

TWELFTH REPORT
STANDING COMMITTEE ON URBAN &
RURAL DEVELOPMENT
(1994-95)
(TENTH LOK SABHA)

MINISTRY OF RURAL DEVELOPMENT—
JAWAHAR ROZGAR YOJANA



Presented to Lok Sabha on..... **20 DEC 1994**
Laid in Rajya Sabha on.....

LOK SABHA SECRETARIAT
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PART II*

Minutes of the sittings of the Committee on Urban and Rural Development held on 7th and 16th February, 3rd and 24th June and 21st November, 1994.

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INTRODUCTION

I, Chairman of the Standing Committee on Urban and Rural Development (1994-95) having been authorised by the Committee to submit the Report on their behalf, present this Twelfth Report on 'Jawahar Rozgar Yojana' of the Ministry of Rural Development.

The Yojana has been examined by the Committee under Rule 331E(1)(C) of Rules of Procedure and Conduct of Business in the Lok Sabha. In this connection, the Committee took oral evidence of the representatives of the Ministry of Rural Development on 16th February, 1994.

The Report was considered and adopted by the Committee at their sitting held on 21st November, 1994.

NEW DELHI;
November 21, 1994
Kartika 30, 1916 (Saka)

PRATAPRAO B. BHOSALE,
Chairman,
Committee on Urban &
Rural Development (1994-95).

CHAPTER I

INTRODUCTORY

1.1 Emancipation of the rural poor with the objectives of eradication of poverty and reduction of socio-economic inequalities has been one of the priority areas in the planned process of growth. Ever since the inception of Planning Commission, the policies and programmes have been designed and redesigned with this aim. It has been observed that the 'trickle down theory' based on increasing the productive employment opportunities in the process of growth itself, could not yield desired results and poverty in rural areas persisted without any concrete achievements. Hence, search for a new strategy led to the formulation of specific poverty alleviation programmes aiming at generating not only rural employment but also productive assets. It is the recognition of this reality that led to the evolution of number of programmes like the Rural Manpower Programme; Crash Scheme for Rural Employment Programme, Integrated Rural Development Programme (IRDP), National Rural Employment Programme (NREP), Rural Landless Employment Guarantee Programme (RLEGP) etc. aiming at a frontal attack on poverty in rural areas.

1.2 It has been observed that even these programmes could not solve the problem of rural poverty effectively. Targets and items of works under these programmes were prescribed without matching the local requirements and the productivity of assets. Consequently, in the year 1989, the two on-going employment programmes *viz*, NREP and RLEGP were merged which resulted into the introduction of a new scheme, namely, Jawahar Rozgar Yojana. It is a Centrally Sponsored Scheme, which is being implemented by the State Governments. People below the poverty line are the target group under the Jawahar Rozgar Yojana. It has been stated in the Annual Report (1993-94) of the Ministry of Rural Development that preference under the Yojana is to be given to the members of Scheduled Castes, Scheduled Tribes and freed bonded labourers. 30% of the employment opportunities are reserved for women. During ~~the last~~ five years of implementation, the Centre have released Rs. 12092.58 crores and the States Rs. 3015.26 crores respectively. During the year 1994-95, an amount of Rs. 3502.56 crores by the Centre and Rs. 874.36 crores by the States, have been allocated.

1.3 Considering the importance of JRY in terms of its contribution in solving the problems of low rural productivity, unemployment including under employment and regional imbalances, the Committee decided to examine the subject 'Jawahar Rozgar Yojana' and to report thereon.

CHAPTER II

OBJECTIVES AND STRATEGY UNDER JRY

2.1 Jawahar Rozgar Yojana covers all the villages of the country. People below the poverty line constitute the target group under JRY. The primary objective of this programme is to generate supplementary employment for the unemployed and under employed in rural areas. When asked about the criteria followed for identification of the intended beneficiaries, the Ministry of Rural Development have stated in its written reply that JRY is a self targeting programme which does not require identification of the beneficiaries. People below the poverty line are the target group and preference is given to the members of SCs/STs and freed bonded labour for employment. 30% of the employment opportunities are earmarked for women.

2.2 In so far as the objectives under JRY are concerned, it consists of two parts which are as under:—

Primary Objective

Generation of additional gainful employment for the unemployed and under-employed, men and women, in rural areas.

Secondary Objectives

- Creation of sustained employment by strengthening the rural economic infrastructure.
- Creating community and social assets.
- Creating assets in favour of the rural poor for their direct and continuing benefits.
- Positive impact on wage levels.
- Overall improvement in the quality of life in rural areas.

2.3 The Committee have been informed that JRY is a Centrally Sponsored Scheme. Under Jawahar Rozgar Yojana, Centre's contribution is 80% and 20% is the State's share. Resources are allocated to the States/UTs on the basis of proportion of rural poor in a State/UT to the total poor in the country as per the latest estimates of the National Sample Survey (NSS).

From the States to the districts, the allocations are made on an index of backwardness which is formulated on the following basis:

- (i) 20 per cent weightage for the proportion of agricultural labourers in the total workers in the rural areas.

- (ii) 60 per cent weightage of the proportion of rural Scheduled Castes and Scheduled Tribes population in relation to the total rural population; and
- (iii) 20 percent weightage to the inverse of agricultural productivity.

