

### 3. WAGE EMPLOYMENT PROGRAMMES

#### A. Jawahar Gram Samridhi Yojana (JGSY)/ Jawahar Rojgar Yojana (JRY)

JRY was launched as a centrally sponsored scheme on April 1st, 1989 by merging the National Rural Employment Programme (NREP) and Rural Landless Employment Guarantee Programme (RLEGP). The main objective of the programme was the generation of additional gainful employment for unemployed and under employed men and women in rural areas through creation of rural economic infrastructure, community and social assets. The resources under the scheme were allocated to the states/UTs on the basis of proportion of rural poor in the states/UTs to the total rural poor in the country.

The programme was targetted at people living below poverty line with preference to SCs/STs and freed bonded labourers. At least 30% employment was to be provided to women under the scheme. Works under the scheme could be taken up during any part of the year as per the felt need for employment generation preferably during the lean agricultural season but could be continued thereafter as per the necessity. In the year 1993-94 the 2nd stream of JRY was introduced in 120 identified backward districts in 12 states of the country with a target of providing 90-100 days of employment per person in backward districts where there was a concentration of unemployed and underemployed persons. In addition, a 3rd stream was introduced for taking up special and innovative projects aimed at preventing migration of labourers, enhancing women's employment and undertaking special programmes through voluntary organisations for drought proofing too.

In a comprehensive restructuring of the wage employment programmes on 1.1.1996, JRY was further streamlined. In the revised strategy, the first stream of JRY was continued in the existing form but Indira Awaas Yojana (IAY) and Million Wells Scheme (MWS), which were till then the sub-schemes of JRY, were made independent schemes. The 2nd stream of JRY, which was being implemented in 120 backward districts in the country, was merged with the Employment Assurance Scheme (EAS) introduced in 1775 selected backward blocks of the country in 1993-94 in view of the similarity in these programmes. The 3rd stream of JRY with its thrust on innovative projects was continued. Accordingly, the JRY was being implemented in two parts : (i) the Jawahar Rozgar Yojana (Main Scheme), and (ii) Special and innovative Projects.

JRY had been restructured and streamlined with effect from April, 1999 and had been renamed as JGSY. The Primary objective of JGSY is the creation of demand driven village infrastructure including durable assets at the village level to enable the rural poor to increase the opportunity for sustained employment. The secondary objective is the generation of supplementary employment for the unemployed poor in the rural areas while there is no sectoral earmarking of resources under JGSY, 22.5% of the annual allocation must be spent on beneficiary schemes for scheduled castes/scheduled tribes and 3% of annual allocation is to be utilised for the creation of barrier-free infrastructure for the disabled. Another objective is to generate supplementary employment for the unemployed rural poor.

The study had evaluated the performance of JRY - one of the main scheme for wage employment with an objective to suggest viable measures for successful implementation of JGSY.

#### **(a) : Socio-economic condition of the beneficiaries :**

Out of 180 beneficiaries, 177 (98.33%) were male and only 3(1.67%) were female, 100% beneficiaries of North Bihar and Jharkhand were male and only 5.0% of the beneficiaries of Central Bihar were female. It indicated the insignificant participation of women in the scheme which was completely against the target.

45.0% beneficiaries were literate while 55.0% were illiterate. Out of 45.0% literate population,

37.2% had education below matriculation level and 7.77% had qualification of matriculation and above but below graduation level. Illiteracy level was higher in North Bihar where 76.66% of the beneficiaries were illiterate. And out of 23.34% literate population, 18.33% had only primary education, only 5.0% had matriculation and above qualification but below graduation level. Central Bihar and Jharkhand were better placed.

Out of 180 beneficiaries, 9.44% were small farmers, 3.88% were marginal farmers, 48.88% were agricultural labourers, 21.66% were non-agricultural casual labourers, 6.66% were non-agricultural self-employed, 6.66% were artisans and 2.77% were others. Agricultural labourers had taken maximum benefit of the scheme in North Bihar and Central Bihar where the proportion was 85.0% and 48.3% respectively. Non-agricultural labourers had taken the benefit of the scheme in Jharkhand where the proportion was 51.66% out of the total beneficiaries of the region.(Table 3A.1)

43.88% beneficiaries had the family size of 1-5 persons, 51.66% beneficiaries had the family size of 6-11 persons and only 4.44% beneficiaries had the family size of 12 or more. Hence only 8 (4.44%) beneficiaries belonged to combined family. Not even a single beneficiary of Jharkhand came in this category. 81(45.0%) beneficiaries belonged to SCs and 99 (55.0%) belonged to OBCs. Only 1.11% of the beneficiaries belonged to freed bonded labour category and 2.77% were assignees of surplus land. Remaining 173 (96.11%) belonged to other categories (Table-3A.2).

