

CHAPTER - I

INTRODUCTION

1.1 Introduction

Unemployment, poverty and inequality are related phenomena. Any success in solving one of these problems would imply some success in solving the other. 'Poverty and unemployment are two sides of the same coin when we are going to solve one problem in the society, second will be taken care with that. The poverty and unemployment at present scenario are most severe problems of Indian economy'¹.

The term unemployment has assumed a place of importance in economic literature ever since the Great Depression of 1930's when the unemployment had virtually posed serious threat to the highly developed countries. But today the problem of unemployment still looms large over a wide globe horizon. It has become a global phenomenon. It has become one of the most baffling problems, which confront the different countries of the world, though varying in degree of intensity. After the Second World War, the economists have re-oriented the subject towards unemployment problem.

The problem of unemployment is haunting the minds of planners, economists, political leaders and social reformers of India since long. According to Jawahar Lal Nehru - " The prosperity of a nation is judged by members of people who are employed, unemployment is bane of nation". Rural unemployment has been more severe than urban unemployment in India, for the solution of rural

unemployment, wage employment programmes were stressed in labour surplus economy like India. The poverty and unemployment in rural India cannot be alleviated merely through government policies. The problem goes far deeper than merely rectifying the economic conditions of the poor people.

1.2. Statement of the Problem

Poverty and unemployment in rural India are essentially the legacies of the colonial rule, which lasted for about two centuries. The effect of colonial rule was that its policy of de-industrialisation delayed industrial evolution of India. The problem of unemployment has become serious since the First World War and Second World War. It was against this background that the government launched Five Year Plans.

After independence India started the experiment of mixed economy and introduced economic planning for the rapid economic development of the country.

One meaningful lesson that emerged from past experiences with rural development projects is that a high rate of growth by itself cannot solve the problems like unemployment, poverty, inequality of income and wealth and regional disparities in the development. Thus, on account of failure to bring the benefits of development to the poorest section of the society in the first two decades of development planning, the beginning of 70's in India marked a departure from the approach towards development adopted in 50's and 60's. It was recognised that inspite of the growth in GNP in the country, the poor became poorer and the rural development lagged behind, even worsened the economic conditions of the

small and marginal farmers and landless labourers. It was realized that the 'trickle down approach' - (rapid growth of per capita income will be associated with a reduction in poverty), which has much importance in earlier years did not serve as useful and helpful instrument in eradicating poverty and unemployment. It was therefore; asserted economists and policy should abandon makers that the old approach based on 'trickle down theory' and instead, there should be a direct attack on poverty.

Poverty and unemployment alleviation has been central objective of planned strategy, but it was in the Fifth Five Year Plan for the first time, unemployment and poverty alleviation has been adopted as an explicit objective² on the basis of recommendations made by Bhagawati Committee.

Food is the major consumption item for the poor and because employment is the principal source of their income, the effects of the self-employment are highly favourable to poor. Therefore, under the existing circumstances emphasis has to be on diversifying the rural economy through the encouragement of rural industries like small-scale cottage and tiny industries.

India is a unique country where majority of the population lives in the rural areas. This is the population, which has been frequently facing natural calamities like drought, earthquakes and disasters, due to human displacement. The rural scenario in India today is quite disturbing and needs much attention. The rising prices and high cost of living; it is difficult to satisfy basic needs of the rural population.

Government of India as well as state government are showing great concern for rural poor and unemployed. The

majority of the rural poor own very little or no land at all. They are not educated and have no skills, so they cannot find employment. In order to provide them employment so as to earn better income various employment programmes have been started by the government. In this context it is necessary to examine these employment programmes more so the TRYSEM programme.

1.2. (1) Bhagawati Committee Report³:

To assess the extent of unemployment problem in all its dimension and facets and to suggest remedial measures, Government constituted a -'Committee of Experts on Unemployment' under the Chairmanship of Shri. M. Bhagawati in 1970. The committee submitted its report in 1973, and suggested schemes like - rural electrification, construction of roads, rural housing and minor irrigation works etc. It also suggested that the schemes for an agro - service centres should be implemented on a high priority basis as it has potential for providing employment and self employment to engineering graduates and technicians in rural area. In 1977 Government decided to solve the problem of unemployment within 10 years and for that employment oriented policies were launched. With a view to increase employment, Sixth Five Year Plan emphasized the

- (a) Employment oriented Investment and Production programs
- (b) Special Employment Programmes.
- (c) Educational Reforms.
- (d) Employment Generation Council.

Special income generation and socio economic development programs were introduced among selected target groups in rural sector for small farmers, landless agricultural labourers and for scheduled caste and scheduled tribes. This new strategy was adopted because after the critical review of the earlier plans and their achievements, it was found that the benefits of economic growth had failed to percolate to the lower income groups and weaker section of the society. During the last twenty years period more than twenty-five Specific Rural Development Schemes (SRDS) have been implemented with the aim of alleviation of poverty in rural sector.

India has a long history of Government programmes for poverty alleviation. They are national rural employment programmes like JRY, target group specific programmes like IRDP/SFDA, TRYSEM. etc. A government spending on special area programmes and food subsidy in real terms encourages both self-employment and wage paid employment and income generating opportunities in addition to making available food at subsidized prices under Public Distribution Scheme (PDS) ⁴.

1.3. Importance of the Problem

For the around development of the economy, the Government has introduced a number of programmes, where the main aim is to reduce unemployment and poverty in rural India. Whether the programmes introduced for the benefit of the rural people have really reached the target group is a matter of dispute. Hence, it is pertinent to see whether the real purpose of the programme is fulfilled and the group for which it is meant is benefited or not.

