

**ESTIMATES COMMITTEE  
(1980-81)**

(SEVENTH LOK SABHA)

**SEVENTEENTH REPORT**

**MINISTRY OF RURAL RECONSTRUCTION**

Action taken by Government on the recommendations contained in the Thirty Fourth Report of Estimates Committee (Sixth Lok Sabha) on the erstwhile Ministry of Agriculture & Irrigation (Deptt. of Rural Development)—Rural Employment.



*Presented to Lok Sabha on 30 April, 1981*

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**(1980-81)**

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## INTRODUCTION

I, the Chairman of the Estimates Committee having been authorised by the Committee to submit the Report on their behalf, present this Seventeenth Report on action taken by Government on the recommendations contained in the Thirty-Fourth Report of Estimates Committee (Sixth Lok Sabha) on the Ministry of Agriculture and Irrigation (Deptt. of Rural Development)—Rural Employment.

2. The Thirty-fourth Report was presented to Lok Sabha on 30th April, 1979. Government furnished their replies indicating action taken on the recommendations contained in that Report between 31 October, 1979 and 10th April, 1981.

3. The Report has been divided into the following Chapters:—

- I. Report.
- II. Recommendations which have been accepted by Government.
- III. Recommendations which the Committee do not desire to pursue in view of Government's replies.
- IV. Recommendations in respect of which Replies of Government have not been accepted by the Committee.
- V. Recommendations in respect of which final replies of Government are still awaited.

4. An analysis of action taken by Government on the recommendations contained in the Seventeenth Report of the Estimates Committee is given in Appendix. It would be observed therefrom that out of 60 recommendations made in the Report 50 recommendations *i.e.* about 83 per cent have been accepted by Government and the Committee do not desire to pursue 3 recommendations *i.e.* 5 per cent in view of Government's replies. Replies of Government in respect of 6 recommendations *i.e.* about 10 per cent have not been accepted by the Committee. Final reply of Government in respect of one recommendation *i.e.* about 2 per cent is still awaited.

NEW DELHI;  
April 29, 1981  
Vaisakha 9, 1903

S. B. P. PATTABHI RAMA RAO,  
Chairman,  
Estimates Committee.

## CHAPTER I

### REPORT

This Report of the Estimates Committee deals with the action taken by Government on the recommendations contained in their Thirty Fourth Report (Sixth Lok Sabha) on the erstwhile Ministry of Agriculture and Irrigation (Deptt. of Rural Development)—Rural Employment.

1.2. Action taken notes have been received from Government in respect of all the recommendations contained in the Report.

1.3. The action taken notes on the recommendations of the Committee have been categorised as follows:—

(i) Recommendations/observations that have been accepted by Government:—

Sl. Nos. 2, 5, 6, 8, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 55, 56, 57, 58, 59, 60,

(Total 50—Chapter II)

(ii) Recommendations/observations which the Committee do not desire to pursue in view of Government's replies:—

Sl. Nos. 29, 40, 53.

(Total 3—Chapter III)

(iii) Recommendations/observations in respect of which Government's replies have not been accepted by the Committee:—

Sl. Nos. 1, 3, 4, 7, 9, 28.

(Total 6—Chapter IV)

(iv) Recommendations/observations in respect of which final replies of Government are still awaited:—

Sl. No. 54.

(Total 1—Chapter V)

1.4. The Committee will now deal with the action taken by Government on some of their recommendations.



## *New Employment Schemes*

### **Recommendation SL No. 1 (Paras 1.30 to 1.34)**

1.5. In their 34th (Original) Report the Committee had taken note of the fact that the number of unemployed persons in India has been rising at an alarming pace—the number having risen from 5.3 million in 1956 to 20.6 million in 1978. 48 per cent people in rural areas and 41 per cent in urban areas lived below the poverty line.

1.6. The Committee had observed that though a large number of schemes had been launched in the past to generate employment and eradicate poverty, these did not appear to have made a dent into the problem.

1.7. The Committee had welcomed the announcement made by the Prime Minister in Lok Sabha on 28th July, 1977 that "Government has declared its aim of removing unemployment within ten years". The Committee had also welcomed the fact that for the first time the plan (1978—83) had mentioned the removal of unemployment and significant under employment as a principal objective to be achieved within ten years.

1.8. The Committee had felt that for the success of the Sixth and subsequent plans in tackling unemployment problem, it was necessary that the causes responsible for the failure of the employment schemes to achieve the desired results in the past were borne in mind and the authorities charged with the responsibility of formulating and implementing similar schemes in the future were not allowed to commit the same errors and fail the Nation again in its resolve to remove unemployment in ten years.

1.9. Government have stated in reply that the aim of removal of unemployment in 10 years was declared by the Janata Government. The present Government consider that unemployment is indeed a matter of great concern and it is at the root of many other problems also. One of the objectives of the current plan is to achieve a gradual reduction in the incidence of poverty and unemployment. The Government further consider that they can have certainly short-term measures but basically employment can be created when the economic problems are solved and not just by having deadlines. The New Plan would therefore, have creation of new employment opportunities as one of the objectives.

1.10. It has been stated by Government further that the special employment programmes undertaken by the Government during the early seventies were critically studied by the Programme Evaluation Organisation. The evaluation report has been widely circulated. No such scheme sponsored by the Central Government is now under operation.

1.11. According to Government, the new Plan (1980—85) has estimated that out of the total unemployment of 20.71 million, 15.36 million are in the rural areas and 5.38 million in the urban areas.

1.12. The Committee note the shift in the Government's approach to having a dead line for solving the unemployment problem in the country. Government hold the view that unemployment is indeed a matter of great concern and is at the root of many other problems. They consider that they can have certain short term measures, but basically employment can be created when the economic problems are solved and not just by having dead lines. The new Sixth Plan (1980—85) accordingly would have creation of new employment opportunities as one of the objectives. While the Committee hope that the measures envisaged by Government will mitigate the problem of unemployment, they would like to emphasise that the officers charged with the responsibility of formulating and implementing new employment schemes should not repeat the mistakes which resulted in failure of the earlier schemes.

*Right to Work*

**Recommendation Serial Nos. 3, 4 and 9 (Paras 2.27, 2.29 and 3.43)**

1.13. The Committee had been informed that earlier Five Year Plans did not aim at elimination of unemployment and that even the planned employment did not materialise. There was a backlog of about 20.6 million unemployed persons at the end of 1977-78 and 29.5 million new persons would enter the labour force during the following 5 years. Recognising these facts, the Committee were informed that the Draft Sixth Plan (1978—83) proposed to adopt an employment oriented strategy to tackle the gigantic problem of unemployment and generate an additional employment of the order of 49.3 million standard person years during the Plan period (1978—83). The Committee observed that no doubt the long and medium term programmes envisaged in the draft Plan (1978—83) would generate employment, but the twin problems of poverty and unemployment could not wait for a long term solution and something concrete had got to be done in the immediate present to defuse the explosive situation which was developing on the unemployment

front. The Committee expressed the opinion that the immediate problem of unemployment could not be solved unless the long and medium term employment generation schemes were supplemented by direct employment schemes. The schemes like Maharashtra Employment Scheme guaranteeing minimum wage or unemployment allowance were needed "now" when the unemployment situation was very acute.

1.14. The Committee expressed the view that the time had come when the citizens right to work should be recognised and the State should accept responsibility to provide work to its citizens and in the event of its failure to provide work, give them unemployment assistance and thus honour the long ignored Directive Principle enshrined in Article 41 of the Constitution. The Committee further observed that this responsibility should now be made a statutory responsibility binding on the Union and State Governments who should not delay any longer the formulation of direct employment schemes and implementing them on national scale and devising ways and means of overcoming the financial constraints to make these schemes a success.

1.15. The Committee have been informed (April, 1981) that the estimates provided in the new plan indicate that the volume of unemployment in March, 1980 was 20.74 million on daily status basis. It is also estimated therein that the increase in labour force during March, 1980 to March, 1985 would be 34.25 million (in age group 5 and above). The projected growth of employment in 1979-80—1984-85 period is 34 million person years, raising the estimated level of employment of 151 million standard persons years in 1979-80 to employment of 185 million standard person years in 1984-85. Though the estimated increase in employment is 34 million standard person years, the actual number of beneficiaries is expected to be much more, since not every member of the force may be a full-time worker during the entire year.

1.16. Government have further stated in reply that the new plan 1980—85 has recommended a number of employment promotion programmes like Integrated Rural Development Programme, Operation Flood II Dairy Development Programme, Programme of Fishing Farmers' Development Agency. Various programmes under village and small scale industries sector, National Rural Employment Programme, Environmental sanitation, slum improvement, tree plantation, construction of houses for the economically handi-

capped people etc. in the urban areas, Minimum Needs Programme and Special programmes for Scheduled Castes and Scheduled Tribes for the creation of income earning occupation etc. It has been stated further that at present some special employment programmes have been initiated in some States including Employment Guarantee Schemes in Maharashtra, Tamil Nadu and Madhya Pradesh and Employment Affirmation Scheme in Karnataka. Unemployment allowance is not visualised at present as the financial commitments involved are very high. Such unemployment allowance may even lead to persons not normally in the labour force seeking unemployment allowance.

1.17. The Committee note that the backlog of unemployment in March, 1980 was about 21 million. To this will be added another 34 million persons in the labour forces during the period 1979-80 to 1984-85 (age group of 5 and above). Thus the problem of unemployment will become more acute during the Sixth Plan. The Committee had expressed the opinion that an immediate problem of unemployment would not be solved unless the long medium term unemployment generation schemes were supplemented by Direct Employment Schemes. The Committee recommended that Schemes like Maharashtra Unemployment Scheme guaranteeing minimum wage or unemployment allowances were needed when the employment situation was very acute. According to Government there is no proposal to implement a National Employment Guarantee Scheme. The Employment guarantee scheme of some State Governments have been included in the Sixth Plan. But unemployment allowance is not visualised at the present as the financial commitments involved are very high. According to Government such employment allowances may even lead to persons not normally in the labour forces seeking unemployment allowances. The Government do not, therefore, favour the payment of unemployment allowances just as a dole. The Committee are unable to accept the Government's views. In the opinion of the Committee in the context of the growing magnitude of the unemployment problem in the country, it is necessary to implement schemes guaranteeing minimum wage or unemployment allowance to meet the urgent needs. The Committee also reiterate that responsibility of the State to provide work to its citizens or in the event of its failure to provide work to give them unemployment assistance should now be made a statutory responsibility binding on the Union and State Governments, who should no longer delay formulation of direct employment schemes like Maharashtra Employment Guarantee Scheme and implement them. They should devise ways and means of overcoming the financial constraints to make these schemes a success.

## States/Districts with greater intensity of unemployment

### Recommendation Serial No. 7 (Paras 2.37, 2.38 and 2.39)

1.18. The Committee noted that 73.4 per cent of the total all India unemployment was concentrated in seven States viz. Tamil Nadu, Andhra Pradesh, Maharashtra, Bihar, Kerala, West Bengal and U.P. Although the problem of unemployment had not been estimated district-wise, it had been brought to the notice of the Committee that there were about 40 per cent of the districts in the country which had economic growth rate below 1 per cent and out of them 25 per cent of the districts had a negative growth rate. The Committee expressed surprise that even in the current Plan (1978—83) which intended initiating some redistributive measures aiming at reducing disparities, there were no special or specific allocations for tackling the unemployment problem in these seven States or for accelerating economic growth rate in 40 per cent of districts having less than 1 per cent growth rate. In the Committee's opinion high intensity of unemployment in the seven States and stark poverty and backwardness in 40 per cent of the districts were not the problems which could be solved by these States on their own. The Committee suggested that Government should take upon themselves special responsibility to help these States to come up to the level of national average; otherwise, in the Committee's view, in the country's march to progress, these regions would continue to lag behind and this should not be allowed to happen in the larger national interest.

1.19. Government have stated in reply (April, 1981) that the data observed in para 2.37 is based on the findings of the 27th round. The 32nd round survey of NSSO relating to July 1977 to June 1978 has provided recent data on State-wise unemployment. According to provisional results of the survey, the share of Tamil Nadu in all India unemployment in 1977-78 was 16.48 per cent of Andhra Pradesh 12.37 per cent, Kerala 11.09 per cent, Maharashtra 10.16 per cent, West Bengal 9.08 per cent, of Bihar 8.71 per cent and of Uttar Pradesh 7.01 per cent. In the State of Kerala, Tamil Nadu, Andhra Pradesh and West Bengal, unemployment rates were above 10 per cent. In the Union Territory of Delhi and Pondicherry also the Unemployment rate was higher than 10 per cent. The unemployment rate in Kerala (25.69) continued to be the highest.

1.20. It has been stated that the plan 1980—85 has adopted a decentralised approach to the manpower planning and employment generation. The District Manpower Planning and Employment

Generation Councils proposed to be set up would draw up strategies and plans for employment generation in the districts keeping in view local requirements.

1.21. It has been stated that the Central Government have taken various steps to enable the backward States to overcome backwardness. The distribution of Central assistance to the States is weighted in favour of those States whose per capita income is below the national average. In addition, there are special programmes such as, the Draught Prone Area Programme, Desert Development Programme, the Hill Area Development Programme, the Tribal Area Development Programme, the scheme of assisting the development of industrially backward districts, the revised Minimum Needs Programme, all of which cumulatively make an impact on the problem. In addition, the resources released as a result of the modification in the centrally sponsored scheme have been distributed on the Income-adjusted-Total-Population formula. Apart from plan assistance, the devolution of excise revenue to the State is regulated by a formula weighted in favour of the poorer States.

1.22. It has been stated that as the strategy for reducing residual unemployment and inter-State disparities in development has to be devised in accordance with local conditions and implemented by the concerned State Governments themselves, it would not be advisable for the Central Government to intervene through tied or the special allocations which may interfere with integrated planning. With the resources made available to the State Governments, States themselves have taken up special employment programmes in accordance with the nature and magnitude of their problem. In order to ensure that outlays in the general sectors of the States Plans benefit the scheduled castes, a special component plan for the scheduled castes have been built into the plans of the States.

1.23. The Committee have taken note of the various measures enumerated by Government that have been taken to enable the backward States to overcome their backwardness. The Committee, however, wish to point out that in spite of these measures, the incidence of unemployment continues to be high in seven States (Viz., Tamil Nadu, Andhra Pradesh, Maharashtra, Bihar, Kerala, West Bengal and Uttar Pradesh). According to the 32nd Round Survey of NSSO relating to July 1977 to June 1978 the share of the seven States in All India Unemployment in 1977-78 was 75 per cent. The Committee note that the sixth Plan 1980-85 has adopted a decentralised approach to manpower planning and employment generation. The

**District Manpower planning and Employment Generation Councils proposed to be set up would draw up strategies and plans for employment generation in districts keeping in view local requirements. In view of the fact that these States account for 75 per cent of unemployment in the country, the Committee reiterate the view that Central Government should take up special responsibility in helping these States in taking adequate measures to improve employment position in these States and thus bringing them at par with other States.**

*Estimates of Employment in Rural Sector*

**Recommendation Sl. Nos. 21 and 22 (Paras 4.25 and 4.26)**

1.24. The Committee had noted that the Draft Plan, 1978—83 envisaged creation of additional employment opportunities for 49.3 million man-years, out of which 22.8 million man-years were likely to be in the agriculture and allied sectors during the plan period 1978—83. The Committee were surprised to note that though overall figures of additional employment had been worked out by the Planning Commission, they had no idea about the estimates of employment expected to be increased under each programme like agriculture, irrigation, fertilisers, rural roads, etc., nor had they worked out yearly targets of additional employment to be created during the plan period. The Committee had been informed that efforts were being made to find out the employment components on account of various inputs like land, irrigation, seeds and fertilisers. The Committee had expressed the view that unless figures of additional employment expected to be increased programme-wise were worked out, it would be difficult for the Planning Commission or the Government to monitor the progress in the creation of additional employment and they would not be able to know the areas where shortfalls had taken place and the reasons for the shortfalls. The Committee had, therefore, suggested that for the success of the programme of creating additional employment, the Planning Commission/Government should work out targets of additional employment, programme-wise and year-wise, compare the achievements with these targets periodically and take corrective steps to remedy shortfalls wherever noticed at the earliest opportunity.

1.25. The Committee had been surprised to know that even the 49.3 million man-years which were estimated to be generated over the plan period, were not a target but were only an expectation. The Planning Commission and the Government had not yet done any serious exercise to spell out the precise objectives to be achieved in the field of employment generation during the plan period. The

Committee had expressed the opinion that unless firm targets of additional employment opportunities were laid down, sector-wise and year-wise, the implementing agencies could not be held accountable for the fulfilment of the roles assigned to them. This, in the opinion of the Committee, was a flaw in the draft plan which should be rectified.

1.26. The Ministry have stated in their reply that the New Plan 1980—85 envisaged that there would be an increase of 34 million in employment in standard person years terms during the Sixth Plan period. However, the actual number of beneficiaries is expected to be much more since not every member of the labour force may be full time worker during the entire year. The estimates of additional employment may not be related specially to the projects and programmes. Efforts are however, being made to ascertain the employment potential of the various projects and programmes and to monitor the employment generation on a continuing basis from year to year. But such efforts have their limitation. One can ascertain only the direct employment and indirect employment can only be estimated with the aid of appropriate norms and yardsticks. Efforts are being made to build up such norms and yardsticks so that project/programme-wise data can be generated. At the start of a Plan, it is not possible to determine accurately the time phasing of activities and programmes over each of the Five Years. This can only be done in the Annual Plans which are prepared each year, taking into consideration the experience of the previous year and the possibilities during the coming years. So far as agriculture is concerned, a study to estimate the impact of various inputs such as additional irrigational facilities, fertiliser etc. has been taken up.

1.27. The Committee note that efforts are being made to ascertain the employment potential of various projects and programmes and to monitor employment generation on a continuing basis from year to year. Efforts are being made to build up appropriate norms and yardsticks so that project/programme-wise data can be generated. The Committee have been informed that it is not possible to determine accurately the time phasing of activities and programmes over each of the five years at the start of the plan and that can be done only in the Annual Plans taking into consideration the experience of the previous year and the possibilities during the coming year. So far as agriculture is concerned, the study to estimate the impact of various inputs such as irrigation facilities, fertilizers, etc. are stated to have been taken up. The Committee hope that the measures to ascertain employment potential of various projects and programmes and to monitor the results of such programmes would be evolved speedily and studies of impact of inputs



in agricultural sector completed expeditiously. The Committee would like to emphasise that unless targets of additional employment opportunities are laid down sector-wise and year-wise, the implementing agencies could not be held accountable for the fulfilment of the roles assigned to them and slippages in the achievements of targets at the field level may be detected too late for remedial action.

### Land Reforms

#### (Recommendation Sl. No. 28, (Paras 4.56 and 4.57)

1.28. The Committee observed that although a more equitable distribution of land resources through land reforms programmes had consistently been a major policy objective since Independence, the implementation of this policy had been slow throughout as would be seen from the fact that out of 68.80 lakh acres of land estimated to be surplus, Government had taken possession of only 23.70 lakh acres of such land out of 44.98 lakh acres of such land declared surplus and out of that, only 16.02 lakh acres of land—1/4th of the total estimated surplus had been distributed. In the light of the past experience the Committee had expressed a feeling that mere issue of communications to the State Governments was not likely to produce the desired results. In view of the fact that the Central Government had no direct authority in carrying out the land reforms and distribution of surplus land, the Committee had expressed a feeling that this problem could be solved only if a body at the highest level with the Chief Ministers as Members was constituted by the Centre to watch the progress of implementation of land reforms measures and distribution of land already declared surplus.

1.29. The Ministry have stated in reply (October 1979) that as rightly noted by the Committee implementation of land reforms is a State subject. Progress in implementation of the ceiling laws has accordingly to be reviewed by State Governments. It has been stated further that the Central Government can, no doubt, make, and is in fact making, a review of the progress but corrective action has to respond to local conditions. In some cases, the slow pace of disposal may be due to a remediable laxity in administration; elsewhere, it may be due to reasons beyond the control of State Governments (Stay Orders and injunctions from courts, for instance). The Ministry have added that the Central Government is following up the matter with State Governments and has also made some specific recommendations with a view to improving the performance level. It is stated to have been suggested to State Governments, for example, that all land reform cases should be disposed of by revenue functionaries below the High Court level so that the delay

characteristic of the normal judicial process is cut short. They have also been advised to consider strengthening of High Court Benches so that pendency in High Courts can be cut down.

1.30. It has further been stated that normally, a Chief Ministers' Conference is convened to discuss policy matters. As would be, seen from the foregoing, the difficulties are entirely procedural. Should any major issue arise, the Government of India would certainly convene a high level conference.

1.31. Land reforms being a State subject, the Committee appreciate the limitations of the Central Government in the matter of implementation of land ceiling laws and redistribution of surplus land. But the Ministry have not stated the action taken by them on the Committee's recommendation to set up a body at the level of the Chief Ministers of the States to watch the progress of implementation of land reforms measures, which is very much within the purview of the Central Government. The Committee would like to reiterate that mere issue of communications to the State Governments in this regard is not likely to produce the desired results and that this problem can be solved only if a body at the highest level with the Chief Minister as Member is constituted by the Centre to watch the progress of implementation of the land reform measures and redistribution of land already declared surplus.

#### *Personnel Policies*

##### Recommendation Sl. No. 60, (Para No. 6.77)

1.32. The Committee had been informed that there was extreme dearth of skilled and technical manpower required for implementation of the various programmes in the rural sector. It had been brought to the Committee's notice that unless there was first class talent, at least in the initial stages, to look into the problems at the project level and at the administrative level, it might not be possible to get the desired results from the rural development programmes. It had been suggested that a rural oriented personnel policy should be adopted to attract competent experts to work in rural areas. The Committee had been informed that the Prime Minister had also drawn attention of the State Governments to this matter and had observed that suitable incentives should be given to attract best talent to work for rural people. The Committee had observed that the personnel policies of the Central and State Governments should be given a rural orientation and provide for liberal

incentives to attract the best and most competent technical and administrative personnel to take charge of the rural development programmes and make a success of them. The Committee had desired that the Central Government should give a lead in this respect to the State Governments.