2.4 As per the initial strategy of funding under JRY programme of the total allocations at the State level 6% of the total resources are earmarked for housing under the Indira Awaas Yojana (IAY), which are allotted to the Scheduled Castes and Scheduled Tribes and freed bonded labour. In addition, 20% are earmarked for Million Wells Scheme (MWS). A maximum of 2% of JRY funds are to be spent as administrative costs inclusive of any additional staff.

2.5 It has been further stated in the Eighth Five Year Plan document that 20% of the remaining funds are retained at the district level and 80% are allocated to Village Panchayats by giving 60% weightage to SC/ST population and 40% to the total population of the village Panchayat.

2.6 When asked about the major changes made since its inception with regard to the utilisation of funds and effective functioning of JRY and its sub schemes, it has been stated by the Ministry in their written reply that JRY programme continues as the largest single programme during the Eighth Plan in the country. However, on the basis of experience gained in the implementation of JRY, some modifications have been made from the year 1993-94 in order to ensure better implementation in the subsequent years. The following major changes have been made in the Yojana:—

- (i) Seventy-five per cent of the funds allocated under JRY in a year, subject to a minimum of Rs. 2546 crores, which was the revised Budget allocation for JRY for the year 1992-93, will be utilised for the implementation of JRY throughout the country broadly on the basis of revised guidelines.
- (ii) The funds under JRY will be continued to be allocated to the States/UTs on the basis of proportion of the rural poor in a State/UT to the total rural poor in the country from the latest available poverty estimates based on the results of the latest National Sample Survey in this regard. From the State to the district, the allocation of funds would, however, be made on the index of backwardness formulated on the basis of equal weightage to the proportion of SC/ST population in a district to the total SC/ST population in the State and inverse of per capita production of agricultural workers.
- (iii) The sub-schemes of JRY viz: Million Wells Scheme (MWS), and Indira Awaas Yojana (IAY) would continue. However, earmarking of funds for MWS will be increased from existing 20% to 30% and its coverage extended to non-SC/ST poor small

and marginal farmers subject to the condition that benefits in financial terms to the non-SCs/STs do not exceed 10% of the total allocation under JRY. Similarly, earmarking of funds at the national level for construction of houses under IAY will be increased from 6% to 10% and its coverage will be extended to non-SC/ST poor people subject to the condition that financial assistance provided to non-SC/ST poor people (excluding freed bonded labourers) does not exceed 4% of the total allocation.

- (iv) Twenty per cent of the funds under JRY subject to a minimum of Rs. 700 crores will be used to implement the JRY programme more intensively in 120 districts (backward) in different States of the country where there is concentration of unemployment and under-employment. For this purpose, funds will be placed at the disposal of the concerned District Rural Development Agencies [DRDAs/Zilla Parishads (ZPs)] who may identify the pockets of unemployment and under-employment within the district for implementing intensified JRY in these pockets.
- (v) Expenditure on wage and non-wage component have been kept at the existing 60:40 ratio but the wages paid to the skilled labourers are allowed to be included under the wage-component subject to the limit of 10% of the total wage.
- (vi) 5% of the JRY funds subject to a maximum of Rs.75 crores will be earmarked for taking up special and innovative projects such as those aimed at preventing the migration of labour, enhancing women's employment special programme through voluntary organisations aimed at drought proofings as well as watershed development/wastelands development resulting in sustained employment.

2.7 The Committee find that the planning and implementation of rural poverty alleviation programmes have been defective. There has been change of strategy and multiplicity of programmes introduced from time to time but still leaving rural poverty as a major problem. The Committee are of the view that there is a need to approach the problem not in an ad-hoc manner but as an integral part of development policy. In this connection, the Committee would like to recommend that there is a need to bring a shift from the imposition of a uniform approach throughout the country to a region-based approach keeping in view the regional, demographic, ecological, socio-economic and technological variations. The role of the Ministry should be confined only to the declaration of specific objectives, allocation of financial resources and monitoring the implementation.

2.8 It has been observed that people below poverty line constitute the target group under JRY. Preference is given to members of SCs/STs, freed bonded labourers and women. The Committee would like to emphasise, in

this connection, the need for proper identification of the beneficiaries and to see that the poorest among the poor get priority under JRY. The Committee note that in pursuance of the recommendations of the Estimates Committee for proper identification of families living below the poverty line, the Ministry of Rural Development had undertaken house to house survey in respect of 27 States/UTs. The Committee, would like to recommend that the Ministry should ensure the preparation of the correct list of people at district/block level, who constitute the target group under JRY with the provision to revise the list periodically. Further, a provision should be made for issuing Identity Cards cum pass books to the beneficiaries under JRY as has been done in the case of the New Employment Assurance Scheme.

2.9 The Committee note that under JRY, funds are allocated to the village Panchayat by giving 60% weightage to the SC/ST population and 40% to the total population of the Panchayat. The Committee desire that a guideline should be issued to the concerned authorities to give due weightage to such villages also which do not have SC/ST population and to allocate funds accordingly for the benefit of the persons belonging to other categories coming under the poverty line.