Only 1 beneficiary had income in between Rs. 6401-11000. 30(16.66%) had income in between Rs. 11001-16000, 109 (60.55%) in between Rs. 16001-21000, surprisingly 29(16.11%) beneficiaries had income in between Rs. 21001-32000 and 11(6.11%) beneficiaries had income above Rs. 32000. Hence, 40(22.22%) beneficiaries did not come under the purview of the scheme on the basis of their income. Not a single beneficiary of Jharkhand had income above Rs. 32000. (Table 3 A. 3)

#### **(b) Economic structure and viability of the scheme :**

118(65.5%) beneficiaries reported that the selection of works was made on the recommendation of the Gram Sabha. 27(15.0%) reported that works were selected directly by the block office, 35 (19.44%) reported that works were selected on the recommendation of influential persons including contractors.

3(1.66%) beneficiaries had received information about the JRY from V.L.W., 50 (27.77%) had received information through friends, 120 (66.66%) from contractors and 7 (3.88%) from other sources. 2(1.11%) beneficiaries were selected for the works on the recommendation of V.L.W., 12(6.66%) on the recommendation of influential persons, 162 (90.0%) on the recommendation of contractors and 4(2.22%) on the recommendation of others. Hence, dominant role of contractors were well established in all the three zones. (Table 3A. 4)

163 (90.55%) beneficiaries had opined that the selections of works were made on the felt need of the people. 120 (66.66%) had received work under the scheme due to the proximity with the contractors, 46 (25.55%) had received work by doing extra work for someone, 1(0.55%) received work by paying some money and 13(7.22%) through other sources. 35 (19.44%) beneficiaries of North Bihar had received employment through doing extra works for some one whereas the corresponding figure for Central Bihar and Jharkhand was 01 and 10. Only 16(8.88%) beneficiaries of North Bihar had received works due to the proximity of the contractors whereas the corresponding figures for central Bihar and Jharkhand were 58 and 46 respectively. Hence overall impact of influential persons and contractors was apparent. 40 (22.2%) beneficiaries had some special skill whereas 140 (77.77%) beneficiaries were unskilled. (Table 3A.5). Works Different paragraph were available within the village in case of 140 (77.77%) beneficiaries whereas outside the village in case of 40 (22.22%) beneficiaries. 144 (80.0%) beneficiaries alleged that no facilities were extended to them during the work but 28 (15.55%) beneficiaries - 23 (82.14%) from

Jharkhand and 5(17.85%) from Central Bihar reported drinking water facilities, 8(4.44%) beneficiaries of Central Bihar had received rest shelter during the work (Table 3A.6).

Works were executed by the contractors in case of all the 180 beneficiaries. Works were executed in the areas like inhabited predominantly by SCs/STs in case of 32 (17.77%) beneficiaries, concealed bonded labour in case of 3(1.66%) beneficiaries, low wage pocket area in case of 108 (60.0%) beneficiaries, and randomly selected in case of 37 (20.55%) beneficiaries. (Table 3A.7).

54 (30.0%) beneficiaries reported that wage rate under JRY was higher than local wage rate. But 83 (46.11%) reported that wage rate was at par with the local wage rate. 43 (23.88%) beneficiaries reported that the wage rate was below the local wage rate. 77 (42.77%) beneficiaries had justified their participation in JRY, even if the wages were not higher than the local wage rate on the ground of availability of JRY work in lean agricultural season/non-availability of alternative employment. 45 (25.0%) had justified on the ground of JRY works close to their homesites. Only 4 (2.22%) had participated in the JRY work due to the easy work. Only 29 (16.11%) beneficiaries had awareness about minimum wage level whereas 151 (83.88%) had no awareness. Only 2(1.11%) beneficiaries had accepted that the wages were paid to them in accordance to minimum wage act whereas 25 (13.75%) alleged that wages were not paid in accordance to the minimum wage act. 153 (85.0%) beneficiaries had no knowledge about the minimum wage level, so they were not in a position to give any opinion (Table 3A.8).

85 (47.22%) beneficiaries reported that there was difference of wages between men and women whereas 95 (52.77%) reported that there was no difference. But 116 (64.44%) beneficiaries reported that there was difference of wages between skilled and unskilled labourers whereas 64(35.55%) reported that there was no difference. 85 (47.22%) reported that the mode of payment of wage was daily. 41 (22.77%) reported that it was weekly and 54 (30.0%) reported that there was no fixed period of payment of wage. 164 (91.11%) reported that the system of payment of wage was time -bias whereas only 16 (8.88%) beneficiaries of Central Bihar reported that the system of payment of wages was piece-rated (Table 3A.9).

