

Employment Guarantee Scheme and Food for Work Programme

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The Employment Guarantee Scheme (EGS) generated an employment for 3.9 lakh person years in rural Maharashtra. Thus it provided employment to 10 per cent of the 41 lakhs of workers among the weaker sections of Maharashtra. The 32nd round of National Sample Survey (NSS) too indicates that EGS offered an employment of more than 3 lakhs person years. Thus the two independent estimates more or less agree.

On an average, the EGS worker worked for 160 days a year for about Rs 3 a day. Wheat distribution on EGS, through the Food For Work (FFW) programme raised the wages to Rs 4 a day.

In spite of EGS, however, 90 per cent of the households of EGS workers lived below the poverty line. To raise them above the poverty line, EGS workers would have to be provided work for 300 days, rather than the present 160 days or so, on a wage rate of Rs 4 a day. A husband and wife totally depending on such wages could earn Rs 2,400 a year maintaining only 1.3 dependents above the poverty line, since Rs 720 a year per capita were needed for the very minimum food needs. A wage rate of Rs 6 for 300 days alone could help the couple to bear the present load of family of five, above poverty line.

The Food for Work programme in 1978-79 helped to get an increase of 33 per cent and more in the EGS earnings of the workers and was considered the greatest attraction of EGS.

WAGES have no meaning if they cannot buy the daily needs of foodgrains. The problem is solved to some extent if wages are paid partly in foodgrains. It is, therefore, natural to tag the Food For Work (FFW) Programme on the Employment Guarantee Scheme (EGS) which is meant for the poor sections of the rural society in Maharashtra. Integration of the two programmes is congenial for the success of both. It is worth assessing the size and efficiency of the EGS to judge the efficacy of the FFW programme launched in October 1978 in Maharashtra. In fact, FFW programme could be started on a large scale in this state, because EGS was already in the field. In 1978-79, 64,000 metric tons of wheat were distributed on EGS works. It is useful, therefore, to assess the success of EGS in rural Maharashtra and to find out whether it has provided adequate employment to the needy. One also needs to know whether the poor had faith in the continuity of the programme.

BACKGROUND OF EGS

Agriculture in Maharashtra was very much neglected and there was acknowledged and easily perceivable deterioration in agricultural production and productivity in most districts of the state during 1960-61 to 1971-72. On the other hand, the state, though leading in the country in industrialisation and

the urban sector, was not capable of providing adequate employment to the growing population as revealed in the census of 1971. This resulted in an additional burden on agriculture in Maharashtra of 14 per cent during 1961-71. It is worth noting that agricultural production had grown by only 0.07 per cent per annum (compound rate) during 1960-69¹ while the population had grown by 2.4 per cent per annum during 1960-69. Moreover, the per capita income which was the third highest in the country² (exceeded only by Punjab and Haryana) was in fact increasingly unevenly distributed in the state. The per capita income of the state is very misleading. It is high due only to the city of Bombay which contains 12.1 per cent of the state's population and includes 66.1 per cent of its industrial employment and 33 per cent of the tertiary sector employment. If Bombay and Thana (i.e. greater Bombay) was excluded, Maharashtra was economically as backward as many poor states of the country.

Two things, therefore, seem absolutely urgent. First, the need to bring forth the neglect and miseries of the rural poor through organised effort to attract attention of the planners and leaders. Secondly, the necessity of direct attack on poverty through guaranteed employment which had to be enmeshed with the growth strategy in the state.

The idea was to tax the rich to feed the poor through EGS, creating at the same time productive assets in the state.

LAUNCHING OF EGS

Realising the conditions in the state, the Government launched the EGS on May 1, 1972, guaranteeing thereby employment to all able-bodied adults aged 18 years and above in rural areas. They were to do unskilled manual work for scheduled wages. Thus the EGS was the first step to recognise the right to work contained in Article 41 of the Indian Constitution. The scheme, however, could not take the planned shape due to severe famine conditions till 1974. During this period a variety of other schemes, such as that for Small Farmers (SFDA), Marginal Farmers and Agricultural Labourers (MFAL), and Crash Scheme for Rural Employment (CSRE), though *ad hoc*, could help in gathering experience to launch a state-wide programme for weaker sections such as EGS. The experiences of Pilot Intensive Rural Employment Programme (PIREP) could provide guidance for implementing the EGS. In Maharashtra itself, in July 1969, Integrated Area Development Projects were functioning in only a few blocks as a pilot project, and these now were made applicable to all rural areas of the state through EGS.