2.10 Jawahar Rozgar Yojana is instrumental in raising employment opportunities and creating durable productive assets. The Committee have failed to understand the rationale behind the introduction of separate components of JRY under the first stream, namely, Million Wells Scheme and Indira Awaas Yojana, as objectives under these components *i.e.* Housing, Irrigation works can be well taken care of under the creation of durable productive assets. In this connection, the Committee fully endorse the view given in the Eighth Five Year Plan document stating that the present system of earmaking a certain quantum for Million Wells Scheme and Indira Awaas Yojana would have to be relaxed since several State Governments are not in a position to fulfil these stipulations. Taking into account the distortions and blocking up of money under various sub-schemes, the Committee recommend that the first stream under JRY programme should be simplified by converting it into a single component stream. Implementing Agencies should be given discretion to select items of works in accordance with their local needs and requirements. It will help in effective and successful coordination and implementation of the programme.

CHAPTER III

ORGANISATIONAL SET-UP

3.1 The Ministry of Rural Development is the nodal department responsible for planning, implementation, monitoring and evaluation of the programme under the Jawahar Rozgar Yojana.

At the Central level, a Committee set up in the department to provide overall guidance, lay down guidelines and undertake continuous monitoring and supervision of the implementation of the programme, whereas at the State level, the responsibility devolves upon the State Level Co-ordination Committee.

3.2 At the District level, the District Rural Development Agency/Zila Parishad (DRDA/ZP) is entrusted with the responsibility for co-ordination review, supervision and monitoring of the programme. The DRDA/ZP is accountable to the State Government for ensuring that the reports/returns in respect of works taken up for execution in the district are furnished in time. The DRDA is headed by a Project Officer, and ZP by a Chairman. They are supported by technical/administrative staff of the level of Executive Engineer etc. on the technical side and Asstt. Project Officers, Clerks, Stenographers, etc. on the administrative side. The Block level officials i.e., BDOS/Block Samiti staff help the district authorities in implementing and monitoring the programme.

3.3 At the village level, the JRY programme is to be implemented through the village panchayat. The village Panchayat would appoint a Committee for each village to oversee, supervise and monitor the works under the programme. The Committee should include at least one representative of SCs/STs. The members of the Panchayat are assisted by Village Secretary who is a Govt. official. Where village panchayats are not in existence, their share of funds would be passed on to the concerned block/block samiti which would be responsible for implementing the programme. Technical supervision of work is the responsibility of the block agencies/DRDAs.

3.4 To a question as to whether the amount of 2% of the annual allocation for administrative contingencies inclusive of additional staff at any level of administration (State/District/Block/Village Panchayats) including travel costs for purposes of inspection is sufficient, it was stated by the Secretary of the Ministry:—

“Even one percent addition in the prescribed limit would be very useful in order to strengthen implementing agencies of the States. It is

a very useful suggestion. The collectors also need the services of Deputy Engineers. Under JRY, these are muster roll works not contract works, where poor people are working. They must be intensively supervised. In the erstwhile block agencies, there were two or three engineering supervisors. In some States, even two or three are not available while there is a need to strengthen engineering intervention at the supervisory, estimation and preparation levels”

He further stated:—

“In all the states except Maharashtra, Gujarat, Karnataka and West Bengal, the Collectors are the Chief Executive officers, who are the Chairmen of DRDA and they are the Chairmen of programmes like JRY, IRDP. They are supported by the Project Directors etc. In sense, we have overloaded the Collectors in the absence of very responsive popular Panchayat Raj institutions. Our institutional mechanisms have not developed.”

3.5 In so far as the Plan of Action is concerned, it has been observed that technical expertise is not adequately available, which has resulted into faulty estimates of cost norms in regard to items of works under JRY and poor quality of assets created under JRY. The JRY guidelines, in this connection, are quite clear and it has been stipulated that in order to facilitate the technical scrutiny of the Plan of Action of the Village Panchayats, the authorities at the Block Samiti/District level should prepare and approve the standard designs and cost estimates of items of works which are generally taken up by the Panchayats. The Department, in this regard, have also laid emphasis from time to time and special attention of all the State Governments/UT Admns. has been drawn to the above-mentioned requirement and for making the services of the technically qualified personnel available for providing technical inputs to the Action Plans of the Village Panchayats.

3.6 It has been stated in the Annual Plan 1992-93 that a maximum of Rs. 50,000/-can be spent by the DRDAs/ZPs in order to meet the training expenses of the concerned officials/non-officials who are involved in the implementation of the programme at the various levels. With a view to ensure proper representation of the non-officials in these training programmes, it has been further stipulated that at least 50% of the above amount should be spent on the training of the non-officials.

3.7 The Secretary of Ministry of Rural Development also agreed with the opinion of the Committee during the evidence that the Consultative Committees in villages are not aware of the council for Advancement of People's action and Rural technology (CAPART) which has a significant role in promoting variety of activities *i.e.* transfer of technology, development of markets for products of rural enterprises etc., while there is a need to improve technical competence.

3.8 Keeping in mind the objectives of JRY, it is understood that the selection of investment projects should be guided by the need to use technologies which have the potential to absorb the mass of rural poor. Products involving labour-intensive techniques should be given priority.

Specific skills among the personnel in preparing development plans, formulation of standard designs and cost estimates, monitoring the performance etc. are the essence of JRY programme since creation of durable productive assets is one of its main aims. A continuous training programme for officials, non-officials and workers is required to be planned from the outset. It should be both at location-specific level as well as in the existing institutions like CAPART, National Institute of Rural Development (NIRD) etc.