1.33. In their reply (March, 1981) the Ministry have stated that in keeping with the recommendations of the Estimates Committee, the Union Public Service Commission has already re-structured the pattern of their examinations with a view to giving adequate representation to persons from rural areas in the posts/services, the recruitment for which is made by them. The UPSC has also briefed the Directorate of Advertising and Visual Publicity of the Ministry of Information & Broadcasting to ensure that the widest possible publicity is given to the Commission's advertisements so that they reach people in all parts of the country specially those living in rural and remote or far-flung areas.

1.34. The Ministry of Agriculture has also issued instructions to the recruiting authorities under its control to the effect that while selecting technical personnel by deputation, transfer or direct recruitment, other things being equal, preference should be given to candidates having experience of working in rural areas either in the field or in research work.

1.35. It has been added that the personnel problems relating to implementation of tribal sub-plan area schemes were examined by a Working Group headed by the Secretary, Department of Personnel and Administrative Reforms. Various suggestions for giving monetary and non-monetary incentives to personnel posted in tribal sub-plan areas made by the Group have been recommended for implementation to the State Governments. Many of the tribal sub-plan areas being rural in character, these suggestions and recommendations would be applicable to them. For the benefit of personnel working in tribal sub-plan areas, training programmes were arranged at New Delhi and Ranchi through the Indian Institute of Public Administration.

1.36. As regard others financial incentives, it has been stated that this is a matter with which, because of the wide implications of the proposals, could be considered at the appropriate time by a Pay Commission.

**1.37. The Committee had inter-alia suggested that the personnel policies should be given a rural orientation and these should provide for liberal incentives to attract the best and most competent**

personnel to take care of rural development programmes. While Government have informed the Committee about action taken to give a rural orientation to the personnel policies with a view to ensuring that officers of the highest calibre and with an aptitude for agricultural and rural development are drafted to work in these sectors their reply regarding incentives to attract best talent to execute successfully the rural development programmes is evasive. The Committee are of the view that rural reorientation of the personnel policies would not be complete unless liberal incentives are offered to attract the best and most competent technical and administrative personnel to take charge of rural development programmes and to make a success of them. They would like that the Central Government should take an early action in this regard and thus give a lead to the State Governments in this respect.

1.38. The Committee would like to emphasise that they attach the greatest importance to the implementation of the recommendations accepted by Government. They would, therefore, urge that Government should ensure expeditious implementation of the recommendations accepted by them. In case where it is not possible to implement the recommendation in letter and spirit for any reason, the matter should be reported to the Committee in time with reasons for non-implementation.

1.39. The Committee desire that final reply in respect of the recommendation contained in Chapter V of this Report may be finalised and final reply of the Government furnished to the Committee expeditiously.

## CHAPTER II

### RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY GOVERNMENT

#### Recommendation (Sl. No. 2, Para 1.43)

The Committee note that according to the existing definitions laid down by the National Sample Survey Organisation a person is classified as "employed" if he/she pursues some gainful activity; "unemployed" if he/she has no gainful work but is seeking or is available for work. The appropriate status of the person is ascertained with reference to two alternative periods, one as long as a year (usual status) and the other as short as a week (current status) preceding the date of inquiry. In this connection the Committee note in particular that according to the 'current status' approach a person is accorded the status of being employed if he/she has pursued some gainful work even for one hour on one day during the 7 days preceding the date of enumeration. It is thus seen that at present while determining the status of a person (whether he is 'employed', 'under-employed' or 'unemployed') more emphasis is laid on technical rather than practical considerations and many persons are likely to be classified as employed when in fact they may be leading a life much below the subsistence level. The Committee feel that a person's employment status should not be determined on the basis of time criterion alone. If a person is not able to earn enough to rise above the poverty line, he should not be deemed to be fully employed.

#### Reply of Government

The final view of the Estimates Committee that if a person is not able to earn enough to rise above the poverty line, he should not be deemed to be fully employed is agreed to. It may be added that the tabulation programme of the NSS 32nd round (July 1977-June 1978) data on employment and unemployment would include tables giving the economic activity status of persons separately for different consumer expenditure group of house-holds. Thus, it is hoped, would go a long way to throw light on the points raised by the Estimates Committee.

[Ministry of Rural Reconstruction O.M. No. H-11011/7/79-R.E. dated  
October 31, 1979]

### **Recommendation (Sl. No. 5, Para 2.29)**

The Committee agree with the strategy of employment intensive scheme to tackle the problem of rising unemployment and the proposal to regulate technological change to protect and enhance employment. The Committee would in this context like to observe that in formulating schemes to provide employment care will have to be exercised that the schemes do not provide only more employment but also lead to more production at reasonable cost. If a scheme produces only more employment does not produce goods or service commensurate with investment and does not add to national wealth, it will be an unproductive scheme and will not be able to sustain itself. There cannot be a better strategy at the present juncture than the strategy of employment for growth chosen by the planners but it should be ensured that in actual practice there is 'growth' also and not only 'employment'.

### **Reply of Government**

The Employment intensive schemes incorporated in the Sixth Plan will aim at increase in production and services.

[Min. of Rural Reconstruction O.M. No. H. 11011/7/79, RE Vol. VI dated 10 April, 1981]

### **Recommendation (Sl. No. 6, Para 2.30)**

The Committee note that a large number of schemes have been launched in the past with a view to eradicating unemployment problem in the country, particularly in the rural area. The schemes included the Rural Works Programmes, The Rural Industries Project, Rural Artisans Programmes, Crash Scheme for Rural Employment, Small and Marginal Farmers Development Agency, Minimum Needs Programme, Pilot Intensive Rural Employment Projects etc. Even an impressive array of schemes as this, however, could not make a impact on the unemployment situation in the rural sector as most of these schemes were of pilot or ad-hoc nature grafted into the economy without adequate integration in the overall area plans. The Schemes were inducted without proper pre-planned and understanding of the magnitude of the problem in the relevant area and for that reason they suffered from such deficiencies, as being small and scattered, lacking adequate financial and administrative support matching the magnitude of the problem. Consequently the problem continued to grow worse. A lesson, that the Committee feel has to be learnt from the past is that though ad-hoc or isolated schemes of employment may work well for a short time, they cannot sustain for long and are bound to fail to achieve their purpose. The Com-

mittee would, therefore, like Government to so orient their approach that no scheme for creating additional employment should be taken up in future unless it fits in the national economy and is part of the continuous process of development and is fully devetailed in the national plan for economic development with full financial and administrative support.

### Reply of Government

It is agreed that as a general rule special employment schemes should not be taken on *ad-hoc* basis and that employment promotion should be integral part of the development plan. The new plan has been formulated keeping in view the above point.

[Min. of Rural Reconstruction O.M. No. H. 11011|RE Vol. VI dated 10 April, 1981]

### Recommendation (Sl. No. 8, para 2.40)

The Committee would also like the Government|Planning Commission to investigate the reasons why inspite of expansion of irrigation facilities and increase in the use of high yielding varieties of seeds and fertilisers, 40 per cent of the districts in the country have had negligible growth and 25 per cent of the districts negative growth. Allocation of more funds may not help these districts. Government should identify these districts, go into the root cause of their negative growth and devise concrete measures to solve their problems without avoidable delay.

### Reply of Government

Neither in the Report of the Estimates Committee, nor in the Recommendation contained in para 2.40 referred to above, the Committee had listed the names of districts having negative or negligible growth rate, which it might have had in view when the above Recommendation was made in the year 1978-79. The Ministry of Rural Reconstruction whose activities were the subject matter of the Study and Recommendations of the Estimates Committee, were approached to indicate whether they had listed any districts in the material that they furnished to the Estimates Committee, for the Committee's consideration. They too were not in a position to give the list of districts and in fact stated that they had not furnished any list of districts having negative rate of growth of agriculture production to the Committee alongwith their material. In the circumstances, we approached the Planning Commission

because the Recommendation made in para 2.40 was that the Committee would like the Government/Planning Commission to investigate the reasons of the negative/negligible rate of growth (in various districts).

The Planning Commission too had no such ready list available with them but in course of time they sent to the Department of Agriculture a list of 141 districts (list enclosed) distributed over 13 States, on the basis of a study titled "Performance of Agriculture, district-wise study" undertaken by Dr. G. S. Bhalla of Jawaharlal Nehru University and Dr. Y. K. Alag, Adviser (PP) Planning Commission. This study contained the growth rate of two triennium periods of 1962-65 and 1970-73 which indicated negligible or negative rate of growth of the districts in question.

2. Lists of these districts were sent to State Governments of Andhra Pradesh, Assam, Bihar, Gujarat, Jammu & Kashmir, Karnataka, Madhya Pradesh, Maharashtra, Orissa, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal. The State Governments were requested to give their reactions/observations on the rates of growth mentioned against each district during the period for which the Study was conducted. They were also requested to indicate that if they were not in agreement with the rates of growth shown by the Study under reference, they should provide sufficient statistical data to justify that the conclusions/inferences drawn in the Study, or in the Report of the Estimates Committee, are not based on correct estimates of the ex-pone[n]tial rates of growth. They were also requested to indicate the steps that they might have taken or that they propose to take to improve the situation, in districts wherever the ex-pone[n]tial growth rate was poor, negligible or negative.

3. Replies received from some of the States indicated the following reasons that seem to have contributed to negative, poor or negligible rate of growth in agricultural development in the districts falling in their jurisdiction:—

- (1) Adverse weather conditions including excessive or uneven rains, persistent drought and scarcity conditions;
- (2) Incidence of pests and diseases;
- (3) Impact of high yielding varieties was felt after the periods of the Study.



- (4) Some of the districts identified are industrially advanced and there was not much scope for extensive/intensive cultivation in those districts;
- (5) Lack of Infrastructure in the supply of Credit etc.; and
- (6) Drainage problems in the fields of rice in some coastal areas of some of the districts.

Some of the States expressed the difficulty that they were not aware of any study having been made and as such desired to know the basis on which the Study mentioned above had come to conclusions regarding poor or negligible exponential annual growth rate in agriculture output in the districts falling in their jurisdiction.

4. The States have been advised that keeping in view the Recommendation of the Estimates Committee, they should take necessary steps expeditiously to evaluate the causes of poor rate of growth in different districts of the states including the districts mentioned in the Study or even others which may not be figuring in the list, but may be falling in the same category, and take necessary corrective measures to improve the situation which may include intensive and extensive application of the following.

**Specific Steps:**

1. Use of improved package of practices including change in the cropping pattern if required;
2. Timely planting of high yielding varieties;
3. Identification of suitable varieties;
4. Use of plant protection measures; and
5. Training of farmers in improved agronomic practices and other infrastructural facilities.

They have also been requested to keep the Union Ministry of Agriculture informed of the measures that they are taking to improve the situation and the results attained.

[Ministry of Rural Reconstruction O.M. No. H11011/7/79-RE Vol. V  
dated 21-8-1980]

List of districts having negligible or negative exponential annual growth rate of agriculture output for the periods 1960-65, on 1970-73 based on a study conducted by Dr. G. S. Bhatta of Jawaharlal Nehru University and Dr. T. K. Alag, Adviser (PP), Planning Commission.

**Andhra Pradesh**

Name of the districts.	Exponential annual growth rate of output
------------------------	--

1

2

**A. Districts with compound annual growth rate ranging between 0 to 1.5%**

1. Krishna . . . . .	0.61
2. Nalgonda . . . . .	1.22
3. Warangal . . . . .	0.37
4. Ongole + Nellore + Kurnool + Guntur . . . . .	0.74

**B. Districts having compound annual growth rate less than 0%**

1. Adilabad . . . . .	(- ) 0.89
2. Anantpur . . . . .	(- ) 1.52
3. Guddappah . . . . .	(- ) 1.26
4. Hyderabad . . . . .	(- ) 3.72
5. Karimnagar . . . . .	(- ) 0.57
6. Khammam . . . . .	(- ) 0.14
7. Mahbubnagar . . . . .	(- ) 1.82
8. Medak . . . . .	(- ) 5.32
9. Nizamabad . . . . .	(- ) 4.47
10. East Godawari . . . . .	(- ) 0.85
11. Srikakulam + Vishakhapatnam . . . . .	(- ) 0.29

**Assam]**

**A. Districts with compound annual growth rate ranging between 0 to 1.5%**

1. Cachar . . . . .	1.27
2. Sibsagar . . . . .	0.34
3. Newgong . . . . .	1.45

**Bihar**

**A. Districts with compound annual growth rate ranging between 0 to 1.5%**

1. Darbhanga . . . . .	0.49
2. Midnapur . . . . .	0.92
3. Patna . . . . .	0.92

1	2
<b>B. Districts with compound annual growth rate less than 0%</b>	
4. Palamau . . . . .	(—)0.27
5. Gaya . . . . .	(—)0.85
6. Purnea . . . . .	(—)2.29
7. Santhal Pargana . . . . .	(—)2.39
8. Singhbhum . . . . .	(—)0.51
9. Shanbad + Saharsa . . . . .	(—)0.39
<i>Gujarat</i>	
<b>A. Districts with compound annual growth ranging between 0 to 1.5%</b>	
1. Amreli . . . . .	0.35
2. Panch Mahal . . . . .	0.64
3. Rajkot . . . . .	1.04
4. Vadodra . . . . .	0.03
5. Ahmedabad . . . . .	0.85
<b>B. Districts with compound annual growth rate less than 0%</b>	
5. Ahmedabad . . . . .	
<b>B. Districts with compound annual growth rate less than 0%</b>	
6. Bharuch . . . . .	(—)0.60
7. Surat . . . . .	(—)0.89
8. Valsad . . . . .	(—)1.63
9. The Dangs . . . . .	(—)4.95
<i>Jammu &amp; Kashmir</i>	
<b>A. Districts with compound annual growth rate less than 0%</b>	
1. Ladakh] . . . . .	(—)0.74
<i>Karnataka</i>	
<b>A. Districts with compound annual growth rate ranging between 0 to 1.5%</b>	
1. Bangalore . . . . .	1.16
2. Belgaum . . . . .	0.99

	1	2
3. Hassam . . . . .		0.59
4. Kelar . . . . .		1.14
5. Dharwar . . . . .		0.49
<b>B. Districts with compound annual growth rate less than 0%</b>		
6. Bijapur . . . . .		(—)1.65
7. Bidar . . . . .		(—)0.12
8. Gulbarga . . . . .		(—)0.26
9. Goorg . . . . .		(—)0.36
10. North Kanara . . . . .		(—)0.26
11. South Kanara . . . . .		(—)1.06
<i>Madhya Pradesh</i>		
<b>A. Districts with compound annual growth rate ranging between 0 to 1.5%</b>		
1. Chhindwara . . . . .		0.11
2. Dewaa . . . . .		0.81
3. Hoshangabad . . . . .		1.15
4. Jabalpur . . . . .		1.01
5. Raisen . . . . .		1.38
6. Ratlam . . . . .		0.47
7. Sehore . . . . .		1.11
8. Bastar . . . . .		1.11
9. Durg . . . . .		0.88
10. Narsinghpur . . . . .		0.08
11. Raigarh . . . . .		1.08
12. Surguja . . . . .		1.02
<b>B. Districts with compound annual growth rate less than 0%</b>		
13. Gwalior . . . . .		(—)0.85
14. Betul . . . . .		(—)0.28
15. Dhar . . . . .		(—)0.61
16. East Nimar . . . . .		(—)0.69

	1	2
17. Jhabua . . . . .		(-)5.96
18. Shivpuri . . . . .		(-)0.11
19. West Nimar . . . . .		(-)2.87

*Maharashtra*

## A. Districts with compound annual growth rate ranging between 0 to 1.5%

1. Ratnagiri . . . . .		1.34
2. Kolaba . . . . .		0.31
3. Kolhapur . . . . .		1.26

## Districts with Compound annual growth rate less than 0%

4. Greater Bombay † . . . . .		(-)8.40
5. Thana . . . . .		(-)2.52
6. Bhandra . . . . .		(-)0.29
7. Satara . . . . .		(-)2.72
8. Sholapur . . . . .		(-)8.48
9. Akola . . . . .		(-)3.43
10. Amravati . . . . .		(-)5.23
11. Ahmednagar . . . . .		(-)5.29
12. Aurangabad . . . . .		(-)8.29
13. Bhir . . . . .		(-)8.89
14. Buldam . . . . .		(-)4.09
15. Chandrapur . . . . .		(-)0.67
16. Dhulia . . . . .		(-)5.02
17. Jalgaon . . . . .		(-)8.41
18. Nagpur . . . . .		(-)1.43
19. Nanded . . . . .		(-)5.04
20. Nasik . . . . .		(-)2.75
21. Osmanabad . . . . .		(-)7.42
22. Parbhani . . . . .		(-)6.28

1	2
<i>Maharashtra (Contd.)</i>	
23. Pune . . . . .	(—)5.04
24. Sangli . . . . .	(—)5.21
25. Wardha . . . . .	(—)0.37
26. Yeotwal . . . . .	(—)0.55
<i>Orissa</i>	
A. <i>Districts with compound annual growth rate ranging between 0 to 1.5%</i>	
1. Dhankanal . . . . .	0.50
2. Ganjam . . . . .	0.42
3. Sambalpur . . . . .	0.51
B. <i>Districts with compound annual growth rate less than 0%</i>	
4. Balasore . . . . .	(—)0.47
5. Bandh Khondmals . . . . .	(—)0.49
6. Bolangir . . . . .	(—)0.83
7. Keonjhar . . . . .	(—)0.75
8. Mayurbhanj . . . . .	(—)1.31
9. Sunbergarh. . . . .	(—)0.69
10. Korapur and Kalahandi . . . . .	(—)0.30
11. Cuttack & Puri . . . . .	(—)0.57
<i>Rajasthan</i>	
A. <i>Districts with compound annual growth rate ranging between 0 to 1.5%</i>	
1. Durgapur . . . . .	0.48
2. Churu . . . . .	1.06
3. Jhalawar . . . . .	1.17
4. Tenk . . . . .	1.00
B. <i>Districts with compound annual growth rate less than 0%</i>	
5. Bikaner . . . . .	(—)1.91
6. Jaisalmer . . . . .	(—)9.89

	1	2
<i>Tamil Nadu</i>		
A <sup>1</sup> Growth rate 0 to 1·5%		
1. Coimbatore	.	0·33
2. North Arcot	.	1·31
3. Tirunelveli	.	1·38
4. Ramanathapuram	.	0·88
5. Salem and Dharampuri	.	1·08
<i>Uttar Pradesh</i>		
A. Growth rate 0 to 1·5%		
1. Azamgarh	.	0·86
2. Barabanki	.	0·10
3. Barielly	.	1·02
4. Farrukhabad	.	1·33
5. Gonda	.	1·28
6. Jalaun	.	1·04
7. Jaunpur	.	1·13
8. Kheri	.	0·54
9. Mirzapur	.	0·49
10. Partapur	.	0·48
11. Sitapur	.	0·63
B. Negative Growth rate		
12. Varanashi	.	(- )0·08
<i>West Bengal</i>		
A. Growth rate 0 to 1·5%		
1. Howrah	.	1·10
B. Negative growth rate		
2. 24-Parganas	.	(- )0·08

### **Recommendation (Sl. No. 10, Para 3.44)**

The Committee have studied the working of the Employment Guarantee Scheme on the spot. They are of the opinion that the success of the scheme depends on the ready availability of shelf of schemes at District and Panchayat Samiti levels so that the works can be selected to suit the number of workers reporting for work and time lag between the demand and commencement of work avoided. The committee feel that the blue prints of works which required to be prepared under the scheme should be up-dated from time to time. It would also be necessary to prepare manpower budgets to cover the same area as covered by the blue prints of works. The blue prints and the manpower budgets will together comprise the total format of employment, human resources and work planning and also constitute a careful exercise in multilevel planning on the basis of area development. The Committee would also suggest that works selected under the scheme should be integrated with the comprehensive district development plans.

#### **Reply of Government**

The observations of the Committee have been intimated to the Government of Maharashtra for necessary action.

[Min. of Rural Reconstruction O.M. No. H.11011/7/79 dated  
10 April, 1981]

### **Recommendation (Sl. No. 11, Para 3.45)**

It was brought to the notice of the Committee that a saturation point may one day be reached under the Employment Guarantee Scheme when there may be no work left in the district to be taken up under the Employment Guarantee Scheme. But the Committee have been assured that the nature of works which have been taken up under the scheme are of productive nature and after their completion they are expected to lead to grater activity in the agriculture sector this providing more opportunities to the workers to work in the fields. However, to forestall such a situation, the Committee would recommend that action should be taken for integration of the short term programmes under the Integrated Rural Development Programme.

#### **Reply of Government**

The observations of the Committee have been intimated to the Government of Maharashtra for necessary action.

[Min. of Rural Reconstruction O.M. No. H. 11011/7/79 dated  
10 April, 1981]



### **Recommendation (Sl. No. 12, Para 3.46)**

The Committee are informed that at certain places works taken up under the E.G.S. have remained incomplete for want of labour attendance. A study Group of the Committee were also told during their visit to work-sites in Maharashtra that the number of workers reporting for work was at times much less than the number registered under the scheme. The Committee would suggest that a sample survey be made to analyse the reasons for lack of adequate response on the part of registered workers and the results of the survey kept in mind while drawing up new work programmes.

### **Reply of Government**

The observations of the Committee have been intimated to the Government of Maharashtra for necessary action.

[Min. of Rural Reconstruction O.M. No. H. 11011/7/79 dated 10 April, 1981]

### **Recommendation (Sl. No. 13, Para 34.7)**

The Antyodaya Programme of Rajasthan in the opinion of the Committee, is a laudable concept aiming at uplift of the poorest of the poor. Beginning with five families identified to be poorest in a village, the programme aims at reaching gradually about 6 lakh families in a 5 years period and hopes to achieve the target of covering all the eligible rural families in the State in the ten year period. The Committee are glad to note that the scheme has been taken in the spirit of a special drive and out of 1.60 lakh families selected, 1.24 lakhs families had received benefits under the scheme during the first year (1977-78). The Committee feel that the Antyodaya—which means upliftment of the last man—has tremendous potential to eradicate poverty and unemployment. The Committee cannot too strongly commend this scheme to be extended to all other States speedily.

