
UNIT 6 EMPLOYMENT ASSURANCE SCHEME (EAS)

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6.0 OBJECTIVES

After studying this unit, you should be in a position to :

- describe the need for wage employment programmes;
- identify the people and areas for which such programmes are very useful;
- critically examine the operational aspects of the programme;
- explain the funding pattern of the programme; and
- list and describe the types of works taken under the programme.

6.1 INTRODUCTION

Though JRY covered all the blocks of the country and the programme was implemented by the Gram Panchayats to ensure that all villages get the benefit of the programme, it was felt that the programme was not able to solve the problems of unemployment and underemployment, particularly in remote, difficult and backward areas where the opportunities of farm employment were very poor and the cost of living was much higher than other places due to poor accessibility and backwardness and also the minimum wages did not help improve their purchasing power as compared to the wage earners of other areas. In order to mitigate the severe poverty in such areas, the Government of India introduced Revamped Public Distribution System (RPDS) in the year 1992-93 to ensure subsidized and adequate supply of food grains to the poor. There were 1778 blocks across 261 districts in the country, identified as difficult and backward areas for RPDS. Subsequently, to intensify the poverty alleviation programme and to enhance the employment opportunities in these blocks, a new programme called *Employment Assurance Scheme* (EAS) was launched on 2nd October, 1993, covering all the 1778 blocks under RPDS. These blocks were identified mainly in DPAP, DDP, Hill and Tribal areas.

The main objective of the EAS was also on the lines of JRY, i.e. to provide gainful employment during lean agriculture season in the form of manual works to all able bodied adults who were in need and desirous of working, but unable to find anything to do. The secondary objective was to develop economic infrastructure and community assets and resources for sustained employment and development.

6.2 IMPORTANT FEATURES OF EAS

In order to operationalize the programme to achieve its objectives, initially the main features of the programme design were as follows:

- The scheme was operative in 1778 blocks of the country.
- The funding of the scheme was on an 80:20 basis between the Centre and States.
- The Central share of funding was directly released blockwise to the ZP/DRDAs based on the demand for wage employment and expenditure.
- The scheme was demand driven and therefore there was no fixed budgetary provision for the scheme.
- A maximum of two adults per family were to be provided the wage employment up to 100 days in a year. New works were not to be started if the employment potential was available through plan and non-plan works already in progress in a particular area and the assurance could be fulfilled by utilizing the same.
- The work should be labour intensive as well as result in the creation of durable and productive assets.
- An individual beneficiary project based on the lands of BPL families was allowed for horticulture development.
- The persons who desire for wage employment should get registered with the Village Development Officer or Gram Panchayat which would issue a family card for the purpose.
- When more than 10 workers demand work, new projects could be started.
- The scheme is implemented by the DRDA and other District Officers of various departments, Block Development Officers and the Panchayats at all the three levels, i.e., Zilla Panchayat, Panchayat Samiti and Gram Panchayats.
- The state level Coordination Committee for the Rural Development Programme has the responsibility for overall supervision, guidance and monitoring of EAS.

6.3 PRIORITIES UNDER EAS

The works to be taken up under this programme were similar to those of JRY, but greater emphasis was given to watershed development, waste land development and the development of other community as well as individual productive assets, especially those belonging to the SCs, STs and other poor sections of the village. The priorities for the works under EAS were as follows :

- b) Works identified on the basis of the treatment plans for water conservation, land protection, vegetative barriers, forestation, agro-horticulture, silvi - pasture, etc., under watershed development.
 - ii) Minor irrigation tanks, percolation tanks, village ponds, canal works, etc.
 - iii) Link roads selected on the basis of Master Plans prepared for districts to enhance connectivity of the villages.

- iv) Primary school buildings on the pattern of Operation Black Board as implemented under JRY.
- v) Buildings for Anganwadies.