32(17.77%) beneficiaries had work in only one JRY scheme, 70 (38.88%) in two JRY schemes, 58 (32.2%) in three JRY schemes and 20 (11.11%) in four or more JRY schemes. 56 (31.11%) beneficiaries or their family members had been benefitted in other rural development programmes - 26 (46.24%) in IRDP and 30 (16.66%) in EAS. 124 (68.88%) beneficiaries or their family members had not taken the benefit of any rural development programme. (Table 3A.10)

18 (10.0%) beneficiaries had work less than 10 days under the JRY scheme, 27 (15.0%) in between 11-15 days, 26(14.44%) in between 16-20 days, 47 (26.11%) in between 21-30 days, 20 (11.11%) in between 31-40 days, 29 (16.11%) in between 41-60 days, 12 (6.66%) in between 41-80 days and only 01 (0.55%) above 81 days. JRY had provided only 18.8 Mandays for the beneficiaries of North-Bihar, whereas the corresponding figures for Central Bihar and Jharkhand were 38.5 Mandays and 32.2 Mandays. (Table 3A.11).

156(86.66%) beneficiaries reported that assets generated through the JRY were of durable nature, whereas 24 (13.33%) beneficiaries reported assets were of non-durable nature. 158 (87.77%) beneficiaries termed the expenditure of JRY as useful where 22 (12.22%) termed it wasteful. Out of 158 beneficiaries who termed it useful, 119 (75.31%) had termed it useful for the community as a whole, 30(18.98%) had termed it useful for the weaker sections, 3(1.66%) of Jharkhand had termed it useful only for the better-off section of society and 6 (3.22%) of the same region had termed it useful only for the vested interests. 115 (63.88%) beneficiaries opined that JRY assets had improved the production potential in the area, whereas 65 (36.11%) had opined that the assets generated through JRY had created no impact on the production

Only 58 (32.22%) beneficiaries reported that school-building activity had been taken in their areas. 5(2.77%) amongst them reported that better school conditions had improved the enrolment in the school. 12 (6.66%) from North Bihar reported that it had reduced the drop-out ratio and 10 (5.5%) claimed that it had improved the educational standard but 31(17.22%) beneficiaries reported that there was no impact of the expenditure on school-building under JRY. 122 (67.77%) beneficiaries reported that no work had been done for school building under the JRY in their areas.

Only 5 (8.33%) beneficiaries in North Bihar had opined that the creation of Panchayat Ghar under JRY had led to more interaction and communication among people. 28 (46.66%) beneficiaries - 23 (82.14%) from North Bihar and 5(17.85%) from South Bihar had opined that it had led to greater awareness among people, but 117 (65.0%) had opined that the creation of Panchayat Ghar had led to no use. 51(28.33%) termed it unuseful due to distance factor, 45(25.0%) due to location factor, 21 (11.66%) due to other reasons. 30 (16.66%) beneficiaries - 18 (60.0%) from North Bihar and 12 (40.0%) from Jharkhand termed creation of Panchayat Ghar as resource wastefulness. Hence, out of 60 beneficiaries of Jharkhand 48(80.0%) termed it for no use and remaining 12 (20.0%) termed it complete resource wastefulness. (Table 3A.13).

### (c) General Observations and Recommendations :

All the 180 beneficiaries opined that the programme was quite useful. 64(35.55%) beneficiaries reported that the programme had improved their income but marginally. 86 (47.77%) reported moderate improvement and 30 (16.66%) reported significant improvement in their income. 3(1.66%) beneficiaries under JRY reported that their income had led to improvement in nutritional needs, 15 (8.33%) reported that their income had led to improvement in education of child, 26 (14.44%) in social function, 10(5.55%) in savings, 16 (8.88%) in clothing, 18(10.0%) in better housing, 92 (51.11%) in maintaining household consumption expenditure etc. 77(42.77%) beneficiaries suggested that work should be done by the Government or any other social agencies not by the contractors. They complained about their exploitation by the contractors. 73(40.55%) beneficiaries had suggested that there must be a wide publicity about the minimum wage level provided under the act. 23 (12.77%) had given different suggestion whereas 7 (3.88%) had given no response.

Investigators of all the three zones had gathered the information that the entire works under JRY had been done through the contractors. Contractors were compelled to pay 30% of the sanctioned amount as speed money to the concerned authorities which had resulted the poor implementation of the scheme. The investigators had given the following recommendations :

- (i) effective steps should be given to curb the speed money amount,
- (ii) mass awareness campaign was essential for the programme and the present level of minimum wages under the act.
- (iii) final payment to the contractors should be made after the approval of citizens' committee constituted to monitor the scheme.