The Committee are distressed to note that most of the villages are not even aware of the Council for Advancement of People's Action and Rural Technology (CAPART) which aims at promoting variety of activities of transfer of technology, imparting technical training, development of markets for products of rural enterprises etc. The Committee are of the opinion that there is a need to improve technical competence so as to ensure standard design, economical cost norms, increase in productivity and diversification of activities for generation of more employment avenues and income etc. Further, the Selection of appropriate technology also has a crucial role under JRY. It is, therefore, recommended that immediate steps should be taken in order to strengthen the extension services throughout the rural areas and to impart technical knowledge. In addition to providing necessary increase in funds, the need is to have more effective coordination with the related Ministries/Departments and institutions, depending upon the kind of work undertaken. Furthermore, financial assistance to the institutions like CAPART should also be enhanced in order to exploit the potential of voluntary organisations, of which CAPART is the apex body. The Committee expect that the CAPART would give equal and fair treatment to all the rural areas.

3.9 The Committee have been apprised that the collectors are the chief Executive officers—who are the chairmen DRDA. The Committee desire that the collector should not be overburdened with the work of JRY. The Committee would like to recommend that at DRDA level, a separate officer of equal rank other than the Collector should be solely assigned the task of implementation of JRY.

3.10 The Committee desire that in order to ensure public awareness and people's participation, a guideline should be issued to the implementing agencies at the District/Block level directing them to bring out a monthly publication on JRY containing details about the allocation of funds, the expenditure incurred, the targets fixed and the achievements there against in each village.

CHAPTER IV

NATURE OF WORKS UNDER JAWAHAR ROZGAR YOJANA

4.1 Jawahar Rozgar Yojana have contemplated an increase of productivity through a multi-pronged attack on the problem of rural Poverty which will facilitate not only the improvement in the quality of life of rural poor but also the development of villages through the creation of durable and productive assets. It aims at achieving growth with social justice and providing gainful employment to the rural poor through a well designed plan of development of local resource Potential and productivity with special emphasis to individual as well as community-oriented schemes.

Preparation of Action Plan

4.2 It has been stated in the Annual Report of the Ministry of Rural Development for the year 1993-94 that before the beginning of the financial year, every DRDA/Zila Parishad is required to prepare the Annual Action Plan equivalent to 125% of its share of funds allocated in the preceding year. No work can be taken up unless it forms part of the Annual Action Plan. While preparing the Annual Action Plan, completion of incomplete works is to be given priority over new ones. No work is to be taken up by the DRDA/Zila Parishad which cannot be completed within two financial years.

4.3 It has been further stated that all Plans for development are required to be discussed at the Gram Panchayat meeting. While preparing the work Plan, care has to be taken to safeguard the interests of the weaker sections in the village and top priority is given to the works benefiting SCs/STs, women and other weaker sections of the village society.

4.4 As regards the earmarking of funds at District level, the DRDA/Zila Parishad share of funds is utilised for different sectoral programmes as under:

(a) Economically Productive assets	35%
(b) Social Forestry	25%
(c) Individual Beneficiary Scheme for Scheduled Castes/Scheduled Tribes	22.5%
(d) Other works including roads and buildings	17.5%

4.5 There is no sectoral earmarking of resources at the village Panchayat level except that 22.5% of the annual allocation must be spent on items of work which directly benefit Scheduled Castes/Scheduled Tribes. The diversion of funds meant for SCs/STs is not permissible.

Illustrative List of Works

4.6 Under JRY, all works which result in creation of durable productive assets can be taken up. Higher priority is to be given to works which are required for infrastructure to implement other poverty alleviation programmes like DDP, DPAP, DWCRA and IRDP and construction of primary school buildings in those revenue villages which have primary schools without buildings. Items of work for which JRY resources can be used include as follows:

- (i) Social forestry works on Government and community lands belonging to Panchayats etc. involving planting of fuel, fodder and fruit trees.
- (ii) Soil and water conservation works.
- (iii) Minor irrigation works, construction of village tanks, irrigation wells etc.
- (iv) Flood protection, drainage and water logging works.
- (v) Construction of institutional sanitary latrines and institutional rural sanitation works like drains/soakage pits near hand pumps etc.
- (vi) Construction of rural roads.
- (vii) Land development and reclamation of wasteland or degraded land with special emphasis on ecological improvement.
- (viii) Construction of community work sheds for target group beneficiaries, Community Centre, Panchayat Ghars, Market Yards, Creches, Anganwadis etc.
- (ix) Irrigation wells and fields channels on individual holdings of members of SC/ST and allottees of ceiling surplus land, bhoodan land and Government lands.
- (x) Construction of houses for individual members of SC/ST and freed bonded labourers.

4.7 When asked whether the civic problems of villages are given priority in so far as creation of assets is concerned it was stated by the representative of the Ministry of Rural Development:

“Bulk of assets have gone towards village roads, village drainage, community buildings, sanitation etc. All these have been a long neglected areas. Now States are moving towards common property land, environment, hygiene, roads, etc.”