### **Reply of Government**

The Scheme of Antyodaya continues to be implemented in more States including Rajasthan in the State Sector. The Centrally sponsored scheme of Integrated Rural Development Programme (IRDP) funded through 50:50 contribution between the Centre and the States has been launched in all the 5000 blocks in the country

from 2nd October, 1980 as a part of the Sixth Five Years Plan. The IRDP provides for selection of beneficiaries under the scheme from amongst the bottom deciles of the rural population below the poverty line and envisages involving of the Villages Councils in the process of their identification. The IRDP would, this, be concentrating on the poorest of the poor as a first priority.

[Min. of Rural Reconstruction O.M. No. H. 11011/7/79 dated  
10 April, 1981]

#### **Recommendation (Sl. No. 14, Paras 3.48 and 3.49)**

The Committee have been informed that the Programme Evaluation Organisation of the Planning Commission has made a quick concurrent evaluation of the working of the Antyodaya programme in Rajasthan. Some of the more important suggestions/observations by the Programme Evaluation Organisation are as follows:—

- (i) There is an urgent need to have a well defined machinery for implementation and follow-up of the programme. Strengthening of extension agency has also to be ensured.
- (ii) Land allotment is done out of surplus land, which was usually waste and unreclaimed. Therefore, land allotment should invariably be allowed by the loan assistance for land improvement. Food-for-work scheme could be fruitfully implement in such cases, including construction of minor irrigation works.
- (iii) There is also need to introduce the scheme for (Risk Fund) on the Lines of SFDA Programme. This would encourage the financial institutions to advance loans to the beneficiaries liberally.
- (iv) Credit facilities to enable the beneficiaries of the programme to meet their emerging consumption requirements like medical care during sickness etc. should be provided. Otherwise in case of these schemes where the flow of income is not immediate there is a danger of their mortgaging the movable and immovable property given to them as a part of the programme.
- (v) For effective economic activity of the identified families loan amount should be adequate to cover the cost of full unit of the benefit as otherwise the return from uneconomic units would not be able to cover the instalment for repayment.

- (vi) Insurance of cattle and bovine stock provided under the benefit programme is essential the rates of premium might be brought at par with the rates applicable to the beneficiaries of SFDA.
- (vii) The beneficiaries had complained that the rate of interest charged by the Commercial Banks under differential rate of interest was 4 per cent whereas it was 13 per cent and later revised to 10 per cent by the Cooperatives.
- (viii) The flow of benefits i.e., actual loans disbursed after the actual number of families were identified needs to be accelerated so that not only the identification of the families but the flow of benefits is also faster.
- (ix) Technical know-how in management, production and marketing should be provided to the Antyodaya families. The identified families who possibly had low motivation and low assets were disbursed to them. This is not satisfactory and the extension agencies as well as the technical personnel, particularly in the field of cottage industries etc. should assist them immediately so that the programme achieves the desired objective of building assets and enabling the poorest of the poor families to cross the poverty line. There is urgent need to devetail such special programmes with area planning in order that whatever new arrangements outside the programmes are required as for example, marketing of wool of hand spun cotton these are provided for in the area plans.
- (x) There should be necessary supportive secretariat/directorate assistance at the State level to implement this programme.
- (xi) It would be very desirable to have a regular system of concurrent evaluation of the working of the schemes. The responsibility for the monitoring and evaluation might be undertaken by a separate Directorate at the State level.

The Committee would like that the Government bring these suggestions and the findings of the Study Group of the Committee

(para 3.18) to the notice of all the States where Antyodaya Scheme is in operation so that they can also benefit from these suggestions and are able to achieve better results from the implementation of the Scheme.

### **Reply of Government**

The PEO's suggestions of the findings of the Study Group have been communicated to the States.

[Min. of Rural Reconstruction O.M. No. H. 11011/7/79 dated  
10 April, 1981]

### **Recommendation (Sl. No. 15, Para 3.50)**

The Committee note that while Employment Guarantee Scheme of Maharashtra is a sort of guarantee against unemployment the wages paid under the scheme are barely enough for a worker subsistence and will not be adequate to help him come up in life. Similarly the Committee also noted that while the Antyodaya Scheme will surely help the poorest of the poor, those families who are not covered in the earlier rounds, will have to wait too long for their turn. The Committee feel that while both the schemes are good, either of them by itself will not be able to solve the problem of poverty and un-employment in a short span of time. In the Committee's opinion, the Employment Guarantee Schemes of Maharashtra should be supplemented by Antyodaya Scheme to encourage the unemployment people to take to self employment and improve their standard of living, and the Antyodaya Scheme should be Supplemented by Employment Guarantee Scheme to take care of those poor and unemployed families who may not be fortunate enough to be selected for assistance in early rounds.

### **Reply of Government**

The recommendations of the Committee has been communicated to the concerned State Governments.

[Min. of Rural Reconstruction O.M. No. H. 11011/7/79 dated  
10 April, 1981]

### **Recommendation (Sl. No. 16, Para 3.51)**

The Food for Work Programme is another employment generating programme which has been taken up by the Central and State Governments with full vigour. The majority of States have already joined the programme. The results are also encouraging as the

scheme has been able to provide employment, create assets, ensure minimum nutritional standards and maintaining price level of the food grains particularly in the interior areas.

### **Reply of Government**

No action recommended in this paragraph.

[O.M. No. H-11011/7/79-RE dated October 31, 1979]

### **Recommendation (Sl. No. 16, Para 3.52)**

The Committee welcome this programme and would like it be continue. The Committee would also like the Government to keep a watch on the types of works executed under Food for Work Programme to ensure that only such Programmes are taken up as lead to the construction of durable assets of productive and essential nature which will not only form part of the Area Plan but also create further employment in future and result in greater production.

### **Reply of Government**

In the guidelines for Food for Work Programme, it has been made abundantly clear that the basic objectives of the programme are to generate additional employment and to create durable community assets of productive nature. The types of works that can be taken up under the programme have also been clearly defined. With a view to watch the types of works and the progress of their implementation certain proforma have been prescribed for submitting reports|returns. Through these reports|returns received from the State Govts. it is ensured that these broad objectives are kept in view in the process of the execution of the works under the Programme.

The implementation of the Food for Work Programme in 10 major States was evaluated by the Programme Evaluation Organisation of the Planning Commission last year. While appreciating the successes of the programme in reaching its benefits to the needy rural poor and raising their purchasing power as also their nutritional standards, the study report has revealed some shortcomings also in implementation of the programme. These exclude erratic disbursement of foodgrains as wages, delay in the measurement of earth work and inadequate technical supervision of works.

Central teams were also sent to some of the major States i.e. Bihar, Madhya Pradesh, Orissa, Rajasthan and Uttar Pradesh etc.

These teams have also appreciated the performance of the Food for Work Programme and its role in providing employment to rural poor and creating community assets in the rural areas. However, some deficiencies have also been observed by the teams in implementation of the Programme.

On the basis of our experience of implementation of Food for Work Programme in different States|UTs. and also taking into account the constraints pointed out in the Evaluation Report of the Programme Evaluation Organisation as also the reports submitted by Central Teams which visited different States recently, the implementation of the programme has since been reviewed in consultation with the Planning Commission and Ministry of Finance. The revised scheme which will in future be known as 'National Rural Employment Programme' was also considered at the meeting of the Full Planning Commission presided over by Prime Minister on the 6th May, 1980 and has been approved in principle. In the revised scheme necessary modifications are being made to remove the constraints faced in the implementation of the Programme in the past. The details of the scheme are being worked out and would be finalized shortly.

[Min. of Rural Reconstruction (O.M. No. H-11011(7)/79-RME-Vol. V), dated 23-9-1980]

#### **Recommendation (Sl. No. 17, Para 3.53 and 3.54)**

The Committee note that Government has at present under consideration a proposal put forward by the Minister of Industry for creating a National Reconstruction Army consisting of one million persons with a view to tackle the problem of unemployment on a 'war footing'. The Department of Rural Development has welcomed the proposal. Such an organisation can play an important role in organising a disciplined and trained labour force which could take up public works of utility such as irrigation works, embankments, developments of ravine areas, afforestation programme, soil conservation, flood prevention and flood control works etc.

The Committee welcome the proposal of creating a National Reconstruction Army. The Committee feel that the proposed National Reconstruction Army should not be viewed only as a labour force or an ad-hoc solution to the problem of unemployment, which it, no doubt, will solve to an extent. The Committee visualises it as a well-organised task force consisting of qualified, trained and disciplined workers which can be deployed to undertake on priority basis projects of national reconstruction at any place in the country. It can be powerful instrument in the hands of the

Government to render help at the time of natural calamities. The Committee would suggest that an organisation on the proposed lines may be set up to start with, on a modest scale and gradually build up in the light of experience.

### **Reply of Government**

The Planning Commission has constituted a Working Group to examine the possibility of setting up a National Reconstruction Army with the following terms of reference (i) to determine areas/sectors where labour scarcity is being felt or likely to be felt during the next decade and examine the feasibility of organising and training the unemployed in the rural/urban areas with a view to making them available and suitable for those projects/works; (ii) to work out the organisational details including labour cooperative, State level mobilisation, interstate mobility, recruitment and training facilities etc. (iii) to indicate the financial arrangement including labour use and food for work etc. for implementing the programme. The Report of the Working Group has already been submitted to the Planning Commission.

[Min. of Rural Reconstruction O.M. No. H-11011(7)/79, dated  
10 April, 1981]

### **Recommendation (Sl. No. 18, Para 3.55)**

It is too well known that there are matter and other natural resources in various parts of the country which have not been fully harnessed so far. Also there are large groups of unemployed and under-employed labour force in various parts of the country. who seek work but are unable to get it. The Committee feel that if suitable schemes are formulated to deploy unemployed labour force on unharnessed natural resources be harnessed for the economic development of the country but the unemployment situation will also cease to a considerable extent. The diffidence of the unemployed labour force to go to work on far off projects can be overcome by the providing incentives like better working conditions at work sites, better health care, even better wages. The Committee would like to suggest that, to start with, a scheme of this nature may be drawn up and tried on an experimental basis and further action taken in the light of the results.

### **Reply of Government**

The views of the Estimates Committee had been communicated to the Working Group for its consideration.

[Min. of Rural Reconstruction O.M. No. H-11011(7)/79, dated  
10 April, 1981]

**Recommendation (Sl. No. 19, Para 4.11)**

The Committee note that out of the total labour force of the order of 265 million overwhelmingly large part i.e. about 192 million are at present employed in Agriculture. In spite of large scale development in manufacturing and infrastructure sectors, the share of agriculture in the work force has not diminished at all. While the percentage of the agricultural labour force to the total labour force has remained static around 73 per cent during the last three decennial censuses in numerical strength it has doubled from 82 millions in 1921 to about 167 millions in 1971 and has risen to 192 million in 1978.

**Reply of Government**

No action recommended in this paragraph. The facts mentioned in this para is the basis of the Draft Plan 1978—83.

**Recommendation (Sl. No. 19, Para 4.12)**

The Committee are informed that no study has been made so far to determine the maximum number of work force that can be economically settled on land. The Committee feel that an exercise to determine broadly the maximum number of persons that can be absorbed by agriculture in the long run is overdue and should be undertaken without loss of time. Without this information, it would be difficult for the Planning Commission and Government to formulate realistic policies and programmes for a balanced growth of agriculture and non-agricultural sectors in rural areas.

**Reply of Government**

The Committee's recommendations that an exercise be undertaken to determine the maximum number of persons that can be absorbed in agriculture has been noted for action. The National Commission on Agriculture in its report submitted in 1976 has examined the potentiality of providing employment in the agriculture sector and their conclusion is that less than half the increase in the rural labour force can be absorbed in agriculture by 2000 A.D. The points suggested by the Estimates Committee have been looked into while formulating the new Plan.

[Min. of Rural Reconstruction O.M. No. H-11011(7)/75, dated 10 April, 1981].



**Recommendations (Sl. No. 20, Paras 4.13 and 4.14)**

The Committee note that the Draft Plan (1978—83) recognises the need for such a shift but does not consider it likely to materialise in the near future. The National Commission on Agriculture (1976) estimated that against the increase of 111.3 million persons in the total rural labour force in 2001 A.D. expansion in the various agricultural programmes is likely to generate employment opportunities for about 52 million persons, which means that more than half of the increase in the total rural labour force will have to be provided employment in the non-agricultural rural sectors.

As the net shown are in India has been fluctuating between 138 and 142 million hectares for the last 8-9 years and as the possibility of increment to arable land is extremely limited, at best, only marginal, there is a limit upto which the static arable areas can absorb increments to the work force. In the Committee opinion, a drastic shift of labour force from agriculture to non-agricultural activities is not only desirable but imperative and this shift must be brought about by a determined shift in the policies and programme of the Government. The Committee would like that the Planning Commission and the Government should devise special rural employment programmes to bring about this much needed shift in rural labour force from agriculture to non-agricultural activities and strive to remove the imbalance in the occupational pattern of the labour force in rural sector.

**Reply of Government**

The Government recognise the need for a shift in the distribution of work away from agriculture, but feel that though such a measure is both normal and desirable possibilities of significant shift can materialise only after a long period of development. It is felt that only after stepping up growth in the rural areas and in industry particularly the small unit manufacturing and the related tertiary activities, the distribution may begin to change in the desired direction. This is because a major shift can only come about if incomes grow a rapidly for a period of time and demand shifts increasingly away from agriculture, towards manufacturing and services. The New Plan has envisaged a number of rural employment schemes including the National Rural Employment Programme.

[Min. of Rural Reconstruction O.M. No. H-11011(7)/75, dated  
10 April, 1981]

**Recommendation (Sl. No. 21, Para 4.25)**

The Committee note that the Draft Plan, 1978—83 envisaged action of additional employment opportunities for 49.3 million man-years, out of which 22.8 million man-years are likely to be in the agriculture and allied sectors during the plan period 1978—83. The Committee are surprised to note that though overall figures of additional employment stated above have been worked out by the Planning Commission, they have no idea about the estimates of employment expected to be increased under each programmes like agriculture, irrigation, fertilisers, rural roads, etc., nor have they worked out yearly targets of additional employment to be created during the plan period. The Committee are informed that efforts are being made to find out the employment components on accounts of various inputs like land, irrigation, seeds and fertilisers. The Committee feel that unless figures of additional employment expected to be generated programme-wise are worked out it will be difficult for the Planning Commission or the Government to monitor the progress in the creation of additional employment and they would not be able to know the areas where short-falls have taken place and reasons for the shortfalls. The Committee therefore, suggested that for the success of the programme of creating additional employment, the Planning Commission/Government should work out targets of additional employment, programme-wise and year-wise compare the achievements with these targets periodically and take corrective steps to remedy shortfalls wherever noticed at the earliest opportunity.

**Recommendation (Sl. No. 22, Para 4.26)**

The Committee are surprised to know that even the 49.3 million man-years which are estimate to be generated over the plan period, are not a target but are only an expectation. It is regrettable that the Planning Commission and the Government have not yet done any serious exercise to spell out the precise objectives to be achieved in the field of employment generation during the plan period. The Committee feel that unless firm targets of additional employment opportunities are laid down, sector-wise and year-wise, the implementing agencies cannot be held accountable for the fulfilment of the roles assigned to them. This is a flaw in the draft plan which should be rectified.

## Reply of Government

The New Plan 1980—85 envisaged that there would be an increase of 34 million in employment in standard person years terms during the Sixth Plan period. However, the actual number of beneficiaries is expected to be much more since not every member of the labour force may be full-time worker during the entire year. The estimates of additional employment may not be related specially to the projects and programmes. Efforts are, however, being made to ascertain the employment potential of the various projects and programmes and to monitor the employment generation on a continuing basis from year to year. But such efforts have their limitation. One can ascertain only the direct employment and indirect employment. Indirect employment can only be estimated with the aid of appropriate norms and yard-sticks. Efforts are being made to build up such norms and yard-sticks that project/programme-wise data can be generated. At the start of a Plan, it is not possible to determine accurately the time phasing of activities and programmes over each of the Five Years. This can only be done in the Annual Plans which are prepared each year, taking into consideration the experience of the previous year and the possibilities during the coming years. So far as agriculture is concerned, a study to estimate the impact of various inputs such as additional irrigational facilities, fertiliser etc. has been taken up.

[Min. of Rural Reconstruction O.M. No. H-11011(7)/75, dated  
10 April, 1981]

### Recommendation (Sl. No. 23, Para 4.40)

The Draft Sixth Plan envisages 17 million hectares of additional irrigation—8 million hectares through major and medium surface irrigation projects, 7 million hectares from groundwater irrigation and 2 million hectares from other minor sources of irrigation—during the five-year period. The Committee have been assured during evidence by the non-official as well as official experts that irrigation has the potential of creating employment almost at the rate of one to one-and-a-half persons for every additional hectares of irrigation. Thus irrigation has the potential of generating overall employment of permanent nature for 17—22 million persons. The Committee find these projections encouraging. If full achievements are made in this sector the overall target of 23 million man-years in the agricultural sector will be well within reach.

### Reply of Government

Noted. The earlier Five Year Plan 1978—83 has been terminated. The Sixth Five Year Plan 1980—85 is under finalisation and the present thinking is to have a target of only 14 million hectares of additional irrigation potential—6.0 million hectares through major and medium irrigation projects and 8.0 million hectares through minor irrigation projects comprising 7 million hectares from ground-water schemes and 1.0 million hectares from surface water schemes. This physical target is in the realm of achievement subject to the availability of financial resources. The details are, however, yet to be finalised.

[Min. of Rural Reconstruction O.M. No. H-11011(7)/79-RE,  
dated 23-3-1981]

### Recommendation (Sl. No. 23, Para 4.41)

The Committee note that the target of 17 million hectares of additional irrigation is still only provisional as the detailed discussions with the State Government in this regard are still going on. It is disappointing to note that even after one year of the commencement of the Plan period, the year-wise targets have not so far been finalised. Though the target in respect of minor irrigation was worked out for 1978-79, for major and medium irrigation even the target for 1978-79 was not available till February, 1979. Unless, year-wise targets are laid down, it will not be practicable, for Govt. to monitor the progress and ensure the implementation of the irrigation schemes on schedule. The Committee are of the opinion that the firm targets for additional irrigation for the Sixth Plan as a whole as also for each year of the Plan should be worked out expeditiously and progress of the irrigation programme ensured according to the targets by setting up monitoring and information system and providing timely correctives in accordance with the rolling plan concept. If this is not done, the Committee are afraid, the target of generating an additional employment of 23 million man-years in agricultural and allied sectors may suffer a setback and the Government may come to know of it too late to provide timely correctives.

### Reply of Government

It is mentioned in the Committee's observations that though the target in respect of minor irrigation was worked out for 1978-79 for major and medium irrigation, even the target for 1978-79 was not available till February 1979. This needs a correction. In the written reply of para DE 17 submitted to the Estimates Committee in April, 1979, it was stated that "a definite picture of the actual

achievement in regard to irrigation and the achievement during the year 1978-79 will be available only in April 1979. It is, however, anticipated that the target of 1.35 million hectares of additional irrigational potential through major and medium programmes will be achieved." The targets and the actual achievement in regard to the irrigation potential for the 1978-79, 1979-80 and 1980-81 are as under:—

	Target (Million hectares)	Actual Achievements Million hectares
1978-79	1.35	0.96
1979-80	1.13	1.00 (Anti.)
1980-81	0.96	

The Five Year Plan 1978-83 has been terminated in 1980-81. The Sixth Five Year Plan 1980-85 is yet to be finalised. The present thinking is to create an additional potential of 6.5 million hectares from major and medium irrigation schemes. The details are, however, yet to be finalised.

Central Water Commission has been entrusted with the responsibility of monitoring selected major and medium irrigation projects since 1975. At present there are three Chief Engineers monitoring 69 projects in 15 States. Status reports on these projects are regularly prepared by the Chief Engineers after inspection of these projects and discussions with project authorities and bottlenecks/shortcomings etc. are brought to the notice of the State Govt. as well as project authorities for timely remedial action. The State Govts. are continuously pursued by the Government of India and the Central Water Commission to provide adequately staffed monitoring cells both at the State level and at the project level. It has also been recommended that the monitoring cells may be provided with suitable supporting staff, other infrastructure and facilities like telephone, transport etc., so that they can independently and efficiently discharge their functions. The State Govts. of Andhra Pradesh, Bihar, Gujarat, Haryana, J & K, Karnataka, Kerala, M.P., Maharashtra, Tamil Nadu, U.P. and West Bengal have since set up monitoring cells at the State level and/or at the project level to most of the projects being monitored by the Centre. In the Sixth Plan about 175 major projects and 400 medium projects will require organisations at the project level. The State level organisations will have to be created in 18 States. The estimated cost on monitoring cells at the project and the State levels during 6th Plan will be Rs. 50 crores.

Under Minor Irrigation year-wise target and actual achievement in regard to irrigation for the year 1978-79, 1979-80 and 1980-81 are as under:—

	Target (Million Hectares)	Actual achievement (Million Hectares)
1978-79 . . . . .	1.45	1.30
1979-80 . . . . .	1.50	1.40
1980-81 . . . . .	1.50	..

Regarding the effective monitoring of the minor irrigation programme the Deptt. of Agri. had requested the State Govts. in March, 1978 to set up Coordination Committees at the State level under the Chairmanship of the Chief Secretary of the State by including representatives of various Deptts. and agencies connected with minor irrigation programme. The Coordination Committee monitors the programme, report the totality of the progress, identify the deficiencies and initiates timely remedial measures.

The importance of setting up a Coordination Committee was again stressed at the All-India Conference of State Ministers in-charge of Minor Irrigation and Command Area Development held in New Delhi in Sept., 1978. Fourteen States have so far set up Coordination Committees and the matter is being pursued with other States who have not yet set up such Committees.

The performance is also being monitored from the Central level through Annual Plan discussions, regional meetings and visits to the States.