6.4 COVERAGE AND EXTENSION OF EAS

EAS was initially started in 1778 blocks which were found to be most backward and difficult and had high concentration of the unemployed and the underemployed. The programme was expanded further to cover additional 409 blocks during 1994-95. These blocks were under DPAP/DDP and Modified Area Development Approach (MADA) having higher concentration of tribal population.

Again in March 1995 EAS was further extended to another 256 blocks (233 flood prone blocks in Uttar Pradesh, Bihar, Assam and 23 blocks of Jammu and Kashmir in view of the special conditions prevailing there). In the subsequent year, i.e. 1996, all the blocks under Intensive JRY (IJRY) were merged with EAS and as a consequence 722 blocks in 120 IJRY districts were brought under EAS.

In the year 1996, the MoRD decided to cover the entire country under EAS in two phases. Of the remaining blocks, 50 % were brought under EAS coverage during 1996-97 and as a result 1123 blocks were added under the programme in the first phase and the remaining 1121 blocks in 1997-98. At the end of the financial year 1996-97, EAS covered all the 5448 rural blocks in the country. The main features of the revised programme were as follows :

- The resources under the programme were shared by the centre and state governments in the ratio of 75 : 25.
- The central share under the programme would be released directly to the District Rural Development agencies.
- DRDAs were to release 70 % to the Panchayat Samitis and 30 % to the Zilla Parishads, to be utilized in areas affected by endemic labour exodus/ areas under distress.
- Diversion of funds from one district to another and, similarly, from one Panchayat Samiti to another was not permitted.
- The Zilla Parishad was the 'implementation authority' for the funds released to both the Zilla Parishad and the Panchayat Samiti.
- The Zilla Parishad was supposed to prepare an Annual Action Plan every year.
- All works under EAS were to be executed departmentally only by the respective implementing agencies and in no case any contractor was to be engaged for the execution of the works under the programme.
- All works started under EAS should be labour intensive with wage-material ratio of 60 : 40.
- Priority was to be accorded to the works of soil and moisture conservation, minor irrigation, rejuvenation of drinking water sources and augmentation of ground water, traditional water harvesting structures, works related to watershed schemes (not watershed development), formation of rural roads (linking villages with other villages and block head quarters) and roads linking the villages with agricultural fields, drainage works, forestry, etc.
- Zilla Parishads / Panchayat Samitis were permitted to spend up to a maximum of 15 % on maintenance of assets created under the scheme.
- The Zilla Parishad was to maintain the Employment Register for the entire district.

- Minimum equal wages fixed by the State Government should be paid in cash under the programme, both for skilled and unskilled labour.

The following construction works were not allowed under EAS:

- Buildings for religious purposes.
- Monuments, memorials, statues, idols, arc-gates or welcome gates.
- Big Bridges.
- Government office buildings, panchayat buildings and compound walls.
- Buildings for Higher Secondary Schools and Colleges.

Check Your Progress I

Note: a) Write your answer in the space provided.

b) Check your answer with the possible answer provided at the end of the unit.

- 1) Why was EAS necessary and what was its coverage when the programme was introduced?

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6.5 FUNDING PATTERN AND IMPLEMENTATION OF EAS

6.5.1 Funding Pattern of EAS

In the beginning of the programme when it covered selected blocks, there were no physical and financial targets as the programme was demand driven and therefore there was considerable flexibility in the execution of works and funding them. This trend continued till 1996, when it was decided to cover all the blocks under the programme.

After the extension of the programme to all the rural blocks of the country, however, for purposes of funding, the blocks were classified into A, B and C categories according to their backwardness, difficult conditions and population size. The central and state share of each installment for three respective categories of blocks were as follows:

- a) Rs.40 Lakhs Central share and Rs. 10 Lakhs state share for the ‘A’ category blocks ;
- b) Rs.30 Lakhs Central share and Rs. 7.50 Lakhs state share for the ‘B’ category blocks ; and
- c) Rs. 20 Lakhs Central share and Rs. 5 Lakhs state share for the ‘C’ category blocks.

