia, Joint Adviser (PEO) in completing the study deserve special mention.

The help and cooperation extended by the Officers of Union Ministry of Rural Development, the Rural Development Division of Planning Commission, National Informatics Centre (YBU) and the concerned departments and implementing agencies of the state governments at different stages of study is gratefully acknowledged.

New Delhi

(S.P.Pal)

Dated : April, 2000

Adviser (Evaluation)

PREFACE

The **Employment Assurance Scheme** was launched on 2nd October, 1993 in 1778 identified backward blocks situated in drought prone, desert, tribal and hill areas where the revamped public distribution system was in operation. Subsequently, the scheme was extended to cover all the blocks by April, 1997.

The primary objective of the Employment Assurance Scheme is to provide gainful employment in manual work during lean agricultural season to all able bodied adults in rural areas who are in need of work, but cannot find it. The secondary objective is the creation of economic infrastructure and community assets for sustained employment and development.

At the instance of the Planning Commission, the Programme Evaluation Organisation (PEO) undertook the evaluation study on Employment Assurance Scheme (EAS) to assess the performance, appropriateness of implementation methods adopted by the states, extent of coverage of target group and the impact of EAS on the beneficiaries. In addition to the aforesaid broad objectives, the study was also designed to reflect on other specific issues which, inter alia, include assessment/examination of the arrangements made for planning, coordination, monitoring and implementation, the pattern of releases, the extent of utilisation of funds, the number of days of employment provided to a beneficiary, maintenance of assets created under EAS and the like.

A multi-stage sample design was adopted to generate the required data base for the study. The sample units at different stages are: States, Districts, Blocks, Villages and Beneficiary Households. Altogether, 1120 beneficiary households, 112 villages and 56 blocks spread over 28 districts of 14 states were selected for the study.

The draft version of the report was discussed in an internal seminar in the Planning Commission. It was revealed that the paradoxical situation relating to the flow of benefits to ineligible categories could not be explained with the help of data available with the PEO's research team. It was felt necessary to revisit some sample villages and block offices to have detailed discussions with the beneficiaries and officials at different nodes of the implementing agencies to find a plausible explanation for this phenomenon. Through the revisit, the researchers could capture the processes that helped explain the paradoxical situation reasonably well. The outcome of the revisit is reported on page xi of the Executive Summary and in Chapter 5 (paras 5.18 to 5.20), Chapter 6 (6.18 & 6.19) and Chapter 7 (7.6 to 7.11 & 7.15) of the report.

The main findings of the study are :

- The provisions in the guidelines relating to the preparation of shelf of projects, identification/registration of people seeking wage employment, issuance of family cards and constitution of co-ordination committees at different levels were not adhered to in a large majority of the cases.
- The utilisation of EAS funds is extremely low. Lack of planning, untimely release of funds, both from the Centre to DRDAs and from DRDAs to blocks, and other factors, such as inability of the States to generate matching resources are the important factors that have contributed to low utilisation of EAS funds.
- The coverage of villages and the target group is extremely low. A maximum of 32% of the villages and 5% of the target group in a block are estimated to have been covered annually.
- A large part of the EAS funds has been used in activities that are less labour intensive and more capital intensive. The normative capital - labour ratio has not been generally adhered to. As a result, the cost of employment generation becomes abnormally high in a few states.

Study on Employment Assurance Scheme (EAS)

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