TABLE 1 : NUMBER OF WORKERS FROM WEAKER SECTIONS AND NUMBER WORKING ON EGS IN VARIOUS DISTRICTS IN 1977-78

The EGS was started with vigour in Maharashtra in 1975 under the following conditions.

(1) A group of 50 persons asking for employment had to be provided work by starting a new project within an area of 5 miles radius of their location. (2) Work had to be productive, and the ratio of the expenditure on the labour component to the skilled work supervision, material, and equipment, could not be less than 60:40. (3) The EGS employment was not to affect the availability of agricultural labour at lawful minimum wages and hence the wages offered on EGS were lower than this minimum. In fact, the scheduled wage rate was Rs 3 for the work done by the average adult in 7 hours.³ (4) EGS was not to affect the labour availability to the plan or non-plan public works already started. Later, it was added that, any person demanding work had to be given work on EGS either in the taluka or in the neighbouring taluka, though the guarantee was for the district. A person demanding work had to apply in a specific form to a specific authority. This was needed more when the demand was for unemployment allowance. If he or she did not get employment, they could demand an unemployment allowance of one rupee a day. At the same time, the government policy was, by offering work, never to allow a case for demanding unemployment allowance.

RAISING OF FUNDS

In order to raise funds for EGS, the following kind of taxes were levied. The estimated funds from the taxes during 1975-76 are shown along with the kind of taxes.

	(Rs crores) 1975-76 Estimated
(1) Taxes on professions, trades, callings, employment	10.42
(2) Surcharge on sales tax for EGS ⁴	7.20
(3) Tax on urban property such as non-residential urban lands and buildings	1.30
(4) EGS surcharge on motor vehicles	0.75
(5) Surcharge on land revenue on holdings above 3.2 hectares	2.34
(6) EGS cess on irrigated holdings at 25 per hectare	3.00
Total	25.00

District	Total Number of Talukas	Number of Drought Prone Talukas	Total of Working Age Population from Weaker Section (1978)	Average Labour Attendance on EGS (1978)	Percentage of Working Age Population from Weaker Section on EGS (Nov-Oct)
Thane	13	—	158638	30513	19.2
Kolaba	14	—	104167	1919	1.8
Ratnagiri	15	—	143080	696	0.5
Nasik	13	9	188037	43200	22.9
Dhulia	10	6	174701	20626	11.8
Jalgaon	13	8	233459	9137	3.9
Ahmednagar	13	13	177484	45427	25.6
Pune	14	9	138187	12486	9.0
Satara	11	6	123388	7313	5.9
Sangli	8	6	105140	10345	9.8
Sholapur	11	11	163553	53249	32.6
Kolhapur	12	2	151465	829	0.5
Aurangabad	12	7	172334	27810	16.1
Parbhani	8	—	158585	31006	19.5
Bhir	7	6	113045	15696	13.8
Nanded	8	—	136788	12367	9.0
Osmanabad	11	5	171751	25415	14.8
Buldhana	5	2	174887	2331	1.3
Akola	6	—	222455	3974	1.8
Amravati	6	—	226249	1388	0.6
Yeatmal	5	—	218363	8616	3.9
Wardha	3	—	97655	2998	3.0
Nagpur	5	—	128708	6450	5.0
Bhandara	3	—	164395	12637	7.6
Chandrapur	6	—	239696	7276	3.0
Total	232	90	4086210	393704*	9.6

Note : * The corresponding figure for the state as a whole was given as 386,000 the Planning Department

Source : 1971 Census of India (Maharashtra), General Economic Tables and Evaluation Report of EGS of Maharashtra 1977, p 81

The state government makes a matching contribution equal to the net collection of taxes and levies every year. The net collection of taxes and levies and the matching contribution from the state government are credited to the EGS fund, to ensure that the resources raised are used for only EGS. If there is any balance, it is used for EGS in the following year.