The latest criterion for categorizing the blocks into these three categories was mainly population as follows :

- ‘A’ Blocks with more than 1,96,287 inhabitants;
- ‘B’ Blocks with a population between 65,585 and 1,96,286 inhabitants; and
- ‘C’ Blocks with less than 65,585 inhabitants.

6.5.2 Registration for Wage Employment

Persons who need and seek employment under the scheme were required to register themselves in the Village Panchayats where they were residing. Every family whose adult members were registered had to be provided with a family card. Employment provided to the members of the family under EAS works or under any other plan or non-plan scheme were to be noted in the family card.

6.5.3 Planning and Implementation

The District collector / Dy. Commissioner was the overall 'implementing authority' for the programme in the district. He/she was responsible for coordinating works and the allocation of funds among the RPDS blocks in the earlier stages of the programme, and later according to the categories of the blocks in the district among various implementing agencies. All implementing agencies were accountable to the DC for proper maintenance of accounts, measurement of physical works completed, details of works and accounts for all works entrusted to them under EAS.

The number of persons registered for wage employment under EAS was 4.12 crores covering all the blocks in the country till November 1998. The details of the financial and the physical achievements under EAS since its inception in 1993 up to November 1996 are outlined in Table – 6.1 below. It may be noted that except in 1998-99 and 2000-2001, the performance in terms of financial investment as a percentage of the available funds was below 75 per cent. One of the major problems in utilizing funds was the lack of projects as similar works were being executed under JRY also.

Table 6.1: Financial and Physical Performance under EAS

(Rs. in Crores)

S. No.	Year	Total Available Funds (Central + State share) including the opening balance (OB)	Total Utilization		Wage days generated (Lakh man-days)
			Amount Spent	% of Availability	
1.	1993-94	548.76	183.75	33.48	494.74
2.	1994-95	1775.26 (365.01)	1235.45	69.59	2739.56
3.	1995-96	2671.45 (539.81)	1720.61	64.41	3465.27
4.	1996-97	3383.34(959.54)	2160.41	63.85	4030.02
5.	1997-98	3425.88 (964.84)	2307.95	67.37	3816.77
6.	1998-99	3357.80 (872.66)	2819.76	83.98	4165.31
7.	1999-2000	2329.53 (581.14)	2182.60	74.99	2786.17
8.	2000-2001	2248.63 (688.74)	1861.10	82.77	2183.92

6.5.4 Watershed Development Under the Programme

As stated earlier, one of the main emphases of the programme was to develop local resources which would not only increase the employment opportunities for the poor but also create productive assets and thereby enhance production in the rural areas. Watershed development was therefore one such programme which was given priority under EAS.

6.5.5 Monitoring and Evaluation

The State Level Coordinating Committee for Rural Development had the overall responsibility for the supervision and monitoring of the programme. The states were also required to constitute district and block level EAS committees wherever the scheme was implemented earlier. Later, when all the districts and blocks were brought

under the scheme, the district and block level EAS committees were formed everywhere. At the district level the members of the EAS Committee included district level officers of all the departments concerned, prominent elected representatives, NOGs, etc. The DC was the chairman of the Committee. Similarly, the block level EAS Committee included officers of the implementing agencies at the block level, elected representatives, NGOs and the nominees of the DC. These committees were supposed to meet every month to review the progress of the on going projects, recommend/approve new projects and also the members of the committee were authorized to conduct field inspections of the works, muster rolls, payment of wages, etc., to ensure that the works were completed timely, quality of works was maintained, wages were paid according to the minimum prescribed wages and payments were made in time.