### (d) Calculation of Poverty Indices:

Head-Count ratio (H)

$$H = \frac{q}{n}, \text{ where } q = \text{No. of beneficiaries below poverty line}$$

$$n = \text{Total no. of beneficiaries}$$

$$\begin{aligned}
 &= \frac{147}{180} \\
 &= 0.82
 \end{aligned}$$

Income-Gap ratio (I),

$$I = \frac{g}{\pi \cdot q}, \text{ where } g = \sum_{i=1}^n g_i$$

where  $g = p - y_i$

$$\begin{aligned}
 &= \frac{1001100}{147 \times 21000} && p = \text{Poverty line Income,} \\
 &= 0.3242954 && Y_i = \text{Income of } i\text{-th beneficiaries.} \\
 &= 0.32
 \end{aligned}$$

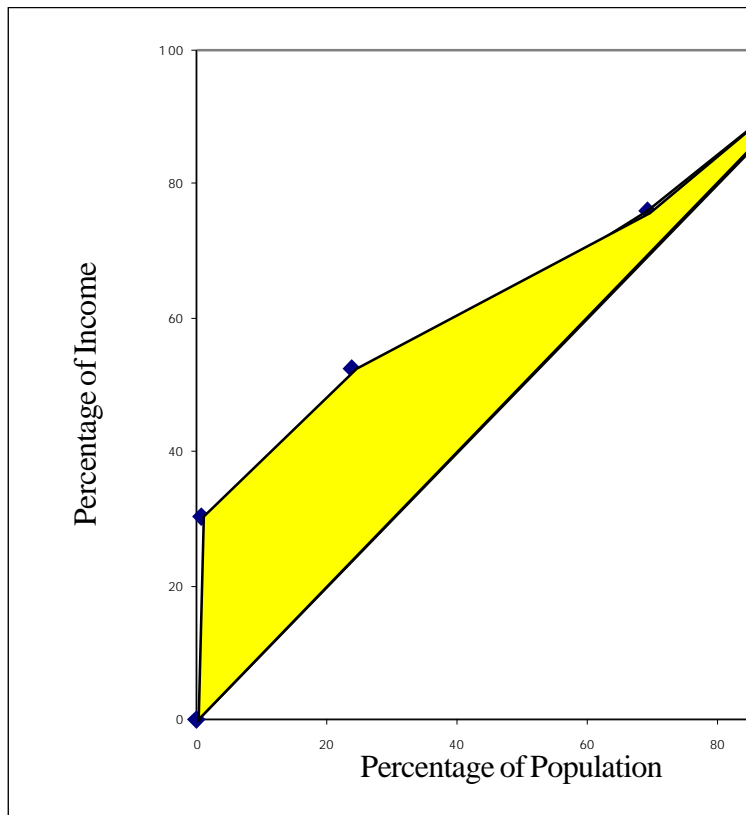
Ginni Co-efficient (G)

$$\begin{aligned}
 G &= \frac{\text{Area of shaded region in fig.3A}}{0.5} \\
 &= \frac{0.13}{0.50} = 0.26
 \end{aligned}$$

Now, Sen Index (P)

$$\begin{aligned}
 P &= H \{I + (1-I) G\} \\
 &= 0.82 \{0.32 + (1-0.32) \times 0.26\} \\
 &= 0.82 \{0.32 + 0.68\} \times 0.26\} \\
 &= 0.82 \{0.32 + 0.18\} \\
 &= 0.82 \times 0.50 \\
 &= 0.41
 \end{aligned}$$

**Fig. 3A : Income inequality for JRY beneficiaries**



Percentage of Population	Percentage of Income
0	0
0.68	30.48
23.8	52.38
69.36	76.19
100	100

The calculation of Head-Count (H) ratio shows that 82% of the beneficiaries were below poverty line. The value of income-gap (I) ratio comes out to be 0.32 which shows that most of the beneficiaries were in the upper income-slab below poverty line.

In the calculation of Sen Index the value of Gini co-efficient (G) is 0.26 which shows low degree of income disparity among the beneficiaries below poverty line. The value of Sen-Index (0.41) indicates that more beneficiaries were in the upper income-slab below poverty line, i.e., benefits are slightly skewed in favour of upper-income group below poverty line.

The Sen-Index (0.41) value gives a better picture as compared to Income gap ratio. This is due to the fact that the value of head-count ratio is much larger than the income-gap ratio.