EMPLOYMENT NEEDED UNDER EGS

The Planning Department of the state made calculations regarding the needed employment for the weaker sections which included landless labourers and the lowermost 10 per cent cultivators in rural Maharashtra. These were based on the findings of the 25th round of NSS conducted in 1970-71. The estimated unemployed mandays were 14 crores which, at the rate of Rs 3 a day, would need Rs 42 crores as wage-bill for 1974-75. With wage bill component of 60 per cent, the total expenditure on EGS could

be Rs 70 crores. The actual expenditure on EGS and mandays employment generated for various years as shown below:

Year	Expenditure (Crores of Rs)	Wage Bill	Mandays (crores)	When Distributed
1974-75	13.72		4.81	
1975-76	34.43	75 to	10.95	
1976-77	49.88	80	13.32	
1977-78	49.20	72	11.73	
1978-79	68-87		16.35	64.3

Thus a large amount of money raised and employment of about crores of mandays was generated by EGS by 1978-79. It is worth examining the employment generated in terms of unemployed population of the weaker sections of the period.

TABLE 2 : DISTRIBUTION OF PERSON-WEEKS (AGE GROUP 15-59) AND PERSON DAYS (AGE GROUP 15-59) BY CURRENT ACTIVITY STATUS CATEGORY AND SEX FOR RURAL MAHARASHTRA, STATE

(Maharashtra all subrounds combined)

Current Activity Status	Rural Estimated Number (in '00) of			
	Person Male	Weeks Female	Person Male	Days Female
total population of ages 15-59 years	702224	105268	102224	105268
total labour force	92584	65382	90070	59416
percentage of total labour force to total population of ages 15-59 years	(90.6)	(62.1)	(88.1)	(56.4)
total working	89779	62677	84519	53944
percentage of total working to total labour force	(97.0)	(95.9)	(93.8)	(90.8)
total unemployed	2805	2705	5551	5472
percentage of total unemployed to total labour force	(3.0)	(4.1)	(6.2)	(9.2)
casual labour in public works	2187	1885	1902	1524
percentage of casual labour in public works to total labour force	(2.4)	(2.9)	(2.1)	(2.6)
casual labour in other types of work :				
(i) in agriculture	19444	24404	16602	19261
(ii) in non-agriculture	4183	1956	3385	1623
(iii) total	23627	26360	19987	20884
percentage of casual labour in other types of work to total labour force :				
(i) in agriculture	(21.0)	(37.3)	(18.4)	(32.4)
(ii) in non-agriculture	(4.5)	(3.0)	(3.8)	(2.7)
(iii) total	(25.5)	(40.3)	(22.2)	(35.1)
percentage of casual labour in public works to total working	(2.4)	(3.0)	(2.3)	(2.8)

Note: Figures in parenthesis are relevant percentage figures.

Source: NSS, 32nd round July 1977-June 1978 Schedule 10: Employment and Unemployment.

ESTIMATION OF EMPLOYMENT GENERATED

The total persons, or rather mandays employed, under EGS in the state could be estimated from III-A forms available for the districts. Generally, for a project, the attendance on the last day of each fortnight was recorded in the reports, rather than the average attendance of the fortnight. This, in our view, was not proper, since it did not allow effective auditing of the wage-bill and mandays employed on EGS. The average attendance for each month was available thus from only a few sample days. Seasonal variation, the variation from month to month, was then obtained from such attendance. This attendance for 12 months was added and an average for the year obtained after dividing by 12. This was the average attendance of 'person years' on EGS. For Maharashtra state, the average attendance was 3.94 lakhs meaning that 3.94 lakhs of 'person years' were employed by EGS during 1977-78.

The relevant attendance for 25 districts of the state, the number of workers of the weaker sections in each of the districts, and the percentage taken care of thereby, are shown in

Table I. The differential level of EGS employment in the various districts, the absence of any relationship between EGS employment and the size of the weaker sections in them, are worth noting. A variety of explanations could be offered for the observed performance of EGS in the districts. A broad analysis of the findings is important in further planning the EGS. It is also useful in justifying the expenditure on EGS in various districts. For instance, a number of observations regarding the EGS performance in the districts could be noted such as that:

(1) Districts which were progressive otherwise could easily grab the funds under EGS. The backward districts could not come out with plans for EGS with the same swiftness and efficiency.

(2) More drought-prone districts ought to take advantage of such scheme. Was it happening?

(3) The more the tribal population, the more exploitation by landed farmers and hence the more the attendance on EGS.

(4) With too backward a tribal population, EGS or any scheme could

hardly attract them.

(5) If landed farmers had more influence, they could manage to hinder the EGS works in their districts; more easily so if the region was not drought-prone.

(6) If landed farmers were exploiting the landless or other weaker sections by paying them low wages, workers were attracted to the EGS.