<p>Check Your Progress II</p> <p>Note: a) Write your answer in the space provided.</p> <p>b) Check your answer with the possible answer provided at the end of the unit.</p> <p>1) What was the funding pattern for the EAS.</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p>

6.6 CHANGES IN THE PROGRAMME

During the year 1999, the following changes were introduced in EAS in order to implement the scheme more vigorously. The changes were as follows:

- i) Panchayati Raj Institutions at all the three levels have been included as Implementing Agencies.
- ii) Registration of wage-seekers could be done at Gram Panchayats and work sites.
- iii) The plan of projects would be prepared as per the suggestions of Gram Sabha and Panchayats as well as other sources like line-departments, people's representatives, etc.
- iv) To bring transparency in the implementation of the programme, all states were advised to exhibit prominently the details of funds received, works sanctioned, estimated cost of works, quality of material used, number of workers engaged, etc. at the work site or the Gram Panchayat concerned.
- v) The implementing agencies were permitted to utilize the services of one person from among the beneficiary groups as an animator/leader/facilitator for the maintenance of muster rolls, payment of wages, monitoring the quality of works, etc. The accounts of the Gram Panchayats were to be open for scrutiny by the Gram Sabha.
- vi) To avoid multiplicity of committees, it was decided to merge district and block level EAS committees with the existing vigilance and monitoring committees.

6.7 IMPACT OF THE PROGRAMME

Though EAS was able to generate wage employment and create community assets, it could not achieve the desired objectives. One of the main reasons was that there was lack of planning for the identification and formulation of labour intensive works. In many cases School Buildings or Community Halls were constructed which consumed more funds for material components, but generated less employment. This was also the reason for the poor utilization of funds in many states. In some cases EAS and JRY schemes overlapped each other resulting in wastage of resources and corruption.

Though EAS funds were meant to be utilized as a last resort, things did not happen that way. A universal coverage triggered increased demand for funds from States beyond their available budgetary resources. Till March 31, 1999, the scheme was of a demand-driven nature and the better-off States grabbed a lion's share of funds, while the needy ones were left out. To rectify this, it was decided that with effect from April 1, 1999, the scheme would involve specific allocations to each State based on its level of poverty.

As to EAS impact, a study by the Programme Evaluation Organization (PEO) (2000b) found that the estimated proportion of registered job seekers who actually got any employment was as low as 25 per cent in sample villages. The average number of days of employment per person per year was less than 53 as per the official records. The information gathered from the beneficiaries, however, revealed that 69 per cent of them got less than 30 days of employment, and another 17 per cent between 30 and 50 days: the overall average for the sample states works out to 31 days.

Even in the matter of asset creation, the study found that Central norms had not been followed. For example, none of the sample states had earmarked: a) 40 per cent of funds for watershed development and b) 20 per cent for minor irrigation, link roads and buildings for schools and Anganwadies. Such assets were thought of for their potential for sustained employment generation locally.

Several lacunae had come to notice in the design and implementation of EAS. The first of these was bogus reporting. Field staff reported the figures of achievements in the manner expected of them, i.e. wage component at 60 per cent, proportion of SC/ST as well as women, etc. District Collectors who administered the scheme were under pressure to furnish utilization certificates so that the states could draw the next installment from the Centre. Money was considered to have been spent once it was allotted by district to panchayats, even when no physical expenditure had taken place. Secondly, employment generation programmes created incomes for the rural poor but left no assets behind at the individual level. Once such programmes are withdrawn, the poor would again fall below the poverty line in absence of any family-based assets. Thirdly, development of vital infrastructure like roads, water supply, electricity, schools and the like was neither labour-intensive nor did it result in assets for the use of the poor primarily. Fourthly, employment schemes provided massive funds for the construction of roads and schools. In the process villagers became (temporary) state employees in the departments concerned, and thus a continued in a state of psychological dependence and expectation from the state. Lastly, such programmes encouraged corruption, both at the political and the administrative levels.

Keeping the above in view, the EAS was merged with JRY (JGSY) in the year 2001 and is now called Sampoorna Gramin Rozgar Yojana (SGRY).