[Min. of Rural Reconstruction O.M. No. H-11011 (7) /79 RE,  
dated 23-3-1981]

#### **Recommendation (Sl. No. 24, Para 4.42)**

The Committee are unhappy to note that availability of adequate finances for the minor irrigation programme is not yet assured. The Department of Irrigation are not aware of the finances that will be available for these programmes during the next year let alone the remaining years of the Plan. The Committee would urge the Government to take immediate steps to ensure availability of adequate finances for the minor irrigation programme which are intended to benefit the poorer sections of the rural society more directly.

### Reply of Government

The Five Year Plan (1978—83) has been fore-closed. However, the Sixth Plan (1980—85) tentatively proposes on investment of Rs. 1810 crores under State Plan outlay and Rs. 1700 crores through institutional investment. The corresponding figures for 1979-80 and target for 1980-81 under Plan outlay and institutional investment are as under:—

(Rs. in crores)

Year	Plan outlay	Institutional investment
1979-80 . . . . .	260	250 (Likely)
1980-81 . . . . .	266	300 (Likely)

[Min. of Rural Reconstruction O.M. No. H-11011 (7) /79 RE,  
dated 23-3-1981]

#### Recommendation (Sl. No. 25, Para 4.43)

The Committee have been informed that Government have yet to tie up the arrangements regarding power supply in rural areas which constitutes an important factor for achieving irrigation potential in the minor irrigation sector. What has caused concern to the Committee is that the position in this regard is particularly unsatisfactory in the States like Bihar and Uttar Pradesh where the unemployment situation is very acute. If rural electrification programme are not linked with the minor irrigation schemes, the expected development in agricultural activities and the consequent increase in employment potential may not materialise. The Committee suggest that this matter should be taken up at high level with the State Govts. concerned and measures taken to ensure the minor irrigation schemes do not suffer for want of timely power supply.

#### Reply of Government

As the subject of power for agriculture and other purposes comes under the purview of the Ministry of Energy the observations of the Estimates Committee were forwarded to that Ministry. The comments of the Department of Power on the observations of the Estimates Committee are reproduced as under:—

- (1) Agriculture is always given high priority in the matter of power supply. This was also emphasised by the Union Minister of Energy in a recent letter to the State Chief

Ministers for a need for assured power supply to the Agricultural/rural sector on a time bound basis. This was also subsequently followed through letters to all the Power Secretaries of the States and Chairman, State Electricity Boards. According to the replies received by the Ministry of Energy, the States are ensuring for adequate power supply to agricultural/rural sector. In this connection, it may particularly be mentioned that in spite of the severe power shortage in the State of U.P., they have been ensuring, on an average about 8 hours power supply per day to the rural areas. The scheduled supply is also reported to be 6 hours a day.

- (2) In order to ensure that the development in rural areas including agricultural production, all the State Govts. and State Electricity Boards have been emphasised for setting up of Coordination Committees at the State/District/Block levels for a monitoring of rural electrification programme. In the case of district level committees the emphasis has also been laid that District Collectors should be directed to attend the Coordination Committee meetings regularly so that the representatives of the other developmental agencies will make it a point to join such meetings.
- (3) In regard to energisation of pumpsets, according to latest reports received, 40.53 lakh pumpsets/tubewells have been energised in the different States upto 31st August, 1980.
- (4) The Five Year Plan 1978—83 has been force-closed. However, the approved allocation for rural electrification during the years 1978-79, 1979-80 and 1980-81 are Rs. 271-98 crores, Rs. 280.41 crores and Rs. 285.22 crores respectively. Copies of the following circular letters issued by the Ministry of Energy in connection with promoting rural electrification/agricultural operations by assuring time bound power supply are enclosed.
  - (i) D.O. No. 42(26)/80-D.II dated 24th July, 1980, from the Union Minister of Energy addressed to the State Chief Ministers/Adviser to the Government of Assam. (Annexure-I)
  - (ii) D.O. No. 42(26)/80-D.II dated 4th August, 1980 from the Director, Department of Power, addressed to all Power Secretaries with copies to the Chairman of the State Electricity Boards. (Annexure II)



- (iii) D.C. No. 43(3)/77-D.II dated 30th Sept., 1980 from Joint Secretary, Department of Power, addressed to Chief Secretaries of State Govts. with copies to the Chairmen of the State Electricity Boards, regarding Coordination Committee for Rural Electrification. (Annexure-III)
- (iv) D.O. No. 42(3)/77-D.II dated July 6th, 1979 from Joint Secretary, Department of Power to the Chief Secretaries of State Govts. and Chairmen of State Electricity Boards. (Annexure IV)
- (v) D.O. No. 42(3)/77-D.II dated December, 26th 1978 from Joint Secretary, Department of Power addressed to the Chief Secretaries of the State Govts. (Annexure V)
- (vi) Letter No. 42(3)/77-P.E., dated 8th June, 1977 from Deputy Secretary, Department of Power, addressed to the Chief Secretaries of all State Governments. (Annexures I to VI not printed).

6. A statement indicating the State-wise details of irrigation pumpsets/tubewells energised upto 31st July, 1980 is attached. (Annexure VII).

[Min. of Rural Reconstruction O.M. No. H-11011 (7) /79 RE,  
dated 23-3-1981]

## ANNEXURE VI

KENDRIYA VIDYUT PRADHIKARN GRAM VIDYUTIKARAN NIDESHLAYA  
IRRIGATION PUMPSETS/TUBEWELES ENERGISED

S. No.		States/U. Ts.	Number energised as on	
			31-3-1980	31-5-1980
1	2		3	4
1	Andhra Pradesh		387731(*)	396919
2	Assam		1678	1844
3	Bihar		151985	152205(b)
4	Gujarat		202853	208917
5	Haryana		203367	209405
6	H.P.		1633	1681
7	J. & K.		985	985(a)
8	Karnataka		290308	294338
9	Kerala		77863	80545
10	M.P.		279441	287530
11	Maharashtra		597474	613919
12	Manipur		10	10(d)
13	Meghalaya		47	47(d)
14	Nagaland		Nil	Nil
15	Orissa		12958	13696(d)
16	Punjab		262267	272141
17	Rajasthan		183926	185877(c)
18	Sikkim		Nil	Nil
19	Tamilnadu		887227	900116
20	Tripura		248	255
21	U.P.		361750	369817
22	West Bengal		24068	24487
Total States			3927809	4014535
Total U. Ts.			213111	21776
Total (All India)			3949120	4036311

(\*) — Figure provisional

(a) — As on 31-3-1980

(b) — As on 30-4-1980.

(c) — As on 31-5-1980.

(d) — As on 30-6-1980.

1	2	3	4
1	A & N Islands	1	1
2	Arunachal Pradesh	Nil	Nil
3	Chandigarh	495	506
4	D & N Haveli	221	228
5	Delhi	11117	11467
6	Goa, Daman & Diu	1757	1820
7	Lakshadweep	Nil	Nil
8	Mizoram	Nil	Nil
9	Pondicherry	7720	7754
Total U. Ts.		21311	21776

### Recommendation (Sl. No. 26, Para 4.44)

The Committee note that a number of steps have been taken to ensure that the benefit of the minor irrigation programme reaches the small farmers and the weaker sections of the people in the rural sector. The Committee attach great importance to this aspect of the matter and would like Govt. to review the performance of these measures in the light of experience so far and make them as practicable as possible so that the benefits really reach the intended sectors at the earliest. Success for implementation of the measures taken to benefit the small farmer will ultimately determine the success of the employment programmes for the rural sector.

### Reply of Government

For extending the benefits of the minor irrigation programme to small and marginal farmers a Central Sector Scheme was introduced under which subsidies are provided for minor irrigation works under SFDA/DPAP and CAD projects. The minor irrigation works covered both individual units and community irrigation schemes undertaken for groups of farmers and implemented by cooperatives/panchayats, minor irrigation corporations. Lift irrigation corporations etc. subsidy is allowed at the rate of 25 per cent to small farmers and 33-1/3rd to marginal farmers on the capital investment under individual programmes. In respect of community irrigation schemes, the rate of subsidy is 50 per cent based on

the cost apportionable to the ayacut of small and marginal farmers, in the command of the community minor irrigation works. The rate of subsidy for small farmers/marginal farmers belonging to scheduled tribes is 50 per cent of the Capital cost for both individual as well as community minor irrigation works. The facility of subsidy for minor irrigation works under the SFDA programme, has been extended in June 1978 to small and marginal farmers for ARDC and ARDC type schemes in areas not covered earlier by the special programmes like SFDA, DPAP, CAD etc. The present rates of subsidy are as under:—

1. Marginal farmers (1 to 2ha).	33 1/3% Maximum upto Rs. 3000 and Rs. 4000 under DPAP areas.
2. Small farmers (1 to 2 ha)	25% Maximum upto Rs. 3000 and Rs. 4000 in DPAP areas.
3. Farmers with holdings between 2 to 4 ha	20% Max. Rs. 3000 and Rs. 4000 in DPAP areas.
4. For community works	50% for small and marginal farmers and 40% for farmers with holdings between 2 to 4ha.
5. For tribal farmers	50% of cost maximum upto Rs. 5000.

The programme Evaluation Organisation of the Planning Commission, Government of India conducted a study in 21 SFDA and 13 MFAL areas during 1974-75 and the findings of the study in respect of minor irrigation programmes are:—

“Minor Irrigation Schemes helped farmers in taking more than on a crop and adoption of high yielding varieties. This has led to the generation of substantial additional income of farmers, especially in SFDA areas. The overall not average income generated by the schemes was Rs. 1,871 in SFDA areas and Rs. 994 in MFAL areas. Of the various schemes, dugwells were more fruitful and the lowest income accrued from pumpsets. Judged from the angle of project assistance also dugwells as a percentage of loans taken was nearly 55 in the case of SFDA and 37 in MFALs.”

For encouraging farmers to obtain institutional benefits, the ARDC and the RBI have reduced the rate of interest of refinance to eligible institutions for lending to ultimate borrowers from 10.5 per cent to 9.5 per cent w.e.f. 15th March, 1979. This lending rate is applicable both for Minor Irrigation and loans for diversified purposes for small farmers.

Institutional funds are also being made available for individual borings operated by the commonly hired pumpsets. For getting the good quality of pumpsets, States have been requested to set up technical committees for selection and pricing of pumpsets, so that pumpsets of good quality and standard are available to the farmers at reasonable price. These committees have been set up in all the States except the States of J&K, Kerala, Meghalaya, Maharashtra, Sikkim and Tripura. These States are also being persuaded to set up these committees at their earliest.

[Min. of Rural Reconstruction O.M. No. H-11011 (7)/79 RE,  
dated 23 March, 1981]

### **Recommendation (Sl. No. 27, Para 4.45)**

The Committee attach great importance to irrigation programmes of the Sixth Plan in view of their high employment potential and would like to be apprised of the steps taken by Government in pursuance of the aforesaid recommendations—

### **Reply of Government**

The steps being taken by Government to accelerate minor irrigation are as below:—

- (1) Giving priority to the need of minor irrigation programme in the allocation of funds from within the State Plan resources.
- (2) Achieving maximum step-up in the flow of institutional investment through simplification and streamlining of procedures, organising and sustaining drives for improved recovery position, organising local campaigns for on-the-spot clearance of applications, etc.
- (3) Laying particular emphasis on acceleration of ground-water development in the States of U.P., Bihar, West Bengal, Assam, Orissa and M.P. which have comparatively more potential for further development.
- (4) Stepping up rural electrification programme to the maximum extent possible with a view to achieving energisation of at least 20 lakh during the 6th Plan.
- (5) Giving more emphasis to public tubewells for providing irrigation in pockets with preponderance of small farmers and in areas where private tubewells are unlikely to make headway—giving greater attention to better management

and utilisation of public tubewells which have presently considerable scope for improvement.

- (6) Subsidising private minor irrigation works for farmers upto 4 hectares holdings.
- (7) Encouraging Group/Community works for extending benefits of the programme to the small farmers who cannot own works on individual basis.
- (8) Improving planning, execution and maintenance of minor irrigation works in the identified weak areas.
- (9) Strengthening State Surface and Ground Water (Minor Irrigation) Organisations with a view to enabling them to improve technical standards in planning, design and construction of works—also strengthening of the Central Ground Water Board to provide increased technical support to the expanding programme of Ground Water Development.
- (10) Giving emphasis on quick completion of minor irrigation works by undertaking a limited number of projects at a time and by making use of the Food for Work Programme for completing the ongoing schemes.

[Min. of Rural Reconstruction O.M. No. H-11011 (7)/79 RE, dated 23 March, 1981]

#### **Recommendation (Sl. No. 30, Para 4.59)**

The Committee note that several States have yet to bring their tenancy laws in line with the National Policy with regard to regulation of security of tenure and conferment of ownership rights. In a number of States the share-croppers are liable to ejection in exercise of the landlord's indefinite right to resumption. The Committee suggest that positive measures be taken to persuade the State Governments to initiate legislative measures to amend the land reform laws of the State so as to bring them in line with the national policy

#### **Reply of Government**

The Government of India have been pursuing the matter with the States concerned.

[Min. of Rural Reconstruction O.M. No. H-11011(7)/79 RE, dated October 31, 1979]

### **Recommendation (Sl. No. 31, Para 4.60)**

The Committee note that Raj Krishna Committee on Land Reforms has also made certain recommendations for including the Land Reforms Acts passed by the States in the 9th Schedule of the Constitution and for making a certain amendment in the 9th Schedule of the Constitution with retrospective effect. The Committee would like to be informed of the action taken in pursuance thereof

### **Reply of Government**

The Union Cabinet has already taken a decision on including Land Reform Laws in the Ninth Schedule. Necessary steps to give effect to this decision by an amendment of the Constitution are being taken.

[Min. of Rural Reconstruction (O.M. No. H-11011(7)/79 RE, dated October 31, 1979]

### **Recommendations (Sl. No. 32, Paras 4.66 and 4.67)**

The Committee note that at present an area of about 1750 lakh hectares is in need of soil and water conservation measures for preventing degradation and restoring degraded lands in the country. The treatment of this land is likely to generate employment potential (casual labour) of about 220 crores mandays. The Working Group on Soil Conservation and Land Reclamation for Sixth Five Year Plan have recommended the treatment of an area of 104.39 lakh hectares under State and Central Sector Schemes at an estimated cost of Rs. 585 crores, which is expected to generate an employment potential of 49 crore mandays.

In the Government's view because of the magnitude of the problem this work can not be taken up entirely at Government cost, on the plea that the benefits accruing therefrom would go to individual holders, but some sort of incentives by way of grant of subsidy/loan at low interest and technical guidance would be considered to tackle the problem. The Committee think the Government are taking too short-sighted a view of this problem. If individual owners of land cannot afford expenditure on soil and water conservation measures and the Government do not agree to undertake this work at public cost for reasons stated above, who ultimately suffers? The nation.—The Committee cannot over-emphasise the importance of undertaking the Soil and Water Conservation measures according to a time-bound programme and, if the proposed incentives by way of subsidy or cheaper loans do not evoke adequate response from the individual owners, the Committee hope

the Government would not let the State Governments abandon or slow down this programme which has a tremendous potential of raising food production and generating employment of 220 crore mandays of which 49 crore mandays are envisaged in Sixth Plan period.

### **Reply of Government**

Against an outlay of Rs. 150 crores recommended by the Working Group for the Sixth Plan in respect of Centrally Sponsored Scheme of Soil Conservation, the Planning Commission agreed to Rs. 107 crores only. As regards, State Sector Programme, the Working Group during Annual Plan discussions after taking into consideration the magnitude of the problem, recommended an outlay of Rs. 402.62 crores for soil conservation schemes in the Sixth Plan. Planning Commission have yet to finalise the Sixth Plan outlay for the State Sector. As Land is a State Subject, the Centre has no control over State Government in the matter of allocation of funds for soil conservation programmes. The Ministry of Agriculture and Irrigation will however continue to emphasize and focus attention of States to problem areas requiring remedial measures.

[Min. of Rural Reconstruction (O.M. No. H-11011(7)/79 RE,  
dated October 31, 1979]

### **Recommendation (Sl. No. 33, Paras 4.76 and 4.77)**

It has been represented to the Committee that apart from land reforms and other measures to step up agricultural production, the crucial areas in which programmes and policies will have to be mounted should concern policies of introducing employment maximising technology in agriculture. All the non-official experts who appeared before the Committee were unanimously of the view that there should be a selective mechanisation in agriculture. Mechanisation which displaces human labour and throws workers out of jobs without any corresponding advantage should not be allowed. The areas in which selective mechanisation is relevant are those areas where double or multicropping or other agricultural development programmes are proposed to be introduced. The Government also subscribe to the view that mechanisation should not be there to the extent of displacing human labour substantially. The Government have laid down guidelines within the overall framework of the policy of selective mechanisation. The Government have also appointed a Committee headed by Shri B. Sivaraman, Member, Planning Commission, to study the effects of use of tractors etc. on employment output and cost. The report of the Committee is awaited.



The Committee are of the opinion that mechanisation in agriculture should be kept under constant watch and should not be allowed where it displaces human labour, without any corresponding advantage. The Committee, however, feel that indiscriminate mechanisation in agriculture cannot be checked unless areas where mechanisation is to be avoided in national interest are identified and the extent to which it is to be allowed in other areas determined. The Committee, would, therefore, like the Central Government to give this matter a serious consideration and persuade the State Governments, to implement this concept of allowing mechanisation only in these fields where it is unavoidable and essential in national interest.

### Reply of Government

Government also do not favour such mechanisation as displaces labour without any corresponding advantage—That is why it has been decided to follow a policy of selective mechanisation and the States have been advised likewise. Within the framework of selective mechanisation, the following broad guidelines have also been laid down:

- (i) In meeting the power needs of agricultural operations, priority would be given to the utilisation of manual and bullock power in the context of availability of labour and drought animals and small farmers economy of the country.
- (ii) Programmes for improvement, production, popularisation and distribution of improved agricultural implements and tools would be necessary and may be undertaken for increasing the efficiency of manual and bullock power.
- (iii) The use of mechanical means like tractors may be necessary and justified.
  - (a) in areas with variable and low rainfall and where lack of sufficient bullock power at the right time is a constraint,
  - (b) in difficult terrains,
  - (c) for land shaping in difficult situation,
  - (d) for reclamation of large tracts of land for cultivation for the first time.

The situation given above against (iii) are only indicative and not exhaustive.

Further, in order to enable the formulation of a suitable policy for different parts of the country, the Expert Committee set up under the Chairmanship of Shri B. Sivaraman, Ex-Member, Planning Commission has been asked to study, *inter-alia*, the impact of combined harvesters and tractors (which are apprehended to be labour-displacing) on employment under various representative agro-economic conditions and recommend a policy on the use of these machines in different parts of the country. On receipt of the report, Government of India would take further appropriate action.

[Min. of Rural Reconstruction (O.M. No. H-11011(7)/79 RE, dated Jan. 14, 1980]

### **Recommendation (Sl. No. 34, Para 483)**

The Committee note that a wide-gap exists between the sophisticated know-how available in realm of Science and Technology in agriculture and its actual applicability in the field and consequently the average yields in India even in command areas or irrigation projects are one of the lowest in the world. According to an expert "If you see the yield of the University farm (in Punjab) and the yield of the progressive farmer of the State which was considered only 10 per cent, you will find that their yield is still 30 per cent higher than the average farmer of the State." Evidently, therefore, wider application of the techniques projected in the University and the laboratory will go a long way in raising the productivity and income of the farmers in the country. In this context, the Committee note, a small experiment—lab to land programme—has been launched this year by the Indian Council of Agricultural Research for the transfer of technology to 50,000 farm families all over the country.

### **Reply of Government**

The Experimental Lab to land Programme has been launched with a view to bridge the gaps in the field of transfer of technology from the laboratories to the field and a reverse feed-back mechanism which will help bring the scientific community in close contact with the problems facing the farmers.

This is an experimental programme aimed at transfer of latest, proven and viable technologies to 50,000 farm families belonging to the group of marginal farmers, small farmers and landless labourers. This programme is expected to help improve the economic well-being of the farmers through the diversification of labour use

and generation of supplementary sources of income like sericulture, agriculture, animal husbandry, etc. These technologies are to be transferred through the existing Transfer of Technology Centres belonging to ICAR Research Institutes, Agricultural Universities, affiliated agricultural colleges and voluntary organisations all over the country, based on the recommendations of the Transfer of Technology Workshop held at Hyderabad on 3—5th Jan., 1979.

This programme has initially been taken up during the Agricultural Year 1979-80 and has already started from the kharif season of the current year.

The entire programme is to be formulated, coordinated, monitored and evaluated by 8 Zonal Coordination Units which are being set up in the 8 agro-climatic zones recognised by the Council.

The programme involves an estimated expenditure of Rs. 3 crores at an average rate of Rs. 59,000 per 100 farm families in accordance with the General Guidelines which include the pattern of assistance approved by the SFC/GB of the Council. A Memorandum of Understanding has been drawn up with the approval of SFC/GB to be accepted by the participating institutions in token of their agreement with the General Guidelines and the pattern of assistance for the Programme.

During the agricultural year June 1979-May 1980, 48,570 farm families were actually adopted against the target of 50,000 farm families. The farm families have been assigned to 84 Technology Transfer Centres (TTCs) belonging to the Agricultural Universities, ICAR Institutes, Voluntary Organisations and other Government agencies. The work of each TTC is being looked after by a Coordinator, who is supported by an inter-disciplinary team. As per plan of operations, a benchmark survey was conducted in respect of each of the farm families and individual family farm plans have also been made for each of the participating farm families. In accordance with the original proposal, a Lab to Land Manual which contains the latest, tested, proven and viable technologies available in the country has been brought out. Copies of these Manuals have been supplied to the TTCs as a ready reference to enable them make fullest use of the facilities, services and technologies available in the country. In addition, as per the plan, literature on the various technologies has been brought out by the participating institutions for supply to the participating farm families in simple regional languages.

In each of the Zone, a Zonal Advisory Committee has been constituted with representation of the participating Centres and the concerned State authorities for effective implementation of the programme. The Zonal Advisory Committees have been requested to identify the constraints and find solutions specially in such weak points as supply of timely inputs, credit facilities, marketing outlets for the participating farm families, etc.