In spite of the administrative problems arising out of the above observations, one significant achievement of EGS was the employment of about 3.9 lakh person years under EGS. It was very difficult, however, to check this number, especially without consistent records regarding EGS. There was, however, the 32nd round of NSS, providing the employment of person days and person weeks for males and females in various activities including public works in Maharashtra in the age-group 15-59 years (see Tables 2 and 3). In the rural areas of Maharashtra, in 1977-78, there were about 2.5 per cent person weeks (or person days) that were occupied in casual labour on public works.⁶ One could not know the proportion of public works under EGS in Maharashtra. As far as average rural India was concerned, 0.8 per cent person weeks (or person days) were spent on public works. In the absence of any other data, one could assume that public works other than EGS could employ 0.8 per cent weeks (or days) in rural Maharashtra. With the EGS launched in a big way, other public works could assume slightly reduced importance in Maharashtra so that EGS could provide work for about 17 per cent or even more. If there were 176 lakh persons of age 15-59 years in the state in rural areas, EGS could employ 3 lakh or more persons during 1977-78. Thus, this estimate of workers on EGS, namely, 'more than 3 lakhs', can be favourably compared with the estimate of 3.9 lakhs obtained from the EGS records. The two totally independent estimates of employment of EGS, such as '3 lakhs and more' and '3.9 lakhs' show a reasonable corroboration. It is, no doubt, a great consolation because there was no other way of checking the employment recorded in EGS documents. In other words, if the 32nd round could give a more precise estimate (like say E) of employment of EGS the discrepancy between E and 3.9 lakhs could reveal the faked employment if there was any.⁷ At the moment, however, one can console

TABLE 3 : DISTRIBUTION OF PERSON WEEKS (AGE GROUP 15-59) AND PERSON DAYS (AGE GROUP 15-59) BY CURRENT ACTIVITY STATUS CATEGORY AND SEX FOR RURAL INDIA

(India, all subrounds combined)

Current Activity Status	Rural Estimated Number (in '00) of			
	Person Male	Weeks Female	Person Male	Days Female
Total population of ages 15-59 years	1286149	1275784	1286149	1275784
Total labour force	1163234	501700	1134350	442303
Percentage of total labour force to total population of ages 15-59 years	(90.4)	(39.3)	(88.2)	(34.7)
Total working	1117976	479669	1048538	400260
Percentage of total working to total labour force	(96.1)	(95.6)	(92.4)	(90.5)
Total unemployed	45258	22031	85812	42043
Percentage of total unemployed to total labour force	(3.9)	(4.4)	(7.6)	(9.5)
Casual labour in public works	9211	4058	8112	3384
Percentage of casual labour in public works to total labour force	(0.8)	(0.8)	(0.7)	(0.8)
Casual labour in other types of work :				
(i) in agriculture	229386	149720	191975	115766
(ii) in non-agriculture	48280	17702	31926	13736
(iii) total	277666	167422	231101	129502
Percentage of casual labour in other types of work to total labour force :				
(i) in agriculture	(19.7)	(29.8)	(16.9)	(26.2)
(ii) in non-agriculture	(4.2)	(3.5)	(3.4)	(3.1)
(iii) total	(23.9)	(33.4)	(20.4)	(29.3)
Percentage of casual labour in public works to total working	(0.8)	(0.8)	(0.8)	(0.8)

Note : Figures in parenthesis are relevant percentage figures.

Source : NSS, 32nd round July 1977-June 1978 Schedule 10 : Employment and Unemployment.

TABLE A : PERCENTAGE OF UNEMPLOYED DAYS OR OF DAYS SEEKING EMPLOYMENT IN 25TH ROUND OF NSS

Period	Small Cultivators		Wage Earners	
	M	F	M	F
July-September	4.73	9.12	1.24	10.30
October-December	7.14	19.24	6.18	13.22
January-March	3.83	22.44	4.81	23.37
April-June	5.96	21.07	9.47	27.11

oneself that an appreciable impact has been made by EGS on the employment problem of the weaker sections.

The total population of the weaker sections in rural Maharashtra in 1978 was 7.99 million, 5.95 million from households of landless labourers and 2.04 million from those of 10 per cent of the smallest cultivators. If 52.04 per cent were workers among these, as in the 25th round of NSS, there were about 41 lakh (4.1 million) workers. EGS could employ about 10 per cent of them.

If the level of unemployment among the weaker sections was the same as in the 25th round of NSS given in Table A, then the person years unemployed

among the weaker sections could be roughly 5 lakh person years.