4.8 When asked about the growing tendency followed as in the case of Maharashtra, where funds under JRY scheme are being utilised for setting up shopping centres and commercial complexes, it was stated by the representative of the Ministry:

“Ministry is not aware of such shopping centres, commercial markets coming up with JRY funds.”

The Committee insisted on its observation and asked the Ministry to prohibit the same and stressed that such works should be given priority which create sustained employment and provide civic amenities to rural poor.

4.9 As regards the observation of the Committee in connection with the low priority given to social forestry, minor irrigation projects, ecological & watershed materialized development under JRY, it was stated by the representative of the Ministry:

“I agree that social forestry is not being given great priority by many Panchayats for example Karnataka and Maharashtra. As regards watershed development we are trying to add this to the list of works under JRY. Moreover, we are thinking of introducing Agrihorticulture and to make grass land or plantation as a part of watershed development. I will do my best to see that it is implemented by the involvement of packages and by proper funding.”

Incomplete Works

4.10 It has been stated in the Annual Plan (1992-93) that works may be taken up for execution any time during the year whenever the need for employment generation is felt. They should preferably be started during the lean agricultural season and if required, may continue during the busy agricultural period too.

4.11 It has been stated in the Annual Report of the Ministry that while preparing the Annual Action Plan, completion of incomplete works is to be given priority over new ones. No work is to be taken up by the DRDA/ Zila Parishad which cannot be completed within two financial years. As regards the problem of incomplete works, it was stated by the Secretary:

“This is one of the planning problems which we are envisaging. We should not leave the work incomplete.”

Maintenance of Assets

4.12 It has been noticed by the Committee that most of the assets created under JRY are not being maintained. As per the present arrangement, the assets created under the *Yojana* are required to be taken over by the concerned regular departments of the State Government for maintenance. The village Panchayat is permitted to spend upto a maximum of 10% on maintenance of the public assets within its Geographical boundary. The assets on which funds earmarked for maintenance can be spent are as under:

- (a) Assets created under erstwhile programmes of NREP/RLEGP and JRY which have not been taken over by the State Government or a local body;
- (b) Any public assets, the responsibility of maintenance of which is that of the village Panchayat; and

(c) Any public asset which is required to be maintained by any other agency and which makes a written request to a Panchayat for helping it with resources for maintenance on the ground of lack of resources. This, however, is an enabling provision to tackle the situation of extreme emergency and should be resorted to very sparingly.

4.13 As regards the need to increase funds for maintenance of public assets, the Secretary of the Ministry of Rural Development Stated:

“The maintenance, repair of durable assets is not a charge that comes under planning. If we make a mess of non-plan and go on providing for repairing under the plans, main objectives of the programme will remain neglected. If we open that window, not only Rs. 3,000 crores, even double that amount would go towards the repair and maintenance of the assets. The concerned Departments must find the money for this purpose and should not come to us because our Department is concerned with planning only.”

4.14 The Committee note that in creation of assets, such works which have the potential of fulfilling the objectives of Jawahar Rozgar Yojana e.g. animal husbandry, dairying and poultry farming, fishery, sericulture, small and cottage industries etc. have been neglected. These areas provide not only enormous opportunities for both wage employment and self-employment but they also have a high growth potential. The Committee would like to recommend that instead of imposing a fixed list of works, the Ministry should give free hand to the District/Block level authorities in so far as the selection of works is concerned. It will open up new vistas of works depending upon regional and local requirements.

4.15 The Committee have noticed that the selection process of works to be undertaken for creation of productive assets under JRY is improper and uneven resulting into low priority given to social forestry, land reclamation, minor irrigation projects, watershed development, pasture and grassland development, civic amenities and infrastructural development etc.

The Committee are of the opinion that prioritization of types of works depending upon the long term impact of the assets on employment, economy and quality of life in rural areas should have been incorporated in the programme. In this connection, the Committee would like to recommend that broad policy guidelines should be issued by the Ministry as regards the aspect of preference to be followed in creation of assets. Keeping in mind the regional and local requirements, village Panchayats should give first priority to those works which are economically and environmentally sustainable e.g. social forestry, reclamation of land, small scale and cottage industries, plantation, minor irrigation projects, water supply, dairying, drainage etc. Second priority should be given to such assets which are not directly productive but promote development in a region e.g. roads, market centres etc. Improvement of quality of life of rural poor by making them

available school buildings e.g. Primary and High Schools, residential houses, Community Centres, Panchayat Ghars etc. should be accorded the last priority.

4.16 It is clearly mentioned in the Annual Action Plan that completion of incomplete works is to be given priority over new ones. The Committee are perturbed to note that this aspect has not been given due attention. The Committee would like to recommend that the provision for giving priority to the completion of spill over works should be made a mandatory provision. The Committee would also like to recommend that funds under JRY should be released for at least two financial years at a stretch in order to facilitate village Panchayats to have proper planning as regards the works to be undertaken. Further, the criteria for allocation of funds to the villages should take into account the nature of works to be undertaken for the ensuing year.

4.17 The Committee note that most of the assets created under the Yojana are taken over by the concerned regular departments of the State Government and are to be maintained by those Departments through their normal budget grants. It goes without saying that the durable assets already created under JRY should be preserved, protected and strengthened. The Committee would like the Ministry to ensure that the assets created under JRY are properly maintained. Adequate funds should be made available for the purpose.