The Governing Body of the Council have since approved the extension of the Programme for two additional years on the recommendations of the National Organising Committee and the Planning Commission.

[Ministry of Rural Reconstruction O. M. No. H 11011/7/79—BHB  
Vol. V dated 23-9-80]

#### **Recommendation (Sl. No. 34. para 4.84)**

The Committee welcome this 'Lab to Land' Programme but feel that by transferring technology to only 50,000 farm families, it will be touching only the tip of the problem. The need for modernising agriculture under this and similar other programme launched by ICAR and Government cannot be over-emphasised; if successfully implemented they will go a long way in bringing about economic well being of the farming community and solving to a considerable extent the problems of poverty and under employment in the countryside. The Committee would like the Government to explore the possibility of mobilising the support and cooperation of State authorities to extend the benefits of Science and technology to a much larger segment of farming community than is envisaged under the 'Lab to Land' Programme.

#### **Reply of Government**

As has been clarified (vide S. No. 12—Para No. 4.83) the ICAR looks upon this as purely an experimental programme depending upon the experience and the successful implementation of the programme as judged from the evaluation for which a benchmark survey has already been carried out, the ICAR will certainly urge the State Governments to take up this programme on a mass scale. However, since the programme has recently been started, it is perhaps, a bit premature at this stage to make any positive and firm proposals.

[Ministry of Rural Reconstruction O.M. No. H 11011/79- R.M.E.  
Vol. V dated 23-9-80]

**..Recommendation (Sl. No. 35, Para 4.95)**

The Committee note that the National Commission on Agriculture (1976) had gone into the question of employment potential of forestry programmes. The Commission came to the conclusion that forestry is an important source of employment in the rural areas and as it requires a very high component of unskilled labour, it would benefit primarily the unemployed and under-employed agricultural labourers and weaker sections of rural community. The Commission estimated that forestry operations and ancillary activities can generate about 5.5 million man-years of additional employment by 2000 A. D. In addition, there is large scope for employment in the rural areas in the transport of forest produce and in forest based industries. The Bhagwati Committee on unemployment agreed with the National Commission on agriculture that forestry operations can provide much needed employment in the primary, secondary and tertiary sectors. The Committee note that the Draft Plan, 1978-88 has also taken note of the employment potential of forestry development. The Committee also feel that afforestation programmes and other forestry operations have great potential in generating employment particularly in the country side where the unemployment situation is more acute. The Forestry operations cannot only provide direct employment to the unemployed but will also make substantial contribution to the annual rainfall of drought ridden areas and can thus stimulate agricultural activities in such areas and provide more employment in agricultural operations. The Committee, therefore, recommend that suitable programmes for forestry development should be drawn up and implemented all over the country.

**Reply of Government**

India's forests cover an area of 75.3 million ha. The proportion of forest area to total geographical area is 23 per cent. It is therefore, the largest single land use next to Agriculture.

The Indian forests yield a number of products which are utilised in a variety of forest based industries as well as for Defence, Railways, Communications and other public undertakings besides meeting the requirements of local population, particularly over 30 million

Scheduled Tribes (1961 census) for whom forests provide food, work etc.

The Primary forest activities as well as secondary and tertiary activities, with the exception of only a few, are labour intensive and have a potential for generating relatively greater employment. In this context, it may be stated that the role of forestry in employment was discussed at the meeting of the Ad hoc FAO committee on Forestry held at Rome from 16th Feb., 1971. The Committee considered that the *creation of employment opportunity particularly in developing countries* is one of the most challenging issues and that failure to solve the *problem of unemployment and under-employment might become the greatest threat to world peace.*

The Committee further observed that forestry operations in both industrialised and developing countries in rural areas. Thus, forestry and forest industries would play, particularly in developing countries, a highly important role in economic and social development in rural areas as forestry not only creates employment in the forestry sector but also has a considerable multiple effect in related sectors of the economy.

The employment in forestry is mainly of seasonal nature. The forests of India provide considerable employment to temporary and seasonal workers on jobs like creation of forest plantations, silvicultural operations, building and road construction, harvesting and transport of forest produce etc. At present, it is estimated that all over the country, the forest activities provide (primary, secondary & Tertiary) employment of about 369 million man-days which in terms of full year employment would work out to about 3 million workers at the rate of 300 man-days a year. About eighty per cent of the above forest labour force is estimated to be engaged in primary forestry activities such as plantations, harvesting including hand sawing, transport of forest produce, silvicultural operations, road construction, extraction of minor forest produce including resin and other similar activities. In addition, the total number of permanent personnel employed by the State Forest Departments is estimated at about 98 thousand persons.

The labour employment figures (both skilled and unskilled) likely to be generated in respect of plantations and road construction

only during the Sixth Five-Year Plan have been estimated. The figures are given as under:—

Activities	Annual average target for the Sixth Plan.	Labour generated per unit of works	Annual average contribution towards skilled/labour during Sixth Five Year Plan.
		(Man days)	(Million man days)
1. Plantations	4,72,000 ha	130	61.36
2. Road construction	7500 kms.	5700	42.75
Total :			104.11

The above estimates show that the two important forestry operations namely plantations and road construction would be able to generate on an average about 104.11 million man days employment per year during the Sixth Five Year Plan.

[Ministry of Rural Reconstruction O.M. No. H 11011/7/79—RE  
Vol. VI dated 20-1-1981]

Table 'A'

Annual Plan proposals in respect of Central and Centrally Sponsored Schemes in Forestry Sector for Sixth Plan period.

Category & Title of the Schemes	Sixth Plan outlay
1	2
	(1980-85)
<b>1. Central (Continuing Schemes)</b>	
1. Forest Research & Education . . . . .	1200.00
2. Forest Survey of India . . . . .	300.00
3. Indian institute of Forest Management . . . . .	175.00
4. Delhi Zoological Park . . . . .	60.00
5. Logging Training Centre Project . . . . .	150.00
6. Lac cultivation . . . . .	25.00
7. Oil Palm Project (A & N Island) . . . . .	300.00
8. Development of Kutchal Rubber Plantations . . . . .	85.00
9. Strengthening of Forestry Division . . . . .	25.00
<b>New Schemes :</b>	
1. Introduction of Modern Fire Fighting Methods in India . . . . .	250.00
2. Development of Zoos (Grants Commission) . . . . .	50.00

1	2
3. M.P. Forestry Technical Project . . . . .	215.00
4. Management and Development of Nature Reserves of National Importance such as biosphere Reserves, National Parks, (Including Silent Valley National Park) . . . . .	100.00
5. Investment in Forest Development Corporations in Andaman & Arunchal Pradesh . . . . .	50.00
6. Setting up of National wild Life Research and Training Institute (including crocodile Breeding Training Institute) . . . . .	100.00
<b>Total for Central Sector Scheme</b>	<b>3085.00</b>

Table 'B'

*Proposed Outlays for Centrally Sponsored Schemes  
(Central assistance component)*

	(Rs. in lakhs) 1980-85
	Sixth Plan outlay
1. Management of National Parks & Sanctuaries . . . . .	400.00
2. Social Forestry (including Village Fuel wood Planatations) . . . . .	5000.00
3. Soil, Water and Tree Conservation in the Himalays . . . . .	1500.00
4. Project Tiger . . . . .	500.00
<b>Total for Centrally Sponsored Schemes</b>	<b>7,400.00</b>

Table 'C'

*Proposed Outlays for State Sector Schemes*

	(Rs. in lakhs) 1980-85	
Sl. No.	Category of Schemes	Sixth Plan Outlay
1	Production Forestry . . . . .	16000.00
2	Social Forestry . . . . .	23000.00
3	Village Fuelwood Plantations . . . . .	5000.00
4	Willdlife anf Environmental Conservation . . . . .	12000.00
5	Organisation & Institutions . . . . .	9600.00
6	Research & Education . . . . .	1600.00
7	Others . . . . .	10800.00
	<b>Total for State Sector</b>	<b>78000.00</b> or <b>Rs. 780 crores</b>



Table 'D'

*Total Outlay Proposed for Forestry Sector*

	(Rs. in crores.)
1. Central Sector . . . . .	30.85
2. Centrally Sponsored . . . . .	74.00
3. State Sector . . . . .	750.00
Total . . . . .	854.85

**Recommendation (Sl. No. 36, Paras 4.96 & 4.97)**

The National Commission on Agriculture has also studied the scope of employment in Fisheries. The Commission has been of the view that an increase in the employment potential from 0.8 million man years in 1970 to 2.4 million man years in 2000 AD is possible if inland fisheries are expanded. Similarly employment potential in marine fisheries can also be increased from 1 million man years in 1970 to 2 million man years in 2000 AD.

The draft sixth plan document (1978—83) has also taken note of the large scope of fisheries to fulfil the basic objective of production-cum-full employment envisaged in the Plan. The Committee have no doubt that the fisheries particularly the inland fisheries will be exploited to the fullest extent in the Plan period so as to provide employment to the unemployed and fuller employment to the under employed.

**Reply of Government**

Due to lack of data it is not possible to estimate the employment that would be generated due to undertaking of various programme in the fisheries sector. It has been estimated indirectly that the employment in fisheries sector is likely to increase from 8.89 lakh standard man years in 1977—78 to 12.12 lakh standard man years by the end of 1982-83. A statement giving the employment figures is enclosed. (not printed)

Inland fisheries development has by and far the greatest scopes of employment. The technology for fresh water fish culture has been developed and by adopting intensive cultural practices, high levels of production can be achieved. However cost of production is high. A low cost technology of recycling wastes is also concurrently being developed, Here fish is cultured in ponds manned by wastes

from cattle, poultry, pigs etc. Brackish water fish and more especially shrimp culture is also being popularised, although many technological problems remain to be solved. All these are labour intensive and inland fish culture could substantially contribute to wards increased employment.

As regard marine fisheries, scope for increased employment is limited to specialised fields in deep sea fishing. There are besides areas where the pressure of fishing by unmechanised and mechanised boats low and additional boats could be introduced.

Besides as a measure of protection to the traditional sector, a certain distances of inshore areas is being reserved for the operation of unmechanised boats.

[Min. of Rural Reconstruction OM. No. H. 11011/79-RE Dated October 31, 1979]

#### **Recommendation (Sl. No. 37 Para 5.21)**

The Committee are informed that according to the various programmes in the decentralised sector the Government expect to create 102.23 lakhs jobs during the plan period (1978—83) 32.03 lakh additional jobs are proposed to be created by Khadi and Village Industry Commission; 30.20 lakh additional jobs are to be created in handloom sector, 10 lakhs in sericulture and 30 lakhs in small scale sector. Of the 102.23 lakh additional jobs, 60 to 70 lakhs jobs are expected to be created in the rural areas. The Committee note that during the preceding Five Year Plans also there were a number of programmes to create employment opportunities in the decentralised sector but the additional employment generated in this sector was not upto the expectation. According to the draft plan 1978—83 the shortfall in the employment generation in this sector was due to a variety of reasons. Common production programmes were not formulated in detail. There was an increase in the number of schemes, agencies and institutions without adequate arrangement for coordination and monitoring of their activities. Most of the artisans, craftsmen and other small entrepreneurs failed to get a Package of assistance and services. The Committee are informed that these draw backs noticed in the implementation of previous plans will be taken care of through the instrument of District Industry Centres in the 6th Plan. The Committee have dealt with District Industry Centres separately in this report. The Committee however, cannot help emphasising the need for learning lessons from the past mistakes which led to shortfalls in the employment generation targets in the decentralised sector. The targets of addi-

tional employment of 102.23 lakhs jobs of which 60 to 70 lakhs jobs will be in the rural sector are highly impressive no doubt, and these targets are also within reach if the various schemes and programmes are properly implemented. The Committee would suggest that these targets may be broken up year-wise, state-wise and even region-wise; specific responsibilities may be assigned to specific bodies in each area which may be held accountable to implement the programmes and to achieve targets. At Central and State levels, the progress under the various programmes should be continuously monitored and the working of various organisations and programmes fully coordinated and ways and means found to overcome constraints that may be encountered in the achievement of the targets. All this calls for a constant and close watch and it is here that the responsibility of the apex bodies at the Central and State levels is crucial. The Committee would like that the year-wise targets and achievements with reference to each programme should be fully reflected in the annual reports of the respective bodies who may be assigned the responsibility of implementing these programmes and the Government at the highest level should come forward to help them as soon as any shortfalls are apprehended or noticed.

### **Reply of Government**

Year-wise and industry-wise targets are being worked out by the various Boards|Commission in their annual budgetary exercise. State-wise targets are also worked out. Year-wise targets and achievements are being furnished by these Boards|Commission in their Annual Reports. Year-wise, State-wise and Industry-wise targets of production for SSI sector have already been worked out for the plan period 1980—85.

[M]o Rural Reconstruction OM No. H 11011/7/79 RE Vol VI Dtd.  
Dec. 8, 1980]

### **Recommendation (Sl. No. 38, Para 5.2)**

In order to achieve the target of additional employment generation the Khadi and Village Industry Commission has suggested policy support for the small and village industries in the form of reservation of spares of production, non-expansion of the capacity of large scale industries and identification of areas where large scale units need not be set up. The Committee have been informed by the Ministry that in their new industrial policy a great emphasis has been laid on the promotion of small scale industries in rural areas and small towns. Large industries will not be allowed to come up in urban areas having a population of over 5 lakhs. Certain lines of production have been reserved for small scale industries.

The number of such items has been increased from 247 to 807 in the year 1978. Tiny sector which forms nearly 90 per cent of the small scale units has been identified and schemes of assistance or margin money, lower rate of interest and other facilities have been formulated for them. The Government have stated that once an item is reserved for production in the small scale sector, additional capacity therefore would not be allowed in the organised sector. The Committee have been informed that Director General, Technical Development is required to, obtain quarterly returns from the large production units in terms of production capacity and to check the end production in each such unit from time to time. The representative of the Ministry of Industry could not say categorically during evidence as to whether after the reservation of certain items for small scale sector, production of the reserved items in the organised sector had not increased. He promised to furnish this information to the Committee subsequently but this information has not been received so far. The Committee feel that while reservation of items for production in the small scale and tiny sectors is an excellent idea which has a tremendous potential of stimulating growth of these sectors, its implementation in the field is bound to prove problematical. In fact, as large sector has failed to provide adequate employment opportunities to the growing work force and as decentralised sector has the potential to absorb much larger work force than at present, there is no alternative but to support small scale and tiny sectors by reserving certain lines of production exclusively for these sectors and thus helping them provide more employment opportunities to the unemployed persons especially in rural areas. But if the concept of reservation has to be made a success, the Government must not only take powers to prevent large sector from producing what belongs to the decentralised sector but also strengthen the implementing of this policy and ensure that the large sector does not grow at the cost of small and tiny sectors.

#### **Reply of Government**

The Small Industries Development Organisation (SIDO) is having a regular programme for reviewing the progress of industries reserved for exclusive development in the small scale sector. The total number of items reserved prior to December 1977 were 180 (reclassified to 319) and out of these 150 (reclassified to 214) were already reviewed. The studies undertaken reveal that as a result of the reservation policy, there has been a growth in the number of units by 65 per cent and growth in production upto 400 per cent varying in different ranges among different production lines. The list of items reserved for development in the small scale sector has

been expanded to 807 in December 1977 and to 834 in May 1980. Review studies on 92 items are being prepared. The assessment of full impact of reservation of these industries will take some time.

[M/o Rural Reconstruction O.M. No. H 11011/7/79 RE Vol. VI dated December 8, 1980]

### **Recommendation (Sl. No. 39, Para 5.23)**

In this context the Committee take note of the observations made by the National Commission on Agriculture in their report, 1976, that "deliberate efforts will have to be made to see that the production of sophisticated goods and services which is at present concentrated in the urban centre is decentralised and shifted to the rural areas. These sophisticated goods and services would cover a number of dairy products, processed food of various kinds including malt and beverages, jams, jellies, squashes, biscuits, processing especially at primary stage including milling, tenning, oil extraction, chilling of milk, food processing, canning and preservation, packing, storage etc. The Committee endorse the recommendation made by the Commission that production of such sophisticated processed food and processed agricultural materials should be reserved for the rural sector as a matter of national policy and activities such as wholesale and retail trade distribution, packaging and processing, marketing etc., should be brought within the fold of rural sector.

### **Reply of Government**

At present there are 23 village industries including khadi under the purview of the KVIC which are benefited by its developmental programmes. Among these village industries, village leather, ghani oil, processing of cereals and pulses, cottage match, fruit processing and fruit preservation, bee-keeping are covered by the recommendation made by the Estimates Committee. These industries are by and large household in character with dependence on outside agencies for all inputs except skill, have low capital formation and are exposed to constant threat of erosion of earnings due to extraneous factors. The artisans engaged in these industries are in a sizable measure socially and economically backward. Though attempts have been made to institutionalise these activities, Khadi and the products of village industries continue to face competition from the products of the organised sector including the modern small scale sector. There is, therefore, a need for policy support by the estate to protect these industries from unequal competition.

In the statement on Industrial policy made on 23-7-80 it has been stated that the Government is determined to promote such a form of industrialisation in the country as can generate economic viability in the villages—and that promotion of suitable industries in rural areas will be accelerated to generate higher employment and higher per capital income for the villagers in the country without disturbing the ecological balance. Towards this end, handlooms, handicrafts and khadi and other village industries will receive greater attention to achieve a faster rate of growth in the villages.

The Planning Commission constituted another Working Group on Khadi and Village Industries under the Chairmanship of Secretary, Ministry of Rural Reconstruction on 3-7-1980. The Working Group has submitted its report on 19-9-80 which has made some suggestions on this aspect also.

The report is under consideration of the Government.

[Ministry of Rural Reconstruction. O.M. No. H-11011/7/79-RE Vol. VI Dated 2nd December, 1980]

#### **Recommendation (Sl. No. 41, Para 5.30)**

The Committee note that the Khadi and Village Industries Commission have drawn up programme to generate 55.17 lakhs jobs (32.03 lakhs additional jobs) during the period 1978—83 with an investment of Rs. 1296 crores. The implementation of these programmes depends on a number of factors like adequate budgetary support, liberal bank credit, institutional infrastructure and administrative and managerial capabilities of the organisation. The Commission welcome this ambitious programme. But they are not sure whether KVIC has the organisational capacity to nearly double the employment generation from 28.41 lakhs in 1978-79 to 55.17 lakhs in 1982-83. And this doubt is confirmed by the statement made by the representative of the Ministry of Industry during evidence that “perhaps if (KVIC) has not developed the kind of administrative capabilities and skills which are required to push through a programme of this magnitude”. The Committee note that the Government have set up a Committee to suggest ways and means of strengthening the Commission to enable it to discharge its responsibility in this field. The Committee would be unhappy if the programmes for generating 32,02 lakh additional jobs during the Plan period are allowed to lag behind schedule just for lack of adequate

administrative and managerial capabilities in the KVIC. The Committee would like the Government to spare no effort to strengthen the Commission organisationally and administratively so as to equip it to push through the employment programme according to target.

### **Reply of Government**

The Planning Commission constituted another Working Group on Khadi and Village Industries under the Chairmanship of Secretary, Ministry of Rural Reconstruction on 3-7-1980. While constituting this Working Group the Planning Commission decided that the Organisational Committee set up earlier by K.V.I.C. may be wound up.

As per its term of reference the Working Group was requested *inter alia* to examine the organisational and administrative structure of the Khadi and Village Industries Commission at national, State and grass-root levels and its co-ordination with various field level agencies engaged in the promotion of small/rural industries.

The Working Group has submitted its Report on 19-9-1980 which *inter-alia* contains suggestions about organisational structure of Commission. This report is under examination of Government.

[Ministry of Rural Reconstruction. O.M. No. H-11011/7/79-RE Vol. VI Dated 2nd Dec., 1980]

### **Recommendation (Sl. No. 42, Para 5.31)**

The Committee find that another factor which can stand in the way of KVICs achieving the targets in uncertainty of budgetary and financial support. The uncertainty on this account should not have been there in view of the decisions reported to have been taken by the nationalised banks to provide liberal credit to meet the needs or small scale sector and rural artisans. The Committee urge that the Government should ensure adequate budgetary support and liberal bank credit for the programmes of KVIC to enable the Commission to generate additional employment opportunities for 32.03 lakhs persons and thus make its full contribution in the fight against unemployment.

### **Reply of Government**

All possible budgetary support is being extended to the Commission. It will be the endeavour of the Government to see that no

good scheme of the Commission for the generation of employment suffers for want of funds.

[Ministry of Rural Reconstruction O.M. No. H 11011|7|79-RE Vol. VI Dtd. Dec. 8, 1980]

**Recommendation (Sl. No. 43, Para 5.40)**

Needless to say assured availability of raw materials and outlets for the products of the rural and small scale industries are essential pre-requisites and very crucial factors for the successful development of this sector which is expected to provide employment for the rural labour force found surplus or under-employed in the agricultural sector. This will also provide a tremendous incentive for the new entrepreneurship to enter these sectors.

**Reply of Government** ..

The availability of raw materials to the small scale units in the country is assured by helping them from time to time in difficulties in procurement of raw materials. The raw materials in general are supplied through State Small Industries Corporation who are being further geared to take this job more effectively. The matter is also taken up with the concerned Government Departments as well as producers in case of difficulties. The Government is now proposing to build up buffer stocks of critical raw materials for supplying to small scale units in difficult and scarce situations. It is also proposed to strengthen the industries cooperatives for procuring and distributing raw materials to its member units. Marketing Assistance Programmes are also taken up for increasing the market outlets for the products of this sector.

[Ministry of Rural Reconstruction O.M. No. H 11011|7|79-RE Vol. VI Dtd. Dec. 8, 1980]

**Recommendation (Sl. No. 43, Para 5.41)**

The Committee are informed that small industries institutions and small industries corporations are taking care of the needs of small scale industries in these matters. The Committee suggest that the Government may keep a watch on the problems of the small scale industries and strengthen the existing organisations, where necessary to enable them to meet the raw materials needs of these industries and provide marketing outlets for their products.