One may regard this, however, as a lower limit of the unemployment since, during the 25th round, there was no specific offer of work as under EGS. Therefore, a large number of men and women could not have reported unemployment, whereas with EGS they could grab the opportunity. Thus the employment generated by EGS namely 3.9 lakhs, was at best three-fourths of the total reported unemployment among the weaker sections. As will be seen later, half of those employed on EGS expressed their inability to get continuous work. In fact, they needed work but it was available to them for

less than 180 days of the year. In other words, the EGS had to be expanded manifold in order to take care of the unemployment among the weaker sections of rural Maharashtra, will be seen later. The current performance of EGS, however, is unprecedented. No scheme has made direct impact on the rural poor.

The total expenditure on EGS Rs 49.20 crores during 1977-78. This, 72 per cent was the wage namely, Rs 35 crores, which was earned by 3.9 lakh persons during 1977-78. Rs 35 crores of wage could distribute more than 100 million kg of wheat if for each wage bill Rs 3, one kg of wheat was offered as stipulated in government rules. So this programme was started more seriously only after October 1977, there were no data for 1977-78 FFW. For 1978-79, the reported distribution is 64,000 metric tonnes wheat.

This is the broad picture of EGS and FFW emerging from the various sources. It, no doubt, presents a broad picture of the whole scheme. The scheme, however, is not working without serious problems of supervision and shortage of transport as well as administration. There are reported problems of leakages of funds. There are also difficulties in choosing the right kinds of projects. The criterion of productiveness of the project is not properly understood, nor is it agreed upon. Productive work means any work which in the opinion of the state government, directly or indirectly, leads to increase in production the absence of which would inhibit increase in production. All the projects undertaken under EGS currently meant for betterment of agriculture through irrigation, land development etc, so that their productiveness will generate more lasting employment in the near future.

Actually, it seems that productiveness of projects need not be narrowly defined. It can be defined only in terms of progress in agriculture, which ultimately leads to better living. Better living may include betterment caused by walking on better roads, enjoying better village sanitation and public hygiene, protected water supply and so on. Such programmes will improve health standards and reduce estimated expenses on medical services. Utilization of human, animal and plant power is also a worthy programme that

TABLE B

Income Class	Upto Rs 1,500	Rs 1500-3,000	Rs 3,000 and above
Percentage of households in the present survey (1978-79)	35.5	49.5	15.0
Income class	1000	1000-2000	2000 and above
Percentage of households in the NSS 25th round (1971-71)	37.1	51.0	11.9

unskilled labour. In fact, with 100 village units⁸ it is not impossible to utilise a substantial proportion of this labour with a variety of advanced projects. The criterion of productive-ness needs to be better defined. An intelligent planning and management may include a whole range of projects, such as the above, under which to improve rural living conditions. This is in fact a plea to strengthen the EGS programme after evaluating it by removing the shortcomings rather than being critical about it as a 'dole-distributing programme'. An improved version of EGS would be an effective way for reducing poverty, as has never been used before on such a large scale.

ASSESSMENT OF EGS

Assessment of the success of EGS. Its present set-up needs a three-pronged examination such as:

- Inspection of the worthiness of the projects in terms of soundness of techniques and their productiveness.
- Identifying the leakages and losses.
- Observing the class of people working on EGS and noting the change in their financial conditions; their views on EGS also need a close scrutiny.

Among the three aspects mentioned above, it is the last one, i.e. (c), which is examined below on the basis of data collected by us through interviews.

SOCIO-ECONOMIC GROUPS ON EGS

To know the socio-economic conditions of the EGS workers there was no other way but to contact the persons working on the projects by actually visiting the projects. Thus, in 12 districts of Maharashtra, 60 projects were chosen by us for such contacts. Initially, the idea was to include one project from each of the five classes of projects in which the total works were divided in every district. But this was not always possible. As a result, 56 projects were visited by us, but not necessarily one

of each kind in a district. On each project, 15 men and 15 women were interviewed, through questionnaires.

Besides the interviews, our investigator was supposed to make notes on a variety of observations typical of the area. In one forestry project, there was rampant corruption. When our investigator started making notes on this aspect, all his papers were torn and thrown away by some persons involved in it. There were with us thus 1,544 interviews of men and women working on 56 projects. The questionnaires were canvassed among 757 women and 787 men. Of these, 5 happened to be husbands and wives, and hence ultimately 1,539 households were covered by us through 1,544 interviews collecting information on: (1) Size and composition of households; (2) Socio-economic background including caste, occupation, land holding if any, number of earners in the household, their educational level, marital status, etc; (3) Work history of the interviewed before EGS and with EGS; (4) Their income from EGS and other sources (5) The wages they get; (6) Their views on utility of EGS and relevant problems.