CHAPTER V

WAGE COMPONENT UNDER JRY

5.1 Jawahar Rozgar Yojana is one of such programmes which aims at providing opportunities for both wage employment and self employment visualising the fast increasing labour force in rural areas. The objective of generation of additional gainful employment for the unemployed and underemployed, men and women, in rural areas is designed to enhance the purchasing power of rural workers. The employment offered has to result in a reasonable gain to the worker not the nominal one.

5.2 It has been stated in the Annual Report of the Ministry of Rural Development that wages under JRY are paid at the rate notified for the prescribed Schedule of employment under the Minimum Wages Act for the relevant works and may be paid partly in foodgrains and partly in cash. The rate of distribution of foodgrains has been prescribed at 2 kg. per manday. However, the payment of wages in foodgrains has been made optional from September, 1993 depending upon the price in the open market, payment of wages has to be made on a fixed day of the week and should not be delayed by more than a week except at the option of workers and in the latter case for not more than 15 days.

5.3 For the categories of employment for which Minimum Wages has not been notified under the Minimum Wages Act, till rates at which payment for similar categories of employment is being made by the State Government Departments such as Rural Engineering, PWD, Irrigation, Forest, Agriculture etc.

Wage-Non-wage Ratio

5.4 While utilising the funds for providing infrastructure support to poverty alleviation programmes, 60:40 ratio between wage and material component is to be maintained. In case of need for supplementary funds for material component, it may be provided by dovetailing resources available from other relevant Government Plan/non-Plan programmes. The supplementary material component may also be provided by dovetailing funds, drawing on panchayat funds, cooperatives, other public bodies and community contribution.

5.5 Expenditure on non-wage components comprises of the cost of materials, administrative and supervisory expenses, cost of handling and transportation of materials and foodgrains, cost of equipments, wages of workers other than unskilled workers etc.

5.6 It has been revealed by various evaluation studies including the preliminary report prepared by the Administrative Intelligence Division of the Ministry of Rural Development that there was a wide gap in the wages of male and female unskilled workers in the States of Assam, Bihar, Punjab, U.P., Kerala, Andhra Pradesh etc. One of the glaring examples is that of Punjab where the difference of wages paid to male and female is of Rs. 21 and next comes Bihar, where the male and female wage rates have been fixed at Rs. 23.58 and Rs. 10.60.

5.7 Even after averaging the wage rates for male and female workers, there remains an yawning gap of about Rs. 5 at the national level. It amounts to blatant violation of the provisions of the Equal Remuneration Act which casts a duty on the employer to pay equal remuneration to men and women workers for work of a similar nature as well as not to discriminate while recruiting men and women workers.

5.8 It has also been observed by the Committee that there are considerable Inter-State variations in the minimum wages for the unskilled workers ranging from Rs. 14.25 to Rs. 42 per day.

5.9 The Committee have been informed that Ministry of Rural Development have taken up this issue with the respective State Governments for taking corrective measures. Moreover, under section 7 of the Act, Central Govt. and State Govt./Union Territories can set up authorities for the purpose of hearing and deciding complaints with regard to contravention of any provisions of this Act. Ministry of Labour and Labour Department of the State Governments have been enforcing Equal Remuneration Act.

Foodgrains as part of wages

5.10 Jawahar Rozgar Yojana is a combination of the payment of wages partly in foodgrains and partly in cash. The distribution of foodgrains to the workers have been linked to the public distribution system (PDS). In the Revamped Public Distribution Scheme (RPDS) blocks, the distribution of foodgrains under the Yojana is required to be done through PDS only. In the remaining blocks, the State Government can either distribute it through PDS network or by actual distribution at work-sites.

5.11 However, despite a free hand given to the States, things did not seem to improve as there are virtually no takers for its food-for-work component since workers insist on cash payment. According to the statistics available as regards the position of foodgrains offtake in comparison to the allocation of foodgrains for the Yojana since its inception, the situation has deteriorated which is given below:—

	Allocation	Offtake
1989-90	671,923 tonnes	469,812 tonnes
1990-91	363,308 tonnes	126,298 tonnes
1991-92	382,558 tonnes	31,200 tonnes
1992-93	120,000 tonnes	N.A.

5.12 It is evident from the above-mentioned statistics that the implementation of the food-for-work scheme, which is an important component of the JRY, has also left much to be desired. When asked about the reasons for poor offtake of foodgrains under JRY and the remedial steps taken, the Ministry have stated in their written reply that:—

- (i) In the surplus States like Punjab, Haryana and parts of Uttar Pradesh, the distribution of foodgrains has not been found acceptable by the workers in view of the sufficient quantities available with them.
- (ii) The market price of foodgrains is lower than the prices at which the foodgrains are supplied to the workers under the Yojana.
- (iii) The quality of foodgrains is not acceptable to the beneficiaries.
- (iv) Low allocation per panchayat under JRY and hence the negligible quantity of foodgrains to be distributed.
- (v) The transportation of small quantities of foodgrains is not economical.
- (vi) Poor storage and transportation facilities in the rural areas.
- (vii) In the hilly areas, the gram Panchayats are scattered and not connected with roads. The transportation and storage of foodgrains in these difficult geographical conditions is found difficult.
- (viii) Cost of transportation in the hilly areas is very high.