### Reply of Government

The Small Industries Corporation at the State level are being further geared to take up distribution of raw materials specially scarce and in short supplies and instructions to this effect have been issued to the State Governments. District Industries Centres are also helping the entrepreneurs in getting the raw materials at reasonable prices.

[Ministry of Rural Reconstruction O.M. No. H 11011|7|79-RE Vol. VI Dtd. Dec. 8, 1980]

### Recommendation (Sl. No. 44, Para 5.42)

The Committee feel that for meeting the raw materials requirements and providing the marketing outlets for the products of the village industries, direct support by the Government in these fields, is imperative for their success. The Committee suggest that suitable scheme should be evolved for organising a network of small organisations in public sector to provide standardised raw materials, improved designs and marketing outlets to the self-employed persons in the villages and to the village and cottage industries. This organisation alongwith the DICs will provide a complete set up for a healthy growth of the Village and small industries.

### Reply of Government

There is a keen competition for raw materials due to increased commercialisation of the economy. There is a flight of raw materials from rural areas to semi-urban areas. The artisans, who possess the required skill and tools and who are willing to work, remain without work for want of raw materials. Moreover, the Khadi & Village Industries are exposed to wide and erratic fluctuations of prices of raw materials and intermediate components resulting in very large fluctuations in prices of finished product. As it stands to-day, the artisans and institutions are not in a position to purchase and stock raw materials when prices are low. It is, therefore, necessary to set up raw material banks for various commodities to ensure regular supply of the raw materials and intermediate susceptible to speculation. This would also enable processing of raw material is necessary to be evolved. One method would be, to provide funds and facilities to this sector for stocking raw materials, susceptible to speculation. This would also enable processing of raw

materials whenever needed. The Government may have to formulate a raw policy to ensure fuller work opportunity to the artisans and create new jobs in rural areas. Regulation on movement of raw materials, re-scheduling of freight rates on railways as well as fiscal concessions thereon will have to be considered. As far as KVIC is concerned, it has already made arrangements for purchase of raw materials like cotton, wool for khadi, oil, chemicals etc. for cottage match, non-edible oil and Soap and village oil industry by availing of bank finance for procurement of raw materials when the price rule low. However, much remains to be done.

In view of the fact that this sector produces goods through lakhs of self-employed artisans, scattered over lakhs of villages, it is necessary to develop a large net-work procurement cum sales outlets which link individual artisans with the market for the semi-finished and finished goods including Government channels for distribution of essential commodities. Sales cum procurement outlets should be opened on a large scale having metropolitan levels for assisting producers in disposal of their goods. KVIC has at present about eleven thousand such outlets consisting of ten emporis in metropolitan cities and few Bhavans in cities and Bhandars in a large number of villages, which cater to the needs of marketing of KVIC goods. This infrastructure is proposed to be further strengthened by opening of raw materials banks and new Bhandars in the Sixth plan period.

The Planning Commission constituted another Working Group on Khadi and Village Industries under the Chairmanship of Secretary, Ministry of Rural Reconstruction, on 3-7-1980. As per its terms of reference, the Working Group was required to pay particular attention to raw material supply aspect and to suggest a system of raw materials supply at reasonable rates to promote fuller employment in Khadi and Village Industries activities.

The Working Group has submitted its report on 19-9-1980 which *inter alia* contains suggestions regarding raw material supply. The report is under the consideration of the Government.

[Ministry of Rural Reconstruction O.M. No. H 11011/79-RE Vol. VI Dated 2nd December, 1980]

#### Recommendation (Sl. No. 45, Para 5.58)

The Committee have no hesitation in saying that District Industries Centre as conceived provides an ideal organisational framework for the implementation of the raw industrial policy and programmes

envisaged in the Plan in the context of the importance being attached to the development of small scale, village and cottage industries. Rightly the DIC will for the first time, take the focal point to the district and provide the whole package of services to entrepreneurs under one roof. This Centre will provide a tremendous psychological and practical advantage to the new entrepreneur and will save him of all the running about and harassment resulting from time consuming processes in setting up or running an industry.

### **Reply of Government**

The very purpose of setting up the district industries centres is that the whole package of services should be available to the entrepreneurs under one roof. The DICs provide a tremendous psychological and practical advantage to the entrepreneurs and save them of all the running about and harassment resulting from time consuming processes in setting up or running an industry. The Government is now considering more effective alternatives to the DIC Programme in the context of the Industrial Policy statement 1980. An evaluation study of DIC Programme has been initiated. The views of State/U.T. Governments have been sought for, on all important aspects of the implementation of DIC Programme. An indepth study of five selected DICs in different regions of the country by Inter-Departmental Teams is in progress.

[Ministry of Rural Reconstruction O.M. No. H 11011|7|79-RE Vol. VI Dtd. Dec. 8, 1980]

### **Recommendation (Sl. No. 45, Para 5.59)**

The District Industries Centre is an innovative scheme capable of achieving very encouraging results. The Committee note that the scheme has taken off with great enthusiasm and will be covering the whole of the country in the next few months. The Committee have no doubt that if DICs perform the functions expected of them in letter and spirit and the new entrepreneurs take full advantage of the services available in the DICs, the small scale and rural industries will make great strides in each district and will go a long way in wiping out unemployment and under-employment in the foreseeable future.

### **Reply of Government**

The DIC programme was launched on 1st May' 78, and by the end of March 80, 382 DICs covering 392 districts out of a total of 406 districts of the country were sanctioned. Since four metropolitan cities are outside the purview of DIC Programme and Sikkim State

desires for the presence DIC which is already there for four districts of the State, only six districts of Karnataka State and Lakshadweep remain to be covered by DIC programme.

[Ministry of Rural Reconstruction O.M. No. H 11011/7/79-RE Vol. VI Dated December 8, 1980]

### **Recommendation (Sl. No. 45 Para 5.60)**

The Committee would like the Government to keep the working of DICs under close and constant watch. It is essential to ensure that the managers selected for manning the DICs are fully-qualified for the jobs and are endowed with a spirit of service. It should be ensured that they do not carry with them the legacy of bureaucratic approach from the Departments from which they are drawn. They should be progressive minded and forward looking officers who should have positive approach and not cramped in their working by narrow rules and regulations. They should make the entrepreneurs feel welcome on being approached and they should judge an entrepreneur by the enterprising spirit and not merely by the amount of capital that he can raise. Their approach should be fully commercial, business like and practical and not at all bureaucratic.

### **Reply of Government**

The State/Union Territories Governments have been advised that the General Manager in the DICs should preferably be of the rank of Joint Director of Industries. The various Functional Managers and the Managers should preferably be of the rank of Deputy Director of Industries are expected to provide assistance in different disciplines such as economic investigation, machinery & equipment, research, extension & training, raw materials, credit, marketing and cottage industries. The States have also been advised to appoint suitable officers with proven quality and leadership and who have got aptitude to work in rural areas may be appointed in the DICs.

Past experience has also shown that unless continuous monitoring at a grass root level is done and the regular feed back from the field is obtained, it would not be possible to ensure percolation of desired benefit to entrepreneurs in the rural areas. The importance of proper monitoring and evaluation of the DIC programme needs no emphasis.

An inbuilt monitoring system has been introduced with the DIC scheme itself. Four types of coordination/advisory committee have been set up to supervise and guide the implementation of the

programme. There is a District Advisory Committee which has active participation from non-official bodies including MPs and MLAs. The Committee is expected to meet once a month. The State Level Coordination Committee is another effective tool for monitoring the implementation of the DIC programme. Its Chairman is either the Chief Minister of the State or Industries Minister. It is an official body and provides representation to all Departments and Institutions concerned directly or indirectly with development of decentralised industrial sector. This Committee has to meet once in six months to review the progress and to provide guidance to tackle various problems faced in the implementation of the programme. The Regional Coordination Committee would also be acting as a useful instrument for the benefit of the States by dissemination of experiences gained in different States in accelerating growth of small and cottage industries. There are 6 such Committees which are also official bodies. These Regional Coordination Committees are expected to meet once in 3 months. The Central Coordination Committee reviews from time to time the policy and broad framework of DIC set up in the light of experiences gained in the implementation of the scheme. It meets once in six months. Besides, a monitoring cell has been set up at the State Headquarters for reviewing the progress of work and providing guidance to the DICs for effective implementation of the programme. Another step taken in this direction is that various Joint Secretaries in the Ministry of Industry, Government of India have been allotted different States for monitoring the DIC programme. A monitoring cell at the headquarters office of the Small Industries Development Organisation (SIDO) also has been established. This cell is actively involving Small Industries Service Institute (SISI) in monitoring of the programme in the established DICs. Regular reports on the functioning of the programme are received by it from DICs, Directors of Industries and Directors of Small Industries Service Institutes, in order to serve the twin purposes of monitoring and providing continuous flow of information. A 'DIC News Letter' is also being brought out by S.I.D.O.

[Ministry of Rural Reconstruction O.M. No. H 11011/7/79-RE Vol. VI Dated December 8, 1980]

**Recommendation (Sl. No. 46, Para 5.61)**

The Government should ensure that the managers who will all be hailing from different departments and disciplines work as a homogeneous team. There should be perfect equation not only between the General Manager and the Managers but also between

all the Managers. They should be officers who cooperate and collaborate with one another in the pursuit of common goal of helping an entrepreneur.

### **Reply of Government**

All the Functional Managers in the DICs are working with close cooperation and coordination under the guidance of General Managers.

[Ministry of Rural Reconstruction O.M. No. H-11011/7/79-RE  
Vol. VI Dated December 8, 1980]

### **Recommendation (Sl. No. 47 Para 5.62)..**

Unless Managers are invested with adequate authority to solve the problems of the entrepreneurs in the field of finance, licence, power, water supply etc., they will not be able to achieve any significant results. The Committee are informed that necessary powers have been delegated to the DICs in certain matters and in certain other matters they are in the process of being delegated. The Committee would like the Central Government to make sure that all the necessary powers are vested in the Managers at the earliest as otherwise they will be acting merely as a "post office" and will cause more frustration and disappointment to the entrepreneurs than hitherto.

### **Reply of Government**

By and large the State Governments have taken steps to delegate most of the administrative powers and some of the financial powers of the Department of Industries as well as those under the ITC policy. Action has also been initiated to delegate powers under Cooperative Societies Act and those of other departments. Some of the powers of other departments are of regulatory nature and require special technical knowledge. As such their delegation to the General Managers does not appear feasible. It is under consideration that such powers might either be delegated to the district officers of the concerned departments or be vested in the district collector who is also the Chairman of the District Level Advisory Committee or an officer who can exercise such powers should visit DIC at specified time and clear the cases kept ready by the General Managers. However, the programme of DIC is under review and more effective alternatives are likely to emerge soon and, if necessary, a model of delegation of powers would be circulated to States/U.Ts. for action.

[Ministry of Rural Reconstruction O.M. No. H-11011/7/79-RE  
Vol. VI Dated December 8, 1980]

**Recommendation (Sl. No. 48, Para 5.63)**

The District authorities will have to be responsive to the proposals made and initiatives taken by the District Industries Centres. They should view it as a joint venture and a joint opportunity to serve the people. The Committee hope that the Central Government have impressed upon all the State Governments the need to bring about necessary reorientation in the approach of the officers at the district level.

**Reply of Government**

The District Level Advisory Committee, which is primarily responsible in the implementation of the DIC scheme in the district, is headed by the district collector. General Manager is the member Secretary of that Committee. Representatives of all the Departments dealing with the decentralised industrial sector in the district are its members. As such close cooperation of all the departments in the district has been assured in the implementation of the DIC programme.

[Ministry of Rural Reconstruction O.M. No. H-11011/7/79-RE  
Vol. VI Dated December 8, 1980]

**Recommendation (Sl. No. 49, Para 564)**

The Committee would judge the efficiency of District Industries Centres by the number of entrepreneurs they receive and help and by the number of industrial units they succeed in setting up. The Committee would like the Government to constantly monitor the progress made by each District Industries Centre and wherever the progress is found to be slow, Government should render all possible administrative and managerial assistance to that centre to get over the constraints and to be able to discharge the role expected of it.

**Reply of Government**

The DC (SSI) is receiving information regularly from the DICs in regard to number of entrepreneurs identified, number of project profiles prepared, number of new registration done, number of new units established, number of sick units assisted, credit assistance provided by financial institutions, number of units granted seed, money/cash subsidy, additional employment generated and number of units given other assistances, such as, in the field of technology, management, marketing etc.

The annual progress report for 1979-80 have been received from 275 DICs till July 1980. In the reporting DICs, 1,16,970 new registrations were done during April, 1979 to March 1980. 1,96,772 new units comprising of 1,49,920 artisans and 46,852 small scale and other industrial units had gone into production resulting in additional employment opportunities for 6.65 lakh persons. The credit assistance provided by the financial institutions amounted to Rs. 183.40 crores. On an average in a DIC during the period from April 1979 to March 1980, 715 new units comprising of 545 artisan-based and 170 small scale units have been established, generating additional employment opportunities for 2420 persons. Credit provided by financial institutions during the period amounts to Rs. 66.68 lakhs per DIC.

[Ministry of Rural Reconstruction O.M. No. H-11011/7/79-RE  
Vol. VI Dated December 8, 1980]

#### **Recommendation (Sl. No. 50, Para 5.65)**

DIC is an organisation which will supplement the work relating to development of small and village industries in the area. There is no doubt that it is bound to develop itself into a focal point for the development work in this regard. It will be advisable, therefore, that no time is lost by DIC in developing effective linkages and cordial relations with all the organisations engaged in this work like Khadi and Village Industries Boards and the Commission, Handicrafts and Handlooms Boards, the banking and commercial institutions in the area etc. and also elected representatives of the area. While the DICs will have to work in close coordination with these organisations they should take care to see that they do not attempt to take over all the existing functions of these organisations.

#### **Reply of Government**

The DICs are expected to develop close coordination with various institutions at General and State level. The National Organisation like Khadi and Village Industries Commission Handlooms Board, Handicrafts Board, etc. are extensively involved in the programme affecting growth of decentralised industrial sector. Wherever these organisations have their own specific programme, instructions have been issued that there should be a close meshing of the DICs with programmes of these organisation so that there is no duplication of effort. The objective is that where existing organisations are undertaking work, these should continue and



the DIC should supplement their efforts by initiating similar programmes in other areas. Many of the State Government have made progress in developing close linkages of DIC with institutions like Khadi and Village Industries Board by way of giving ex-officio Deputy Chief status to General Managers.

The Managers (Credit) are being deputed by the Lead Banks to work as Manager (Credit) in the DICs. In order to ensure proper linkage of SIDO with DICs a taskforce was constituted by the DC (SSI). Based at its recommendations SIDO staff is being decentralised and posted in group of 2 or more officers at various locations on the SIDO field set up or at the divisional headquarters of the State. In this manner, provision of effective linkages of SIDO with DICs have been ensured. The All India Handicrafts Board has chalked out a number of programmes likely to result in additional employment opportunities during VI plan period for around 7.00 lakhs persons. The largest single programme already launched by the Board is the establishment of the net work of rural marketing and service centres at the block level to provide an easily accessible platform to the rural artisans for promptly meeting their needs for raw materials, or marketing or credit. 120 such centres were taken up during 1978-79. The programme is being stepped up to keep pace with the expansion of the Integrated Rural Development Programme of the Ministry of Agriculture. The States which are lagging behind in the development of handicrafts have been advised to set up handicrafts development board and chalk out detailed employment promotion programme through providing facilities to artisans.

The All India Handicrafts Board with a view to have close co-ordination with the DICs set up at the State and district level, has issued instructions to field institutions to utilise DIC machinery and also advice DICs regarding introduction of handicrafts oriented programme wherever these have not been introduced so far. The steps are being taken for utilising DIC institution for providing credit facilities to handicrafts artisans.

[M/O Rural Reconstruction O.M. No. H-11011/7/79 RE  
Vol VI Dtd. Dec. 8, 1987]

#### **Recommendation (Sl. No. 51, Para 5.66)**

An important pre-requisite for successful implementation of the DIC concept is the proper assessment of economic and manpower resources of the district. A survey of the district and economic and manpower resources, if not already available should be

taken up immediately and the projects/profiles in respect of them drawn up in consultation with the block/district development authorities because the implementation of the work programme of a DIC will be dependent on the data obtainable through such a survey.

### **Reply of Government**

The main work of the Manager (Economic Investigation) is to survey the potential for various types of industries in the district, to survey materials and human skills in the district, to identify product lines and prepare simple technoeconomic feasibility study to collect statistical data and to offer intensive advice to entrepreneurs. The DICs have been asked to prepare action plans of the DICs. The action plans are to concentrate on demands, skills, surpluses resources of the district concerned and also to provide details of programmes blockwise and bring out financial, employment and production potentials separately for artisans based activities, tiny and small scale units. The Action Plans for 48 DIC's have already been prepared and the programme is being implemented according to these plans.

[Min. of Rural Reconstruction O.M. No. H-11011(7)/79 RE.  
Vol VI Dtd. Dec. 8, 1980]

### **Recommendation (Sl. No. 52, Para 5.67)**

The Committee wish also to point out that the DIC has not to be seen as an isolated effort which is going to solve all the problems relating to the development of small and village industries by itself. It has instead to be seen in broader perspective of economic scene. It can perform its task successfully if adequate policy support is available for the small scale industries and policy measures concerning dispersal and decentralisation of industries are implemented vigorously and faithfully. The Committee hope that these aspects will be kept in view and this experiment which is highly promising and on which Government are in fact pinning a lot of hope is not allowed to go the way many other schemes have gone in the past.

### **Reply of Government**

The DIC scheme has not been conveyed in isolation and all the department dealing with the decentralised industrial sector in the district are closely involved in the implementation of the DIC programme. With this end in view close linkages have been built with

Central and State Organisation, voluntary organisation, financial institution for the successful implementation of the programme.

[M/O Rural Reconstruction O.M. No. H-11011/7/79 RE  
Vol. VI, Dated Dec. 8, 1980]

**Recommendation (Sl. No. 55, Para 6.39)**

From the views expressed by the non-official experts and the representatives of the Planning Commission the Committee find that the existing planning machinery at the State level is not satisfactory and is not attuned to the requirements of the new situation. No serious effort is said to have been made to develop expertise for taking up micro-planning at the State level and then down to the district level. So far the plans have been drawn up by the Planning Commission at the national level and even for the states, the plans had been drawn by the Planning Commission at the Central level. During the formulation of the Fifth Plan, the Planning Commission is stated, thought of going at least to the State level but the effort did not meet with such success though certain states did not try to strengthening the planning machinery at the State level.

**Reply of Government**

In view of the realisation that the planning machinery in the States needs strengthening by the induction of appropriately qualified technical and supporting staff, a Central scheme, under which financial assistance is given to the States for such strengthening has been continuing. In order to augment the Planning capabilities in the States, training courses will be conducted in specialised bodies which possess necessary experts for conducting such training programmes.

**Recommendation (Sl. No. 55, Para 6.40)**

A Central scheme to set up planning units at State level is understood to be in operation since 1972-73. According to the Planning Commission, most of the States have, under this scheme, set up cells/Divisions dealing with planning, formulation and implementation at regional/district level as part of the State Planning Department. But the Planning Boards set up at State level, it is stated, have been of varying degree of effectiveness. Sometimes they have been wound up and again revived.

**Reply of Government**

No action recommended.

**Recommendation (Sl. No. 55, Para No. 6.41)**

The Committee are informed that even in the case of States which have set up something like 'District Planning Machinery' the composition of the staff reflects that there has been no serious attempt to induct technical personnel in planning. Lack of development of planning machinery at the district level planning has also been brought out in the Report of the Working Group on Block level planning appointed by the Planning Commission. The Working Group is of the view that while the staff is deficient in number the quality of personal is also not such as could be relied upon to promote planning on scientific lines. At the block level also the present staffing pattern is mainly attuned to implementation tasks and not so much towards planning functions.

**Reply of Government**

No action recommended.

**Recommendation (Sl. No. 55 Para 6.42)**

The Committee feel that the planning machinery at the State level is neither adequate equipped with the necessary expertise in planning. Until the planning machinery at state level is strengthened and activated, the States will not be able to have an active and meaningful participation in the formulation of States plans and the plans made for such states at the central level will not reflect the real priorities and problems.

**Reply of Government**

No action recommended.

**Recommendation (Sl. No. 55, Para 6.43)**

The Committee feel that the decentralisation of the Planning process which is absolutely necessary for the success of plan and more so in view of the new emphasis on micro-planning, is possible only if the planning machinery at the States level and at the District level is adequately strengthened not only quantitatively but also qualitatively. The Committee recommended that the Central Government/Planning Commission should pursue this matter with the State Governments concerned and help them strengthen their planning units.

**Reply of Government**

Already a scheme for the strengthening of Planning machinery at the State level is in operation. It will be pursued further. For decentralised planning and implementation below the State level

in an integrater programme, what is needed is the better utilisation of personnel already available under different disciplines.

[Ministry of Rural Reconstruction O.M. No. H-11011/7/79-RE  
Vol VI, Dated 10th April, 1981.]

**Recommendation (Sl. No. 56, Para 6.67)**

From the draft plan document (1978—83) the Committee find that out of a total of approximately 5100 blocks in the country, about 3,000 blocks are covered by one or more of the three special programmes namely SFDA, DPAP and CAD. Out of these 3000 blocks, 2000 blocks have been taken up for intensive development under the integrated rural development (IRD) programme. In addition, 300 blocks will be taken up under the programme every year starting from the financial year 1978-79. The Government decided that out of the 2000 blocks selected for intensive development under the IRD programme, 1000 blocks will be selected for further intensification for development efforts so as to attempt full employment in these blocks by March, 1981. In the remaining 1,000 blocks attempts will be made to achieve full employment by March, 1983. Thus, by the end of the Plan Period, full employment would have been attempted, and, according to Government estimation, substantially reached in 2000 blocks and in 1500 other blocks the work would be in various stages.

**Action taken by the Government**

This is only a statement of facts and does not call for any action.