It was no surprise that the people actually found working on EGS really belonged to the weaker sections. About 45 per cent of them were landless labourers. The remaining included 42 per cent who had less than 5 acres of unirrigated land. Only 3.5 per cent had more than 10 acres of land. Very often, however, this land holding could produce little because of uncertain rains and irrigation conditions. There were only about 5 per cent doing non-agricultural work other than casual labour. On the whole, however, these households could more or less fit among the weaker sections arbitrarily defined in the 25th round of NSS.

It was the objective of the EGS to help the socially handicapped and downtrodden, such as the scheduled castes and scheduled tribes. Among the interviewed, 42 per cent belonged to this category. The larger their per-

centage in the districts, the larger the numbers, in which they worked on EGS.

The income distribution of the households of the interviewed could be compared with that of the weaker sections of the 25th round of NSS during 1970-71. The present survey was conducted in 1978-79. Therefore, an adjustment had to be done for price-rise during 1970-71 to 1978-79. The price indexes were available with 1960-61 as base, for agricultural labourers, for 1970-71 and 1978-79. These were respectively 192 and 316.9. The income classes were made roughly comparable for the two distributions of income, namely, that in the 25th round and the one in 1978-79. The comparable income distributions are set out in Table B.

The two income distributions presented above show that they are more or less the same. One could argue that EGS was successful in preventing further deterioration of the conditions of weaker sections in rural Maharashtra in the 8 years 1970-71 to 1978-79. If one takes into account the wheat distribution which was started after the end of October 1978, the income distribution would look much improved.

The total income of the EGS workers was available for 84 per cent of the male workers and 88 per cent of the female workers that were interviewed. The average earning of these males was Rs 817 per annum out of which 59 per cent was from EGS. The average earning of the females was Rs 607 with 73 per cent coming from EGS. If wheat was available to all EGS workers during the whole of 1978-79, their income distribution could look much improved. For instance, male and female EGS workers put together could be assumed to have two-thirds of their income (namely Rs 480) coming from EGS. With wheat distribution, each earning of Rs 3 got raised to Rs 4, because under FFW programme, 1 kg of wheat was provided for each earning of Rs 3 after deducting 30 paise from the earnings. Actually, the wheat was worth Rs 1.30 or more. Hence earning of Rs 3 increased to Rs 4. Thus two-thirds of the EGS workers' income increased by 33 per cent. In other words, the total income of the EGS workers improved by 20 per cent due to wheat distribution and thus could look superior to that of the weaker sections of 1970-71. This was the net achievement of EGS by 1978-79.

It was not possible to get the pre-

cise number of days that the persons worked on EGS. About 40 per cent of the 1,544 workers expressed that they got continuous work on EGS. Still, from their earnings it seemed that they did not get work for more than 180 days. About 48 per cent, i.e., half the EGS workers, wanted more work on EGS. The average work days on EGS for all the 1,544 workers were 160 days. Thus, among the 3.9 lakh person-years another 1.7 lakh of person-years could be willingly put in by the EGS workers.

It is a worthwhile exercise to know the level of living of the households of the EGS workers and to estimate the employment required if they were to rise above the poverty line. In 1960-61, the minimum per capita need was Rs 20⁰⁰ to attain minimum food needs in Maharashtra. If the price index of the agricultural labourer has risen from 100 of 1960-61 to 316 in 1978-79, one needed an income of at least Rs 60 per month per capita, or Rs 720 per annum in 1978-79, to have minimum needs. The per capita income of the households of the inter-

viewed, as obtained from our survey, was as follows:

