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A Study On Employment Assurance Scheme

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Abstract
The scheme was launched on 2nd October, 1993 in 1775 identified backward blocks situated in drought prone, desert, tribal and hilly areas. Subsequently, the scheme was extended to additional blocks including 722 blocks previously covered under the second stream of JRY. The scheme was universalised to cover all the rural blocks in the country w.e.f. 1.4.1997.The main objective of the EAS is to provide about 100 days of assured casual 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 wages to non-wage component would stand60:40. A maximum of two adults per family are to be provided employment under the scheme. The EAS is a centrally sponsored demand driven scheme under which no fixed allocations are made for the districts/blocks. An initial national allocation 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 districts can request for additional funds. The study had evaluated the performance of the EAS to suggest viable measures for successful implementation of Employment Assurance Scheme

Origin

The Employment Assurance Scheme was launched on 2nd October, 1993 in 1778identified 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 categorized 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

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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 sect oral 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 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 focused 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, adhocism 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 there presentation of the

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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 in35.7% 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, man days 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 Performa for onward transmission of information must include: type of blocks and their numbers, funds released (to blocks) and utilised in the current and previous years, in addition to other financial indicator son 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 datamay 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 ayear to review progress and take follow-up action.

For the purpose of release of funds, the blocks covered under EAS are categorised into A,B and C The notional minimum allocation per annum is fixed at Rs.1crore 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 installments. The first installment 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. 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 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.

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Observation & Suggestion

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. 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 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

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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. 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

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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.

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