(NO. H. 11011/7/79-RE dt. 31st October, 1979)

**Recommendation (Sl. No. 56, Para 6.68)**

The Committee find that as in February, 1979, development plans have been prepared in respect of 1627 blocks and formal sanction has been given to only 1087 blocks. The Committee are surprised to learn that though one year of the plan period has already gone by, guidelines for the preparation of detailed plans at the block level have not been issued so far. The development plans have been prepared in a general way. These are not detailed plans but some sort of ad-hoc plans for the current year. The detailed block level planning would start only after the guidelines have been issued by the Government; these were expected to be issued in February, 1979.

### **Reply of Government**

The guidelines for preparing block plans under the IRD programme had been issued to the State Govts. last year (1978-79) and based on these guidelines and other instructions issued from time to time, the block plans are being prepared and sanctioned by the State Level Coordination Committees for implementing the programme. The plans based on the IRD guidelines are, however, not comprehensive Area Plans as these plans include only schemes which can be taken up under IRD within the overall financial allocations provided for the blocks under the programme. The guidelines for block level planning have since been issued by the Planning Commission.

[M/O Rural Reconstruction O.M. No. H-11011/7/79 RE  
23-9-80]

### **Recommendation (Sl. No. 57, Para 6.69)**

The Committee are very unhappy to note that the plan 1978-1983 which had set before it an ambitious target of removing unemployment to a large extent has started in a very unsatisfactory way. Even after one year of the commencement of the plan, the detailed plans for the blocks are not ready. This will, no doubt, have a serious effect on the progress that would be made by the end of the period. The Committee are not satisfied with the reasons advanced for the delay in the issue of guidelines for preparation of detailed plans. The Committee hope that the detailed guidelines have been issued by now and the Government will pursue this matter through the State Governments concerned to ensure that the detailed block level plans are prepared and sanctioned within the expected period 6 to 8 months after the issue of the guidelines. Unless this is done according to the time schedule, the Committee are afraid, even the second year of the plan would have gone by without any substantive progress in this regard.

### **Reply of Government**

As indicated in the action taken notes on recommendations in para 6.68, detailed block plans under the IRD Programme are being prepared on the basis of guidelines and instructions issued to the State Govts. in this regard. Based on the financial allocations provided to each block, suitable schemes eligible for assistance under the programme in the primary, secondary and tertiary sectors are included in the block plans. These plans are formulated for the blocks selected under the IRD Programme and after a preliminary

scrutiny at the project level, the block plans are considered and approved by the State Level Coordination Committees constituted for this purpose in all States/Union Territories. The concerned subject-matter specialists at the State/District level are associated with the formulation/sanction of the Block Plans.

The Block Plans formulated under the IRD Programme may, however, not be considered as comprehensive area plans as these Plans are formulated with the limited objective of utilising the financial allocations under the IRD Programme and assisting about 300 families from the target groups, viz. small marginal farmers, agricultural/non-agricultural labourers, rural artisans and members of the scheduled castes and Scheduled Tribes. Viewed in this context, it would be seen that block plans under the IRD Programme are being formulated and sanctioned although these may not be considered comprehensive area development plans.

[M/O Rural Reconstruction O.M. No. H-11011/7/79 RE  
dated 23-9-80]

**Recommendation (Sl. No. 57, Para 6.70)**

The Committee note that though the concept of micro and block level planning has been accepted, the work on the preparation of the resource inventory for each block has not yet been fully started. The Committee attach great importance to the preparation of resource inventory for each block without which there cannot be any realistic and meaningful planning. The Committee therefore, cannot over-emphasise the need for expeditious action to prepare resource inventory for each block and making it the basis for all future planning in the block.

**Reply of Government**

Preparation of resource inventory for each block is a part of the comprehensive block level planning. The Planning Commission have since issued the guidelines in this regard.

[M/O Rural Reconstruction O.M. No. H-11011/7/79 RE  
dated 23-9-80]

**Recommendation (Sl. No. 58, Para 6.71)**

The Committee note that outlay for each of the 2000 blocks already covered by the three on-going special programmes will be Rs. 5 lakhs in addition to the allocation that they may be getting under the ongoing programmes. When asked whether an additional

investment of Rs. 5 lakhs per block in the course of 5 years will be able to bring about Full employment in that block, the representative of the Department of Rural Development stated that 'I personally feel that it is an impossibility. The Committee find that so far the size of the problem in each block and the number of families requiring assistance in the block are not known and will not be known till a detailed survey has been completed. The Committee are surprised as to how without knowing the size of the problem, Government have come to the conclusion that an investment of Rs. 5 lakhs per block would be able to solve this problem. This is an *ad-hocism* which should have been avoided. The Committee would like to stress that the question of allocation of outlay per block should be kept open and decided realistically after the magnitude of the problem in each block is known with certainty. The Committee also feel that blocks where the unemployment position is very acute should receive larger funds to be able to deal with the problem realistically and effectively.

#### Reply of Government

Financial allocations under the IRD Programme were made on the basis of availability of infrastructural facilities in the blocks. Even if the level of investment required for achieving full employment in the blocks is worked out, the utilisation would depend on the absorptive capacity of the blocks in terms of availability of Administrative and credit support. The utilisation of funds will depend on the availability of credit as the utilisation of subsidy under the programme is linked intrinsically with the availability of institutional finance. While the present financial allocations under the programme are considered adequate in view of the existing infrastructural support, additional allocations would be considered when the allocation made are fully utilised.

[M/O Rural Reconstruction O.M. No. H-11011/7/79:RE  
dated 23-9-80]

#### Recommendation (Sl. No. 59, Para 6.72)

The Committee note that the Department of Rural Development are sceptic about the capacity of all the blocks to absorb Rs. 5 lakhs as already sanctioned for IRD programmes because of inadequate infrastructure in the block. The representative of the Department stated during evidence that "unless and until infrastructure facilities are available, it is no use allocating higher and



higher amount simultaneously." The Committee are informed that the most important infrastructural facilities lacking in the blocks are institutional finance, branches of commercial banks and cooperatives. The Committee agree that it is no use pumping funds in a block if the block administration does not have the capacity to absorb and utilise those funds.

### **Reply of Government**

Lack of adequate institutional finance is one of the major constraints in the implementation of IRD Programme. This Ministry is keeping close liaison with the Reserve Bank of India, Union Ministry of Finance and Commercial Banks to ensure that necessary steps are taken by them to provide the necessary support of institutional finance for the effective implementation of the programme.

The IRD Programme is basically a beneficiary oriented programme and no investment on infrastructure was permissible as part of the IRD Programme. Government of India reviewed the position in this regard and it has now been decided to permit investment on infrastructure to the extent of 10 per cent of the allocation for the blocks selected under the programme out of IRD funds on such items of infrastructure which are directly related to the beneficiary oriented programmes, and facilitate a more effective implementation of individual beneficiary programmes. This step is expected to lead to better utilisation of funds and a more effective implementation of the beneficiary oriented schemes under the programme.

[M/O Rural Reconstruction O.M. No. H-11011/7/79 RE  
dated October 31, 1979]

### **Recommendation (Sl. No. 59, Para 6.73)**

The Committee would, therefore like to recommend that the weaknesses of the block administration to absorb funds should be identified and adequate infrastructural facilities ensured for the success of various schemes under IRD Programme. If this is not done, the Committee are afraid that the Government may find at the end of the plan period that all the funds earmarked for the block have been spent but the desired results have not been achieved.

### **Reply of Government**

In addition to institutional finance, lack of required administrative support at the district/block level is the other major factor that limits the capacity of the blocks to absorb and utilise funds under the programme. The inadequate administrative staff support was identified as a major constraint in respect of new blocks

selected from the non-special programme areas. As there was no agency at the district level that could be entrusted with the implementation of the IRD Programme in these blocks, the Ministry has decided that 5 per cent of the outlay on IRD Programme in non-special programme areas may be utilised towards expenditure on establishment of agencies for implementing the programme at district level where such agency did not exist. The staffing pattern suggested for setting up of new agencies is on the pattern of existing Small Farmers Development Agency (SFDA). Further, as recommended by the Planning Commission, the State Govts. have been asked to set up district planning team consisting of an Economist/Statistician, as credit planning officer and a small and cottage industry officer. The expenditure on setting up of this team will be met out of IRD funds. In addition, proposals also have been sent to Planning Commission for strengthening the Block machinery.

[M/O Rural Reconstruction O.M. No. H-11011/7/79 RE  
dated 23-9-80]

**Recommendation (Sl. No. 60, Para 6.77)**

The Committee have been informed that there is extreme dearth of skilled and technical manpower required for implementation of the various programmes in the rural sector. It has been brought to the Committee's notice that unless we have first class talent, at least in the initial stages, to look into the problems at the project level and at the administrative level, we may not be able to get the desired results from the rural development programmes. It has been suggested that a rural oriented personnel policy should be adopted to attract competent experts to work in rural areas. The Committee are informed that the Prime Minister has also drawn attention of the State Governments to his matter and has observed that suitable incentives should be given to attract best talent to work for rural people. The Committee also strongly feels that the personnel policies of the Central and State Governments should be given a rural orientation and provide for liberal incentives to attract the best and most competent technical and administrative personnel to take charge of the rural development programmes and make a success of them. The Committee feels that the Central Government should give a lead in this respect to the State Government.

**Reply of Government**

(1) In keeping with the recommendations of the Estimates Committee, the Union Public Service Commission has already re-

structured the pattern of their examinations with a view to giving adequate representation to persons from rural areas in the posts/services, the recruitment for which is made by them. The UPSC has also briefed the Directorate of Advertising and Visual Publicity of the Ministry of Information and Broadcasting to ensure that the widest possible publicity is given to the Commission's advertisements so that they reach people in all parts of the country specially those living in rural and remote or rear-flung areas.

(2) The Ministry of Agriculture has also issued instructions to the recruiting authorities under its control to the effect that while selecting technical personnel by deputation, transfer or direct recruitment, other things being equal, preference should be given to candidates having experience of working in rural areas either in the field or in research work.

(3) It may be added that the personnel problems relating to implementation of tribal sub-plan area schemes were examined by a Working Group headed by the Secretary, Department of Personnel and Administrative Reforms. Various suggestions for giving monetary and non-monetary incentives to personnel posted in tribal sub-plan areas made by the Group have been recommended for implementation to the State Governments. Many of the tribal sub-plan areas being rural in character, these suggestions and recommendations would be applicable to them. For the benefit of personnel working in tribal sub-plan areas, training programmes were arranged at New Delhi and Ranchi through the Indian Institute of Public Administration.

(4) As regards other financial incentives, as had been stated earlier in the enclosure to this Department d.o. of even number dated October 29, 1979, this is a matter with which, because of the wide implications of the proposals, could be considered at the appropriate time by a Pay Commission.

[Ministry of Rural Reconstruction O.M. No. H-11011/7/79-RE  
dated 23 March, 1981]

## CHAPTER III

### RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF GOVERNMENT'S REPLIES.

#### **Recommendation (Sl. No. 79, Para 4.58)**

The Committee take note of the observation made by an expert that the surplus land, according to the land ceiling laws, is much more than 68.80 lakhs acres estimated so far. According to the Expert's estimation 30 to 35 Million hect. of land should be surplus under the Existing Laws. This view is supported by an observation in the Draft Plan document which says that "The disconcerting fact is that the officially estimated surplus is a fraction of the area held in large ownership holdings as estimated from survey data. The Committee, therefore, feel that there is an imperative need to reassess the surplus land so that the Government can have a clear and correct picture of the total surplus land available in the country. In this context the Committee would like the Government to take into consideration the views of the expert, who has suggested that there should be a proper system of land registration and the question of surplus land should be discussed and determined in open meetings held in the country-side.

#### **Reply of Government**

The basis on which the expert referred to has made the estimate is not clear. As regards observation in the draft plan document that the surplus area is very much larger than official estimates, this Department has pointed out to the Planning Commission that the statement cannot be sustained on facts. This estimate is made on the basis of NSS data, but the principles of determination of ceiling surplus area according to the ceiling laws are entirely different. In the result, the entire area shown comprised in bigger holdings may not be available for distribution. To illustrate, the NSS data do not take into account the quality of land. It is, however, well known that the ceiling varies according to the quality of the land and is larger for land of inferior quality. A broad estimate which does not take into account land quality will, thus, have very little relevance.

Determination of ceiling surplus lands is a statutory process and is conducted with reference to land records and evidence adduced by parties. Any *a priori* estimate is thus likely to be of very little use.

[Ministry of Rural Reconstruction O.M. No. H-11011/7/79-RE  
dated October 31, 1979]

#### **Recommendation (Sl. No. 4.0, Para 5.24)**

The Committee note, under the new industrial policy, while the small scale industry will be protected against the large industry, the cottage industry will be protected against the small industry. The Government, it is stated, are in the process of identifying those areas where they can demarcate between the organised sector, the small scale sector and the village industry sector. They have, for instance, reserved additional weaving for handloom sector; matches also are stated to have been reserved entirely for cottage industry sector. The Committee welcome this approach as they feel that this measure alone will go a long way in not only protecting the village industry sector from the small industry and the small industry from the large industry but also in generating more employment in decentralised sector, particularly the village industries sector. They would like the Government to complete this exercise of demarcating roles of large sector, small scale sector and village/cottage industry sector without delay so that the benefit intended for the small and cottage industry sector starts according to them at the earliest.

#### **Reply of Government**

Areas where specific reservation/demarcation is necessary are being reviewed continuously and large scale and medium scale sector is normally not allowed to enter the areas which can be explored by the small scale and cottage industry sectors.

[Min. of Rural Reconstruction O.M. No. H-11011(7)/79-RE,  
Vol. VI, dated December, 8, 1980]

#### **Recommendation (Sl. No. 53, Para 6.29)**

The Committee note that it has been recognised by Government that the new plan priorities (reflected in 1978—83 plan) will call for basic changes both in planning process and in the machinery for implementation and monitoring the progress of the plan. Some measures have already been initiated in this direction such as the adoption of the concept of Rolling Plan system so that year to year

targets could be set up for selected sectoral outlays and output within the five year plans and the imbalances that used to arise from year to year can be corrected. Measures have also been taken to strengthen the planning machinery to meet the requirements of the new concept.

### **Reply of Government**

The observations made in this para were based on the policies and priorities of the earlier Government. The new plan 1980—85 has been finalised keeping in view the priorities of the present Government.

### **Recommendation (Sl. No. 53, Para 6.30)**

As eminent expert has expressed a view before the Committee that in spite of the emphasis in this plan on rural development, the Planners have not benefited from the experience gained so far. Before formulation of the plan they have not involved the economists, the administrators, the State Governments, etc. The representative of the Planning Commission has stated that the draft plan had to be prepared in a very short time and it was therefore not possible to consult the representatives of the different section of the society at the time of the formulation of the draft Plan. The Commission is stated to have since, held discussions with representatives of trade-industry, trade-unions and economists. The State Governments have also been closely involved in formulation of Annual as well as Five Year Plans.

### **Reply of Government**

The facts mentioned here were about the Draft Plan 1978—83.

### **Recommendation (Sl. No. 53, Paras 6.31 to 6.33)**

6.31. The Committee take note of the view expressed by an eminent expert that the Planning Commission as constituted today does not have the expertise particularly for dealing with rural development and employment programmes. According to him there are some organisations in the country who have developed competence to deal with the rural problems at areas roots level. It is not merely the allocation of resources which is important but planning for the unutilisation of resources which is important.

6.32. The Deptt. of Rural Development has informed the Committee that consequent upon a higher priority being given to rural development, a separate unit has been created in the Planning Commission. The Planning Commission has observed that taking an overall view, it would appear that the Rural Development unit as presently constituted would be able to provide the requisite expertise needed for rural development programmes.

6.33. The Committee, however, cannot but take a serious note of the view of the experts who has been connected with Planning Commission at the highest levels, that the Planning Commission does not have the expertise for dealing particularly with the rural development and employment programmes. The Committee feel that unless the Rural Development Unit establishes links with the reputed organisations working in the field and pools all the experience and knowledge available in and outside the Government, it will not be able to take a comprehensive view of the problems at grass-root level in the rural areas and will not be able to find abiding solutions to the problems. In the Committee's opinion, setting up a Rural Development Unit under an Adviser (Agri.) might strengthen the Planning Commission organisationally but it does not necessarily mean that this step will automatically equip the Commission with the expertise in rural development and employment programmes.

The Committee strongly feel that there is an imperative need for not only setting up a separate unit for rural development and employment programmes, as is stated to have been done, but also for strengthening this unit by appointing experts of the proven talent and experience particularly in the micro-planning processes in rural areas.

#### Reply of Government

The view expressed by the eminent expert to the Committee that the Planning Commission does not have expertise for dealing with the Rural Development Unit in the Planning Commission and Employment Programme needs qualification. There is a separate Rural Development Unit in the Planning Commission dealing with rural development. The Unit and the personnel in the Rural Development unit assisting the Member have the necessary background of Planning and implementation for Rural Development Programmes. In addition the Commission draws on the available expertise from the related disciplines from government and outside. The employment and Manpower Division of the Planning Commission has also the necessary technical experience. There is, however, enough scope for improvement.

[Min. of Rural Reconstruction O.M. No. H-11011(7)|79-  
Dated 10 April, 1981]

## CHAPTER IV

### RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE.

#### **Recommendation (Sl. No. 1, Para 1.30)**

The Committee take note of the fact that the number of unemployed persons in India has been rising at an alarming pace—the number having risen from 5.3 million in 1958 to 20.6 million in 1978. They also note that 58 per cent people in rural areas and 41 per cent in urban areas live below the poverty line. Though a large number of schemes have been launched in the past to generate employment and eradicate poverty, these do not appear to have made a dent into the problem.

#### **Reply of Government**

The new Sixth Plan (1980—85), however, has estimated that the total volume of unemployment, on the basis of rates of unemployment observed in the National Sample Survey 32nd round (1977-78), was 20.74 million in March, 1980, on the daily status basis. On the basis of the latest available survey results (provisional) relating to 32nd and (1977-78) of the National Sample Survey Organisation it has been estimated that 50.82 per cent of the population was below the poverty line in rural areas and 38.19 per cent in urban areas.

#### **Recommendation (Sl. No. 1, Para 1.31)**

According to the Planning Commission the earlier Five Year Plans did emphasise expansion of employment but these plans did not envisage total eradication of unemployment over the relevant plan period. Also, earlier plans failed to achieve the set targets.

#### **Reply of Government**

No action recommended in the paragraph.

#### **Recommendation (Sl. No. 1, Para 1.32)**

The Committee welcome the announcement made by the Prime Minister in Lok Sabha on 28th July, 1977 that Government has dec-



lared its aim of removing unemployment within ten years'. The Committee also welcome the fact that for the first time the Plan (1978—83) has mentioned the removal of unemployment and significant under-employment as a principal objective to be achieved within ten years.

#### **Reply of Government**

The declaration as referred in para number 1.32 was not done by the present Government. One of the objectives of the current Plan is to achieve a gradual reduction in the incidence of poverty and unemployment.

#### **Recommendation (Sl. No. 1, Para 1.33)**

The Committee have examined in this Report the problem of unemployment in rural sector where 16.5 million out of the total of 20.6 million unemployed persons live, from various angles and have made certain suggestions for removing unemployment.

#### **Reply of Government**

The new Plan (1980—85) has estimated that out of the total unemployment of 20.74 million, 15.36 million are in the rural areas and 5.38 million are in the urban areas.

#### **Recommendation (Sl. No. 1, Para 1.34)**

The Committee feel that for the success of the Sixth and subsequent plans in tackling unemployment problem, it is necessary that the causes responsible for the failure of the employment schemes to achieve the desired results in the past are borne in mind and the authorities charged with the responsibility of formulating and implementing similar schemes in the future are not allowed to commit the same errors and fail the Nation again in its resolve to remove unemployment in ten years.

#### **Reply of Government**

The special employment programmes undertaken by the Government during the early seventies were critically studied by the Programme Evaluation Organisation. The evaluation report has been widely circulated. No such scheme sponsored by the Central Government is now under operation. The aim of removal of unemployment in 10 years was declared by the Janta Government. The present Government consider that unemployment is indeed a mat-

ter of great concern and it is at the root of many other problems also. The Government further consider that they can have certainly short-term measures but basically employment can be created when the economic problems are solved and not just by having dead-lines. The New Plan would, therefore, have creation of new employment opportunities as one of the objectives.

[Min. of Rural Reconstruction O.M. No. H-11011(7)|79-  
Dated 10 April, 1981]

### **Recommendation (Sl. No. 3, Para 2.25)**

The Committee are informed that the earlier Five Year Plans did not aim at elimination of unemployment and that even the planned employment did not materialise as the plans failed to achieve the targets. The problems of unemployment and under-employment has now assumed serious proportions. There was a backlog of about 20.6 millions unemployed persons at the end of 1977-78 and 29.5 million new entrants would enter the labour force during the next 5 years. Recognising these facts the Draft Sixth Plan now proposes to adopt an employment oriented strategy to tackle the gigantic problem and generate an additional employment of the order of 49.3 million standard persons years during the plan period (1978-83).

### **Reply of Government**

The estimates provided in the new plan indicate that the volume of unemployment in March 1980 was 20.74 million daily status basis. It is also estimated therein that the increase in labour force during March 1980 to March 1985 would be 34.24 million (in age group 5 and above). The projected growth of employment in 1979-80|1984-85 period is 34 million persons years, raising the estimated level of employment of 151 millions standard persons years in 1979-80 to employment of 185 million standard persons years in 1984- 1985. Though the estimated increase in employment is 34 million standard person years, the actual number of beneficiaries to be much more, since not every member of the force may be a full-time worker during the entire year.

### **Recommendation (Sl. No. 3, Para 2.26)**

There cannot be two opinions on the view expressed by an expert that 'a single line approach cannot provide a solution to the

complex problem of unemployment. It has got to be a multipronged approach. The Plan it is stated, provides for long and midium term programmes to stimulate employment but unless these programmes are reinforced by direct employment programmes to be taken up immediately it may be difficult to make sufficient impact on the unemployment problem. In this context the Committee take note of the views expressed by other experts on the desirability of the State taking over the responsibility of providing direct employment. The experts were of the opinion that if the Government fails to provide work, then it should be the duty of Government to give them unemployment allowance. An economist of high standing has states that 'A work guarantees...can attack the unemployment problem directly and eliminate it within a decade or less and this is the only way out'. The Committee note that Government do not favour the idea of extending the employment guarantee scheme like the one in operation in Maharashtra and other States at this stage as they consider the magnitude of unemployment too large at present to make such a solution feasible. The Planning Commission, it is noted, is not opposed to the concept of Antodaya.