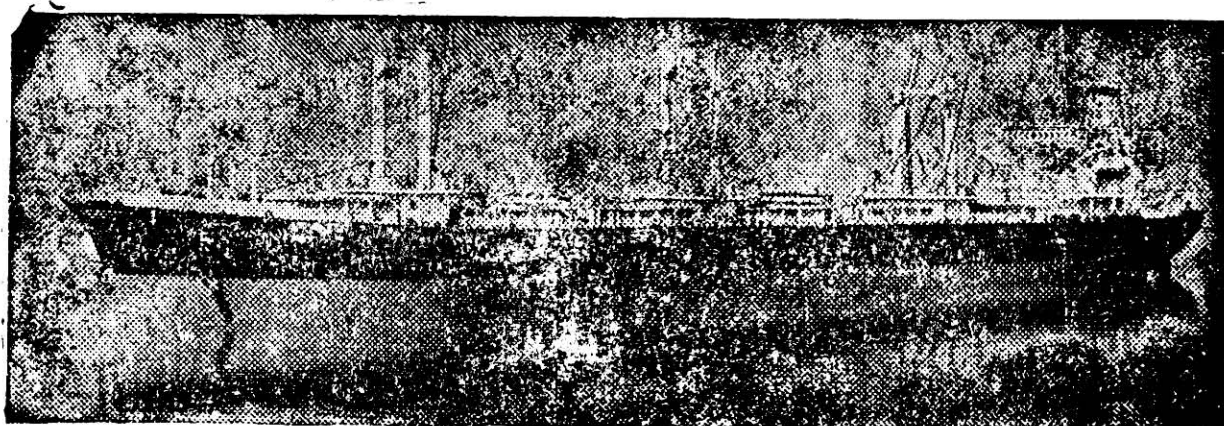
Annual Per Capita Income (Rs)	Number of Households	Percentage Distribution
upto 200	138	89.9
201 - 400	512	14.1
401 - 600	398	28.6
601 - 800	115	8.3
801 - 1000	81	5.8
1001 - 1500	37	2.7
1501 - 2000	2	0.1
Above 2000	7	0.5
Total	1390	100.0 = 1,390
Not given	149	
Total	1539	

The percentage of households having an annual income of less than Rs 720 per capita was 90 in spite of the EGS earnings. In other words, nine-tenths of the individuals working on EGS were living below poverty line! To bring them above the poverty line an additional income had to be provided to their households. The level of employment and wage rate needed to get the households above poverty line, can be ascertained, though approxima-

tely. With the present employment, 160 days a year, even a worker depending on EGS could not be above the poverty line unless he earned a day for 180 days. With Rs 3 a day a worker had to work for 240 days a year to lift himself above that. In fact, a husband and wife working for 300 days a year for Rs 4 a day could earn Rs. 2,400. With a requirement of Rs 720 per head they could only maintain $\frac{2400}{720} = 3.3$ heads

above the poverty line. In other words, the couple could not have more than 1.3 dependents to get rid of poverty. Thus one can see that all the discussion about removing poverty is meaningless without a reasonable wage rate. Similarly one can see how important a role was played by distribution of wheat in the wages paid to workers during 1978-79 to reduce poverty.

In each household of the interviewed, there were 2.8 earners on an average. Out of these, 0.8 on an average were working in sectors other than EGS while 2 worked on EGS. If the



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“INDIA STEAMSHIP HOUSE”, 21, OLD COURT HOUSE ST., CALCUTTA-1.

Males

Age-Group	14	15-19	20-29	30-39	40-49	50-59	60+	Total
1971 Census	6.0	9.3	23.0	22.9	18.1	11.9	8.8	100.0
Present Survey	2.1	10.4	36.3	23.3	18.0	8.2	1.7	100.0

Females								
1971 Census	8.6	10.8	26.3	24.2	17.0	8.7	4.4	100.0
Present Survey	5.8	18.6	32.0	24.7	14.8	3.6	0.5	100.0

as no EGS, these 2 workers per household would have hung about the village on 'nothing', keeping themselves somehow occupied. That is why a large number of the interviewed were pleased with EGS which offered them work near their village premises. Availability of wheat was the greatest attraction then. The wages paid were more or less Rs 3 a day, though they varied from Rs 2 to Rs 4. In our view, these were low for the present price index.

The number of male or female workers on EGS was more or less the same. Among the poorer classes men and women both are willing to work. There was also a general feeling earlier, before starting EGS, that women will not work on EGS. But on a number of projects visited by us, women were more in numbers than men. In fact, some women complained that they were refused work unless they brought a male worker with them. On some works the supervising engineers reported that heavy work such as digging was done by males while females worked as draft-power, and hence a specific ratio of male to female workers was needed. The interviews with women regarding their men not coming to EGS, revealed that men worked on better paying jobs while women worked on EGS.