5.13 However, in view of the reasons that market price of food grains was supplied to workers under the Yojana, during the year 1993-94, it has been decided that distribution of foodgrains may be made optional depending upon the price of foodgrains in the open market. A part of wage can now be paid in the form of foodgrains not exceeding 2 kg. per manday and not exceeding 50% of the wages in cost, whenever market price of foodgrains is higher than PDS price at which the foodgrains are supplied to the workers under the Yojana.

5.14 The Committee observe that there are inter-State variations in so far as the payment of minimum wages under JRY is concerned, ranging from Rs. 14.25 to Rs. 42 per day. The Committee would like to recommend that the minimum limit of wages should be revised periodically keeping in view the cost of living and inflation rate so that the beneficiaries get reasonable purchasing power. The Committee would also like the Ministry to take up the matter of National Minimum Wages throughout the country irrespective of nature of work, as has been recommended by Dr. Hanumantha Rao Committee and to ensure that the same is adhered to by all the States.

5.15 It has been noticed that there is a wide gap in the wages of male and female workers in no. of States e.g. Assam, Bihar, Punjab, etc., which is a clear-cut violation of the provision of Equal Remuneration Act. The Committee have been apprised that the Ministry of Rural Development have taken up this issue with the respective State Governments for taking corrective measures. The Committee emphasise the need to ensure equal treatment to women at the time of providing employment under JRY as well as payment of wages for the same nature of work. The Committee, also recommend that special cells should be constituted at the District level for the redressal of grievances/complaints of people in regard to malpractices committed at the time of providing employment, payment of wages etc. and deterrent action should be taken against the guilty persons.

5.16 The Committee are dismayed to note that food-for-work component under JRY is proving to be ineffective due to various reasons e.g. poor quality of foodgrains, problem of storage and transportation facilities, involvement of multiple agencies, lower market price in comparison to the price of foodgrains supplied under JRY, insistence on cash payment by the workers etc. The Committee desire that the matter should be reviewed with a view giving an option to the workers to get wages either fully in cash or partly in form of cash and partly in the form of foodgrains, keeping in view the variations in the kinds of foodgrains which they generally like.

5.17 As regards the wages and material ratio of 60:40, the Committee are of the opinion that most of the works which are/can be undertaken under JRY, require revision of existing wage-material ratio on account of large increase in unit cost due to inflationary tendencies. Moreover, cost of unit also varies from State to State, region to region, as it involves various aspects e.g. transportation, cost of equipments and materials, geographical conditions, availability of basic infrastructure etc. The Committee, therefore recommend that in order to ensure creation of durable productive assets and quality of work, the prescribed ratio between material and wage cost should be made flexible within certain minimum limit giving discretion to village panchayats to adjust the ratio according to their requirements.

CHAPTER VI

TARGETS AND ACHIEVEMENTS

6.1 As far as the targets and achievements are concerned, the Committee have noticed several problems and lacunae in the implementation of Jawahar Rozgar Yojana. It has been stated by the Ministry in its written reply that to achieve the envisaged targets, the programme is continuously monitored through monthly, quarterly and annual progress reported received from the State Governments. In addition, Government of India periodically convenes meetings of the State Secretaries and the Project Directors of the District Rural Development Agencies and Zila Parishads (DRDAs/ZPs) to review the performance under the programme with a view to effect improvement in the quality of implementation. Ministry of Rural Development have also introduced the system of Area Officers where Senior Officers at the level of Deputy Secretary and above have been allotted one or two States each. The Area Officers scheme has further been strengthened w.e.f. 1.1.94 by including the officers from the Department of Programme Implementation, Department of Wastelands Development and Planning Commission. The Areas Officers are required to visit the State(s) allotted to them and give feedback on the implementation of Rural Development Programmes including JRY.

6.2 The Ministry have claimed around 100% achievements during the last three years in so far as the employment targets and achievements are concerned. As per the details furnished by the Ministry, the position is as under:—

Year	Target	Achievements	%age
1990-91	9291.04	8745.59	94.13
1991-92	7354.35	8092.01	110.03
1992-93	7537.95	7821.02	103.76

6.3 While on the other hand, according to a Quick Study of the JRY during 1991-92, conducted by the Programme Evaluation Organisation of the Planning Commission, the Yojana did not provide employment to the extent expected as the average number of days for which a person got employment was 11.44 days during 1989-90, 15.68 days during 1990-91 and 12.81 days during 1991-92.

6.4 When asked about the ways and means to increase mandays, it was stated by the Secretary, Ministry of Rural Development:

“There are two ways of doing it (1) To encourage popular participation which has dried up in late eighties in order to raise resources, supplement the JRY funds and to carry out the work (2) By increasing wages and standards of specifications for works keeping in mind the rate of inflation. There are certain States where more money is paid for doing work while it is less under the JRY Programme. We are sorry that the commitments in regard to the creation of mandays aimed to be generated, the Ministry are not able to fulfill because of the increase in the unit cost. Remedy lies in enhancing the outlay for JRY.”