### **Reply of Government**

The new plan 1980-85 has emphasised the need for multipronged approach and has indicated policy measures even for generation of self-employment. The scheme of Antyodaya continues to be implemented in some states in the State plan sectorl.

### **Recommendation (SI, No. 3, Para 2.27)**

The Committee has gone into this question carefully. The Committee have no doubt that the long and medium term programmes envisaged in the plan (1978-83) will bear fruit and generate employment. But the twin problems of poverty and unemployment cannot for a long term solution and something concrete has got to be done in the immediate present to defuse the explosive situation which is developing on the unemployment front. The Committee are of the considered opinion that immediate problem of unemployment cannot be solved unless the long and medium term employment generation schemes. are supplemented by direct employment schemes. The schemes like Maharashtra Employment Scheme guaranteeing minimum wage or unemployment allowance are needed now when the unemployment situation is very acute. These may become much less attractive and may even phase out when the long and medium term schemes start producing results and obsorbing the unemployed in more remunerative jobs.

### Reply of Government

The new plan 1980—85 has recommended a number of employment promotion programmes like Integrated Rural Development Programme, Operation Flood II Dairy Development Programme, Programme of Fishing Farmers' Development Agency, Various programmes under village and small scale industries sector, National Rural Employment Programme, Environmental sanitation, slum improvement, tree plantation, construction of houses for the economically handicapped people, etc. in the urban areas, Minimum Needs Programme and Special Programmes for Scheduled Castes and Scheduled Tribes for the creation of income earning occupations etc. At present some special Employment Programmes have been initiated in some States including Employment Guarantee Schemes in Maharashtra, Tamil Nadu and Madhya Pradesh and Employment Affirmation Scheme in Karnataka. Unemployment allowance is not visualised at present as the financial commitments involved are very high. Such unemployment allowance may even lead to persons not normally in the labour force seeking unemployment allowance.

#### Recommendation (Sl. No. 4, Para 2.28)

The Committee are of the opinion that the time has now come when the citizens right to work should be recognised and the State should accept responsibility to provide work to its citizens, and in the event of its failure to provide work, give them unemployment assistance and thus honour the long ignored Directive Principle enshrined in Article 41 of the constitution. The Committee further feel that this responsibility should now be made statutory responsibility binding on the Union and State Governments who should not delay any longer the formulation of direct employment schemes and implementing them on national scale and devising ways and means of overcoming the financial constraints to make these schemes a success.

### Reply of Government

The Government of India do not favour the payment of unemployment allowance just as a dole. However, the schemes which are meant to provide allowance to the unemployment towards training schemes to equip them better for wage or self-employment, have been included among the plan schemes. Though there is no proposal to implement a national employment guarantee scheme, the employment guarantee scheme of some State Government as have been

included in the Sixth Plan. The new National Rural Employment Programmes aims at providing continuous employment in the slack agricultural season in the rural areas.

[Min. of Rural Reconstruction, O.M. No. H. 11011/7/79  
dated 10 April, 1981]

**Recommendation (Sl. No. 7, Para 2.37)**

The Committee note that 2/4 (73.4%) of total of all unemployment is concentrated in seven States *viz.* Tamil Nadu (12.63%), Andhra Pradesh (12.49%), Maharashtra (11.93%), Bihar (11.95%), Kerala (10.11%), West Bengal (8.79%) and Uttar Pradesh (6.54%). In the first six States, the rate of unemployment is 10 per cent or more with Kerala having the highest (25%). Although the problem of unemployment has not been estimated district-wise, it has been brought to the Committee's notice that there are about 40 per cent of districts in the country which had economic growth rate below 1 per cent and out of them 25 per cent of the districts had a negative growth rate.

**.. Reply of Government**

The data observed in para 2.37 is based on the findings of the 27th round. The 32nd round survey of NSSO relating to July 1977 to June 1978 has provided recent data on State-wise unemployment. According to provisional results of the survey, the share of Tamil Nadu in all India unemployment in 1977-78 was 16.48 per cent of Andhra Pradesh 12.37 per cent, Kerala 11.09 per cent, Maharashtra 10.16 per cent, West Bengal 9.08 per cent, of Bihar 8.71 per cent and of Uttar Pradesh 7.01 per cent. In the States of Kerala, Tamil Nadu, Andhra Pradesh and West Bengal, Unemployment rates were above 10%. In the U.T. of Delhi and Pondicherry also the Unemployment rate was higher than 10%. The unemployment rate in Kerala (25.69) continued to be the highest.

**Recommendation (Sl. No. 7, Para 2.38)**

The Committee are surprised to be told that even in the current plan which intends initiating some redistributive measures aiming at reducing disparities, there are no special or specific allocations for tackling the employment problem in these seven States or for accelerating growth rate in the 40 per cent of the districts having less than 1 per cent growth rate. The representative of the Department of Rural Development has however admitted during evidence that uniform planning in all the States will not be able to fully meet

the requirements of these particular States. The Draft Plan has also indicated that employment oriented policies need to be implemented with the greatest urgency in the 6-7 States referred to above.

### **Reply of Government**

The Plan 1980-85 has adopted a decentralised approach to the manpower planning and employment generation. The District Manpower planning and Employment Generation Councils proposed to be set up would draw up strategies and plans for employment generation in the districts keeping in view local requirements.

### **Recommendation (Sl. No. 7, Para 2.39)**

The Committee are of the view that high intensity of unemployment in these seven States and stark poverty and backwardness in 40 per cent of the districts are not problems which can be solved by the States on their own. In the Committee's opinion, the Government should take upon themselves special responsibility to help these States and districts to come upto the level of the national average; otherwise in the country's march to progress these regions will continue to lag behind and this should not be allowed to happen in larger national interests.

### **.. Reply of Government**

The Central Government have taken various steps to enable the backward States to overcome backwardness. The distribution of Central assistance to the States is weighted in favour of those States whose per capita income is below the national average. In addition, there are special programmes such as, the Drought Prone Area Programme, Desert Development Programme, The Hill Area Development Programme the Tribal Area Programme, the scheme of assisting the Needs Programme development of industrially backward districts. The revised Minimum needs Programme, all of which cumulatively make an impact on the problem. In addition, the resources released as a result of the modification in the centrally sponsored scheme have been distributed on the Income-Adjusted-Total-Population formula. Apart from plan assistance, the devolution of excise revenue to the State is regulated by a formula weighted in favour of the poor States. As the Strategy for reducing residual unemployment and inter-State disparities in development has to be devised in accordance with local conditions and implemented by the concerned State Governments themselves, it would not be advisable for the Central Government to intervene through tied or special allocations which may interfere with integrated planning. With the

resources made available to the State Governments, State themselves have taken up special employment programmes in accordance with the nature and magnitude of their problem. In order to ensure that outlays in the general sectors of the States Plans benefit the scheduled castes, a special component plan for the scheduled castes have been built into the plans of the States.

[Min. of Rural Reconstruction, O.M. No. H. 11011/7/79  
dated 10 April, 1981]

**(Recommendation (Sl. No. 9, Para 3.43))**

The Committee have observed in the previous Chapter that the time has now come when right of every citizen to work promised under Art. 41 of the Constitution should be recognised. The Commission are glad to note that the Employment Guarantee Scheme of Maharashtra is a step in this direction. The Committee feel that the Maharashtra Employment Guarantee Scheme has been successful in achieving its main objectives of providing gainful and productive employment to unskilled workers who need work and are prepared to do manual labour but cannot find it on their own. The Scheme has also been able to create productive assets. The Committee do not share the view often expressed that it is only a palliative and an insurance against starvation. The Committee are of the view that the scheme is an insurance against unemployment. The Committee commend this scheme for adoption in all other States as early as possible.

**Reply of Government**

The Maharashtra Employment Guarantee Scheme which has been placed on a Statutory footing provides not only guaranteed employment but also unemployment allowance in case the Government or the agency prescribed by the Government could not provide employment within the stipulated period. The employment guarantee scheme has been approved by the Government of India and included among plan schemes, but it has been stipulated that expenditure on unemployment allowance should be borne by the State Government from its non-plan funds. The Government of India is not in favour of providing unemployment allowance at the present juncture for reasons already stated. Employment Guarantee Scheme of Tamil Nadu and Employment Guarantee Scheme of Madhya Pradesh have been approved by the Planning Commission. The Employment

Affirmation scheme of Karnataka Government has been approved by the Planning Commission for inclusion among the States Plan schemes. The Government have also proposed to implement National Rural Employment Programme. The budget estimates, which have been presented to the House provide Rs. 180 crores in 1981-82 for the new National Rural Employment Programme, it is estimated that the programme if properly implemented could generate 300 to 400 million man days of additional employment. It is expected that the States also will provide an equal amount during 1981-82. It is for the States to consider the adoption of such a scheme or a variant thereof, depending on the unemployment situation in the State and the resources available to the State.

[Min. of Rural Reconstruction O.M. No. 11011/7/79  
dated 10 April, 1981]

**Recommendation (Sl. No. 28, Paras 4.56 and 4.57)**

Although a more equitable distribution of land resources through land reforms programmes has consistently been a major policy objective since independence, the implementation of this policy has been slow throughout as will be seen from the fact that out of 68.80 lakh acres of land estimated to be surplus, Government have taken possession of only 23.70 lakh acres of such land out of 44.98 lakh acres of such land declared surplus and out of that, only 16.02 lakh acres of land  $\frac{1}{4}$ th of the total estimated surplus has so far been distributed. The Government have admitted that a more equitable distribution of land resources would contribute to the employment intensive agriculture but even then the Government do not appear to have taken effective measures to bring about equitable distribution of the land.

The Committee are informed that the implementation of land reforms laws was with the State Governments and the Central Government have been requesting them at the highest level to take possession of the surplus land and distribute it among the landless expeditiously but it appears that these requests have not evoked adequate response. The Committee also note that in the light of recommendations made by Committee on Land Reforms headed by Prof. Raj Krishna, the Central Government have advised the State Government on the need for strengthening the implementation machinery, expanding High Court benches to dispose of writ petitions against land reforms laws expeditiously and drawing up time-bound programmes for the disposal of land reforms cases by the



revenue authorities. In the light of the past experience the Committee cannot but feel that mere issue of communications to the State Governments is not likely to produce the desired results. The Committee are aware that the Central Government have no direct authority in carrying out the land reforms and distribution of surplus land. The Committee, therefore, feel that this problem can be solved only if a body at the highest level with the Chief Ministers as Members is constituted by the Centre to watch the progress of implementation of land reforms measures and redistribution of land already declared surplus.

### **Reply of Government**

The Committee have rightly taken note of the fact that implementation of land reforms is a State subject. Progress in implementation of the ceiling laws has accordingly to be reviewed by State Governments. The Central Government can, no doubt, make, and is in fact making, a review of the progress but corrective action has to respond to local conditions. In some cases, the slow pace of disposal may be due to a remediable laxity in administration; elsewhere, it may be due to reasons beyond the control of State Governments (Stay orders and injunctions from courts, for instance). The Central Government is following up the matter with State Governments and has also made some specific recommendations with a view to improving the performance level. It has been suggested to State Governments, for example, that all land reform cases should be disposed of by revenue functionaries below the High Court level so that the delay characteristic of the normal judicial process is cut short. They have also been advised to consider strengthening of High Court Benches so that pendency in High Courts can be cut down.

Normally, a Chief Minister's Conference is convened to discuss policy matters. As would be seen from the foregoing, the difficulties are entirely procedural. Should any major issue arise, the Government of India would certainly convene a high level conference.

[O.M. No. H-11011/7/79-RE dated October 31, 1979]

## CHAPTER V

### RECOMMENDATIONS IN RESPECT OF WHICH FINAL REPLIES OF GOVERNMENT ARE STILL AWAITED

#### **Recommendation (Sl. No. 54, Para 6.34)**

The Committee note that the Committee on Unemployment (1973) (Bhagvati Committee) had felt the need for setting up a separate organisation at the national level which should devote itself exclusively to a comprehensive assessment and review of the employment situation on a continuous basis and provide guidance and advice to the various Ministries of the Government and other agencies in their policies and functions in relation to the employment situation. The Bhagvati Committee had recommended that, besides the Department of Employment and Manpower Planning a National Commission on Employment should be established. The Commission should enjoy the requisite autonomy and be in a position to take up *suo motu* the consideration of any matter relating to its functions.

#### **Reply of Government**

No action recommended in this paragraph.

[Ministry of Rural Reconstruction O.M. No. H-11011/7/79-RE  
dated October 31, 1979]

#### **Recommendation (Sl. No. 54 Para 6.35)**

The Department of Rural Development/Planning Commission have stated that, after considering the aforesaid recommendation of Bhagvati Committee, the work relating to employment and manpower planning at the centre was re-organised in February, 1973 and, an expanded Employment and Manpower Planning Division was formed in the Planning Commission. It was thought that this enlarged Division was in a better position to coordinate employment and manpower planning in consultation with the Central Ministries and that, therefore, it would be worthwhile to allow the arrangement to continue.

#### **Reply of Government**

No action recommended in this paragraph.

[Ministry of Rural Reconstruction O.M. No. H-11011/7/79-RE  
dated October 31, 1979]

**Recommendation (Sl. No. 54, 6.36)**

The Committee on National Employment Service of the Ministry of Labour headed by Shri P. C. Mathew in its Report submitted in November 1978 also recommended the setting up of a separate Ministry of Manpower Planning & Employment at the Centre (with corresponding departments in the States) together with the normal executive field staff or Directorate General (Or a statutory National Manpower Commission as in the United Kingdom) which combines both executive and Secretariat functions at Government levels in respect of the support of its recommendation is that the subjects concerned. A reason put forward by the Committee in support of its recommendation is that disposal of closely related functions in the field of Manpower Planning and Human Resources Development and Deployment between several ministries of the Government of India is not conducive to securing quick progress towards the Government's declared employment objectives. The Department have informed that the Mathew Committee Report has been sent to the State Governments for eliciting their views.

**Reply of Government**

The Report of the Committee is under consideration.

[Ministry of Rural Reconstruction O.M. No. H-11011/7/79-RE  
dated 23-3-1981]

**Recommendation (Sl. No. 54 Para 6.37)**

The Committee regret to note that the Government have been dealing with this matter since 1973 in a very routine manner with the result that, while the unemployment situation has been worsening day by day the Government have not set up any separate body at the Centre with sufficient powers to deal with the problem. The Committee agree with the Mathew Committee that the dispersal of closely related functions in the field of employment and manpower planning among different Ministries as at present, is not conducive to securing quick progress towards the Government's declared employment objectives.

**Reply of Government**

No action is recommended in this paragraph.

[Ministry of Rural Reconstruction O.M. No. H-11011/7/79-RE  
dated October 31, 1979]

### **Recommendation (Sl. No. 54 Para No. 6.38)**

Now when the Government have decided to remove unemployment within a period of ten years, of which one year has already elapsed, the need for setting up a Central Ministry of Manpower Planning and Employment is urgent and imperative. If a frontal attack is to be made on unemployment situation and results achieved within the specified time, the work relating to employment should no longer be scattered over various departments at the centre and in the States and employment should not remain one of the numerous charges of an over worked Ministry or Department. The time has now come when a separate Ministry of Manpower Planning and Employment should be set up at the centre under the full fledged charge of a Minister and correspondingly the State Governments are also persuaded to set up separate Departments under the full fledged charge of State Ministers to deal with this problem in a concentrated manner. The committee recommend an urgent decision on this recommendation and would like to be informed of the action taken in this regard within three months.

### **Reply of Government**

Employment is related to development and enters every sector of the economy. The new (1978-83) Plan is an employment-oriented plan and various Ministries of the Government of India and the States are all responsible for and involved in the achievement of the employment objectives. The responsibility for employment cannot, therefore, possibly be centralised in a single Ministry.

The responsibility for employment planning and manpower planning rests rightly with the Planning Commission with responsibility for detailed planning left to the Ministries and Departments. 'Employment' transcends employment planning and manpower planning and spills into areas of organisation of labour, education of labour, provision of training and retraining facilities, vocational guidance and the like. Therefore "employment" in that sense is primarily the concern of the Ministry of Labour, with the other Ministries and the State Governments undertaking direct responsibility for planning and organising specialised training and other programmes to meet their own requirements.

The Planning Commission examines the plans of the Central Ministries from the view-point of employment and monitors "employment generation" under the plan as a whole and under Plan

Programmes in particular. In monitoring progress, the Commission depends on the information flowing from the States, the concerned Ministries and Departments and from the statistical, survey and evaluation organisations, such as, the Central Statistical Organisation, the National Sample Survey Organisation and the Programme Evaluation Organisation. The Planning Commission is thus primarily concerned with planning, monitoring and evaluation and as long as the machinery which the country has accepted for planning remains what it is, the Planning Commission has to continue to perform this function on behalf of the Central and the State Governments.

Implementation of the different developmental programmes having employment potential is the concern of the respective ministries and departments. Although this responsibility cannot obviously be centralised in any single ministry, the Department of Rural Development in the Ministry of Agriculture and Irrigation has got a special role to play in respect of rural employment. A close watch on the employment situation in respect of rural areas has to be kept, since the programme for full employment within a period of 10 years is to be implemented by this Ministry. A special study of all the programmes having perceptible impact on rural employment will have to be carried out besides working out employment potential of each scheme and monitoring of the programme at various levels. Evaluation of the programme from time to time will also have to be made in order to keep a constant watch on the progress made towards reaching the goal of full employment. These responsibilities can be fulfilled effectively only when a full-fledged Rural Employment Division, duly supported by technical manpower, is created in the Department of Rural Development.

The States, however, have some special employment programmes, which cut across sectoral boundaries and sectoral responsibility for such programmes is initially unspecified. There is need for some Ministry in the Centre to coordinate such programmes, if they are financed wholly or partly by the Government of India. The responsibility for such coordination to the extent the States accept the role of the Centre in this regard, can be entrusted to the Ministry of Labour. In that event the Ministry of Labour, would, in relation to "employment", deal with:

- (a) employment services including employment market information in regard to the organised sector;

- (b) training of skilled and semi-skilled workers including retraining to match output with the anticipated requirements;
- (c) vocational guidance;
- (d) coordination of special employment programmes; and
- (e) matters concerning employment guarantee and unemployment insurance.

This would, however, require the approval of Cabinet and the Ministry, which, if necessary, could be called the Ministry of Labour and Employment, would have to be adequately staffed and properly manned to discharge the responsibility.

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[Ministry of Agriculture and Irrigation, Department of Rural Development O.M. No. H-11011/7/79-RE dated August 2, 1979]

**Further information asked for ..**

Please state the up-to-date position regarding action taken on the recommendation of the Committee.

[L.S.S. O.M. No. 11/2-EC/78 dated 20th February, 1980]

**Further Reply of Government**

It has already been stated in the Action taken notes sent to the Lok Sabha Secretariat in respect of recommendation No. 54 contained in paragraph 6.38 of the 34th Report of the Estimates Committee on Rural Employment that responsibility for employment cannot be centralised in a single Ministry.

The responsibility for employment planning and manpower planning rests with the Planning Commission with responsibility for detailed planning left to the Ministries and Departments. The Planning Commission examines the plans of the Central Ministries from the view point of employment and monitors employment generation under the plan as a whole and under Plan Programmes in particular.

The Government of India (Allocation of Business) Rules 1961 have been amended, *vide* Notification No. Doc.No.CD-616/79 dated the 20th September 1979, so as to exclude rural employment and unemployment from the subjects dealt with by the Ministry of Labour. The Ministry of Rural Reconstruction has been assigned,

among other things, "Programmes for tackling rural unemployment including food for work Programme, training programme and rural works programmes, Integrated rural development, including small farmers development agency, marginal farmers and agricultural labourers, drought prone area programmes etc." Thus although the Ministry of Rural Reconstruction has to play a major role in regard to rural employment, almost all other Central Ministries/ Departments like Agriculture and Cooperation, Irrigation, Industrial Development, Transport etc. handle numerous programmes generating employment in rural areas. Thus the *Ministry of Rural Reconstruction may have to function as nodal Ministry in matters relating to rural employment.*

The Ministry of Labour would still have to deal with matters relating to urban employment and unemployment in the form of employment services including employment market information in regard to the organised sector, training of skilled and semi-skilled workers, vocational training etc.

The State Governments have been advised to take necessary action on the recommendation under reference *vide* the Ministry of Rural Reconstruction letter No. H-11011/7/79-RE Vol. IV dated March 17, 1980.

[Ministry of Rural Reconstruction O.M. No. H-11011/7/79-RE  
Vol. IV dated the 27th March, 1980]

NEW DELHI;

April 29, 1981

Vaishakha 9, 1903 (S).

S. B. P. PATTABHI RAMA RAO,  
*Chairman.*

## APPENDIX I

(Vide Introduction)

Analysis of action taken by Government on the 34th Report of the Estimates Committee  
(6th Lok Sabha)

I.	Total number of Recommendation . . . . .	60
II.	Recommendations/Observations which have been accepted by the Government :	
	Sl. Nos. 2, 5, 6, 8, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 55, 56, 57, 58, 59, 60.	
	Total . . . . .	50
	Percentage to total . . . . .	83%
III.	Recommendations/Observations which the Committee do not desire to pursue in view of Government replies :	
	Sl. Nos. 29, 40, 53	
	Total . . . . .	3
	Percentage to total . . . . .	5%
IV.	Recommendations/Observations in respect of which Government's replies have not been accepted by the Committee :	
	Sl. Nos. 1, 3, 4, 7, 9, 28	
	Total . . . . .	6
	Percentage to total . . . . .	10%
V.	Recommendations/Observations in respect of which final replies of Government are still awaited :	
	Sl. No. 54	
	Total . . . . .	1
	Percentage to total . . . . .	2%