From landless households men and women came almost in same numbers. But with even small land holdings men worked on their own farms letting their females work on EGS. There was so a feeling, sometimes, that EGS work was easy. Since there was not much of supervision. If wage rates were the same for males and females, and if males could get higher wages elsewhere, why not females work on EGS? Such was the attitude of villagers on some projects.

The age distribution of the males and females working on EGS is worth noting. This distribution is compared here with that of the general population of workers, in the 1971 census of rural Maharashtra.

From the age distributions it seems that both in the case of males and females, those who were just entering the labour force, or those who had entered it earlier, unsuccessfully, or

slightly earlier, were working on EGS. From age years 40 and up they were less prone to work on this scheme.

Thus (the socio-economic status of the EGS workers more or less conformed to what can be called 'poor' and they needed employment the most. It is worthwhile noting, however, that 'poverty' of 1978-79 was curbed by EGS.)

Notes

- Two districtwise studies were available. (1) One by Bhalla and Alagh showed that during 1962-65 to 1970-73 Maharashtra registered a decline in foodgrains output of 2.06 million tonnes, with an area decline of 8.43 lakh hectares. Further, productivity declined from 554 kg per hectare to 401 kg per hectare. Some part of the decline, however, was due to 1971-73 being exceptionally bad years in Maharashtra. (2) Another study by M P Khare, *et al*, Agro-Economic Centre, Gokhale Institute, Pune, showed that the productivity decreased by 0.16 per cent per annum during 1960-61 to 1969-70. During the same period, production increased by 0.07 per cent per annum in Maharashtra. Sources: (1) "Performance of Indian Agriculture" by G S Bhalla and Y K Alagh. (2) Report by M P Khare, *et al*, submitted to the Ministry of Agriculture, Government of India.
- Source: Report of the Finance Commission, Government of India, 1978, page 146.
- Maharashtra had been divided into zones with different levels of minimum wages. A wage of Rs 3 was the smallest among the several minimum wages in the zones.
- This could be passed on to the consumer in spite of the law. Hence articles of mass consumption, such as kerosene, edible oils, vanaspati, betelnuts, safety matches, footwear of up to Rs 15, agricultural machinery and essential raw materials were dropped from this surcharge.
- The person year here is not of 365 days but 300 days.
- The number of females available for labour force in the 32nd round was smaller than what it could be with EGS actually available nearby. The situation here could be compared with KAP studies in family planning. In KAP studies, interviewed couples express favourable attitudes as long as there is hypothetical questioning and answering. When it comes to action

couples back out. In the present employment conditions in India, exactly reverse is the case. In surveys with interviews, people do not seem to be interested in work, simply because they have lived a 'non-working culture' for ages. But with actual offer of work, they may flock for work.

- Those downgrading the EGS, occasionally argue that all the expenditure on EGS is going down the drain due to misappropriation (of EGS funds). Here is a proof that more or less 75 per cent is going to the poor though there are possibilities of further misappropriation too, by paying lower wages, etc.

With village units problems of supervision etc get serious. But the final aim should be to have labour cooperatives so that the problem of supervision will be greatly solved. In fact in Maharashtra such labour co-operatives are already formed. They have a membership of the order of 150,000. They do work under the EGS. It is possible to study EGS through the work of these co-operatives some of which have kept good records.

Source: For 1978-79, *Indian Labour Journal*, December 1979.

- "Poverty in India" by Dandekar & Rath, page 9 a publication of the Indian School of Political Economy, Lonavla, Maharashtra.

Vulcan-Laval

VULCAN-LAVAL's 1979 performance has been affected by a three-month strike at its factory. Although net sales have been only marginally lower at Rs 11.17 crores against Rs 11.34 crores, gross profit has tumbled from Rs 1.52 crores to Rs 1.19 crores. This gap at the net level has narrowed due to reduced tax liability, and profit after tax is Rs 44 lakhs (Rs 49 lakhs). Dividend has been reduced from 20 per cent to 15 per cent, but is payable on the capital enlarged by a 'rights' issue and claims more at Rs 35 lakhs (Rs 30 lakhs). The distribution is short-earned, but the directors hope that the company will turn out better results for the current year. At the end of February last, orders on hand were valued at Rs 15.7 crores as compared to Rs 9 crores a year ago. Of these, export orders were worth Rs 2.8 crores. The company has received government's approval technical collaboration with Titanium Fabricators of the UK for specialised chemical plant fabrication. The company has embarked on a programme of strengthening its research and development facilities aimed at updating the product range and modernising the production processes.