6.5 When asked about the allocation made during the 8th Five Year Plan, the Ministry have stated in its written reply that the total Central allocation for the 8th Five Year Plan for JRY is Rs. 18,400 crores. The year-wise allocation and the expenditure incurred is as under:—

(Rs. in crores)

Year	Allocation		Total Expenditure	%Exp.	
	Central	State			
1992-93	2536.45	632.60	3169.05	2704.76	85.35
1993-94 (Ist Stream)	2546.00	635.22	3181.22	3588.42	112.80
(IIInd Stream)	702.56	175.64	872.20	288.50	33.08
1994-95 (Ist Stream)	2800.00	698.72	3498.72	1085.64	31.03
(IIInd Stream)	702.56	175.64	878.20	294.16	33.50
				(Upto Sept., 1994)	
				(Upto Sept., 1994)	

6.6 According to a report of the Comptroller and Auditor-General of India, out of Rs. 247.70 crore released up to last year, Rs. 181 were utilised in Rajasthan. There was however, delay of seven to twenty one months in the release of the Central and State share. The money meant for 10 municipalities was not transferred. In some of the municipalities the JRY funds were diverted for the payment of salary to the staff.

6.7 The Secretary, Ministry of Rural Development also stated during the evidence:—

“We are experiencing extreme pressure in several States in getting the funds through the State Governments to the District and to the

Panchayat level. We have been requesting the State Governments to empower the Secretaries to Rural Development in States without reference to the Finance Secretary, at least, to pass on the Central share to the implementing agencies and we have succeeded in many States for funds to be sent directly. We are negotiating with other States."

6.8 Commenting upon the action taken against poor response of the State Governments in implementing JRY, the Ministry have stated that funds are released on the basis of performance under the Yojana. Poor performance in the implementation of JRY, therefore, results in reduction in the release of funds to the State by the Government of India in the subsequent year. As per JRY guidelines, the opening balance with any district in the beginning of the year should not exceed 15% of the district allocation of the previous year. In case the opening balance exceeds this limit, the Central share of the excess is deducted at the time of release of second instalment of funds in that year.

6.9 In this connection, the Secretary, Ministry of Rural Development stated during the evidence:

"If States do not match our fund and do not spend funds according to our guidelines in an orderly manner, we impose heavy cuts. But, my imposing cuts is not a happy thing. People are suffering. But, how to get them to put money and implement the programme is a problem."

6.10 Commenting upon the reports of diversion, misappropriation and embezzlement of funds allocated, favouritism in selection of works, the Secretary, Ministry of Rural Development stated:

"Regarding corruption, we have advised the Panchayats to start Nigarani Committees from Gram Sabha instead of Panchayats. What is more important is the involvement of the community involving beneficiaries where this mechanism is not strong. In fact, we are going to give directions to the Government requesting them not to have a Panchayat Secretary as co-signatory but to put some other Member of the Panchayat. We have also told the State Governments not to divert the JRY funds."

Execution of Works

6.11 JRY Manual stipulates that contractors are not permitted to be engaged for execution of works in order to provide full benefits to the workers and to avoid cost escalation of works on account of commission charge payable to contractors, middlemen or intermediaries.

6.12 Unfortunately, the real situation reflects a very different picture in this regard. There have been reports from various States that either contractors are unofficially engaged to execute works or a

local contractor under the garb of sponsor supervisor is allowed to get works executed. Moreover, even such works are undertaken which suit the convenience of these middlemen and not that of the community.

6.13 During the evidence, the Secretary of Ministry also informed the Committee:

“Though like other schemes JRY has to be implemented with the involvement of the beneficiaries and community. Contractors are banned from our works. Despite that the contractor culture is dominant in some regions.”

6.14 JRY Manual stipulates that involvement of contractor is banned under the programme. The Committee are perturbed to note that the practice prevalent is quite different. Contractors, middlemen are engaged unofficially in the selection of works as well as execution of works. It leads to cost escalation of works and brings less benefit to the beneficiaries. The Committee would like this practice to be corrected at the earliest. Complaints/Grievances, in this connection, should be entertained by the Special Grievance Cell, constitution of which has already been recommended by the Committee at para No.5.15 of this Report. Deterrent actions should be taken against the persons who are responsible for engagement of contractors.

6.15 The Committee have noted with great concern that the amount allocated for the first three years of Eighth Five Years Plan (1992-97) constitutes only 50% of the total allocations i.e. Rs. 9286 crores out of Rs. 18400 crores. They also regret to note that the under-utilisation of funds allocated for intensified JRY scheme in 120 backward districts, where only Rs. 288-50 crores have been utilised during the year 1993-94 out of total allocation of Rs. 702.56 crores. The Committee are also distressed to note that there have been long delays in the release of the Central and State's share to the District/Panchayat level under JRY. The Committee have been informed that the Ministry of Rural Development have requested the State Governments to empower the Secretaries of Rural Development in States to release Centre's share without reference to the Finance Secretary. The Committee would like the Ministry to follow up the matter with the States to bring about improvement in financial procedure for expeditious release of funds under JRY.

6.16 The Committee are perturbed to note that there have been reports of diversion and misappropriation of funds allocated for Jawahar Rozgar Yojana. The Committee stress the need to strengthen the monitoring system in order to ensure not only the proper utilisation of financial resources but

also to make the implementing agencies accountable for cases of diversions and misappropriations. They should be allowed to divert funds within the JRY but not outside the purview of the programme.

NEW DELHI;
November 21, 1994

Kartika 30, 1916 (Saka)

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