Check Your Progress III

Note: a) Write your answer in the space provided.

b) Check your answer with the possible answer provided at the end of the unit.

1) What were the new changes made in the EAS programme?

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6.8 LET US SUM UP

The EAS programme was started to help difficult and backward areas of the country. Due to various reasons, especially for political considerations, however, the programme was progressively extend to all the rural blocks of the county. Thus the intensity with which EAS was started in selected blocks was lost and with the expansion of coverage, thinning of funds was an obvious consequence. More over, the two programs JRY and EAS had the same objectives, types of works as well as implementation processes. Consequently, there was not only overlapping among works, but also considerable wastage and misuse of funds. EAS was merged with JGSY in 2001 and the programme renamed Sampoorna Gramin Rozgar Yojana (SGRY).

6.9 KEY WORDS

- Backward Areas** : Areas which are under developed and have poor infrastructure, poor resource endowment and have high concentration of poverty.
- Difficult Areas** : Remote, under developed and geographically difficult areas such as hilly, desert and tribal areas.
- Revamped Public Distribution System** : A programme under which food grains are provided in all parts of the country at subsidized rates through fair price shops.
- Silvi-pasture** : Cultivation of crops for fodder in pasture lands.

6.10 REFERENCES AND SUGGESTED READINGS

Annual Report (1992-93, 1993-94, 1994-95, 1996-97, 2001-2001), Ministry of Rural Development, Government of India, New Delhi.

Rural Statistics (1993, 1995, 1998, 2000, 2001), NIRD, Hyderabad.

Rajakutty, S., 2004, "Self and Wage Employment Programmes for Poverty Alleviation in India", *Journal of Rural Development*, Vol. 23, No. 2 (April – June, 2004).

6.11 CHECK YOUR PROGRESS – POSSIBLE ANSWERS

Check Your Progress I

- 1) In order to mitigate the severe poverty in difficult and backward areas, the Government of India introduced Revamped Public Distribution System (RPDS) to ensure subsidised and adequate supply of food-grains to the poor in the year 1992-93. There were 1778 blocks across 261 districts in the country, identified as difficult and backward areas for RPDS. Subsequently, to intensify the poverty alleviation programme and to enhance the employment opportunities in these blocks, on 2nd October, 1993, the Employment Assurance Scheme (EAS) was launched covering all the 1778 blocks under RPDS. These blocks were identified mainly in DPAP, DDP, Hill and Tribal areas.

Check Your Progress II

- 1) After the extension of the programme to all the rural blocks of the country, for the purpose of funding, the blocks were classified into A, B and C categories according to their backwardness, difficult conditions and the size of population. The Central and state shares of each installment for the three respective categories of blocks were as follows:
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 - ii) Rs. 30 Lakhs Central share and Rs. 7.50 Lakhs state share for the 'B' category blocks; and
 - iii) Rs. 20 Lakhs Central share and Rs. 5 Lakhs state share for the 'C' category blocks.

Check Your Progress III

- 1) During the year 1999, the following changes were introduced in EAS in order to implement it more vigorously. The changes were as follows:
 - i) Panchayati Raj Institutions at all the three levels have been included as Implementing Agencies.
 - ii) Registration of wage-seekers could be done at Gram Panchayats and work sites.
 - iii) The plans of projects would be prepared as per the suggestions of Gram Sabha and Panchayats as well as other sources like line-departments, people's representatives, etc.
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 - v) The implementing agencies were permitted to utilize the services of one person from among the beneficiary groups as an animator/leader/facilitator for the maintenance of muster rolls, payment of wages, monitoring the quality of works, etc. The accounts of the Gram Panchayats also were to be open for scrutiny by the Gram Sabha.
 - vi) To avoid multiplicity of committees, it was decided to merge district and block level EAS committees with the existing vigilance and monitoring committees.



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Poverty Alleviation Programmes – A
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