As the problem of unemployment, poverty and inequality are alarming in Indian economy solution of such problems needs serious thinking. Majority of population in India is living in rural area. Rural India is no doubt endowed with abundant labour force, but it is unskilled. To realize the goal of full employment, a massive training programme should be there to support the ambitious rural development programmes. Many a time youth do not avail them on account of number of social, economic and administrative obstacles.

To generate skills among rural youths the government to provide self-employment and wage employment to the rural youths implemented a special scheme called 'TRYSEM'. This programme was very much helpful to the untrained rural youth to take-up self-employment. Thus, it is felt necessary to study the performance of the programme elaborately, and trade for which the training is undertaken and creation of self-employment at micro level.

Before going into the details of the problem, we should know about the nature and extent of unemployment and underemployment in India in brief.

1.4. Unemployment:

The developing countries suffer from the chronic problem of mass unemployment as they have usually high rate of population growth and very low level of capital accumulation.

According to the Draft Fifth Five Year Plan 'unemployment is defined as – “all able bodied persons willing to work mentally and physically, are not getting any job is called unemployment”⁵.

According to Peter Sinclair⁶ – “Unemployment is like an elephant, easier to recognise than to define. Unemployment is often thought of as the excess supply of labour”.

Cross Crain opines that – “unemployment puts a brake on attainment of economic and social objectives, thus it represents, senseless waste of productive power”⁷.

All these definitions point out that unemployment is an evil for the overall development of the economy.

1.5. Nature of Unemployment:

Unemployment is a common economic malady faced by each and every country of the world, irrespective of their economic system and the level of development achieved. But the nature of unemployment prevailing in developing countries sharply differs from that of developed countries. While developed countries are facing unemployment mostly of Keynesian involuntary and frictional (cyclical) types, but the underdeveloped countries like India are facing structural unemployment arising from high rate of growth of population and slow economic growth.

During the period between 1991 and 2001, population in India had grown at alarming rate of 1.93 percent per annum. With it number of people coming to the labour market in search of jobs had also increased rapidly, where as employment opportunities did not increase correspondingly due to slow economic growth. Hence there has been increase in the volume of unemployment from one plan period to another⁸. Thus, unemployment leads to a huge wastage of manpower resources.

While treating the problem of unemployment in India, we need to distinguish between the nature of unemployment in Rural India and Urban India.

1.5. (a) Rural Unemployment:

India is a land of villages. Thus, major part of unemployment can be found in rural areas, which is termed as rural unemployment. In the rural areas increasing population implies an increasing pressure on land. This pressure has resulted in an increase in the number of agriculturists, and this has largely contributed to the problem of unutilized labour or '**disguised unemployment**' in agricultural sector. In addition there is **seasonal unemployment**. With widespread education and literacy, a new dimension of **educated unemployed** is being added to the problem of rural unemployment.

1.5 (b) Urban Unemployment

Urban unemployment is largely the off-shoot of rural unemployment. With growing population of peasantry in the wake of introduction of the capitalist system of farming and in the face of increasing pressure of population on land, a mass exodus of population from rural areas to urban areas keeps on taking place. But this migration from rural to urban areas does not reflect the 'pull' of job opportunities in the cities, but rather the 'push' of abject poverty and lack of opportunities in the villages⁹. It adds to the number of the unemployed army of labour in urban area. One of the special features of the urban unemployment in India is that the rate of unemployment is higher among the **educated** than among the uneducated people.

Thus, rural unemployment scene in India is largely characterized by the existence of under-employment, seasonal unemployment and disguised unemployment. Urban unemployment is characterized by the existence of both open unemployment and the educated unemployment.

1.6. Extent, Trends and Structure of Unemployment:

The Government of India appointed a Committee of Experts under the chairmanship of Prof Dantwala to give an estimate of unemployment in the country. The committee came to the conclusion that in the peculiar socio-economic context of the country, it was not possible to arrive at a total figure of unemployment and underemployment. However, according to the 1970's Ministry's of labour and employment statement made in the Parliament, the country has a total of 35 million unemployed, inspite of 42.5 million new jobs having been created between 1951 and 1969¹⁰. It is not merely the massive dimensions of the problem that is frightening, but most alarming feature of the unemployment situation is that it is deteriorating from year to year. Unemployment today is increasing at the rate of one lakh more jobless persons every month, more rapidly than ever in the past. Total number of unemployed by level of education as the percent of labour force is 2.7 percent in 1987-88, 1.9 percent in 1993-94 and has increased to 2.2 percent in 1999-2000.

The unemployment among males and females as percentage of labour force was 5.6 in rural area and 7.4 in urban areas in 1993-94, which has increased to 7.2 in rural areas and 7.7 in urban areas in the year 1999-2000. This has happened inspite of the large amount of plan investments made

on a employment generation. This is very alarming situation and poses a great threat to the social and political stability of the country. In the words of 'Bhagawati Committee on Unemployment'- "Unemployment and underemployment are the biggest challenges of the day and we are sitting on a volcano".

India being mainly an agricultural country, the great majority of the unemployed are in the rural areas. As for the urban areas, the unemployment problem is very acute among the educated.

The National Sample Survey Organisation (N.S.S.O) evolved certain new concepts and standardised them to measure employment and unemployment. These concepts are¹¹

1.6. (i) Usual Status Concept:

This measures the number of persons i.e. persons who remained unemployed for a major part of the year. Thus the activity status is determined with reference to a long period than a day or a week. Thus, it appropriately measures '**Open unemployment**'.

1.6. (ii) Weekly Status Concept:

It implies the measurement of the number of persons who did not find work even for an hour on any day during the survey week. It is appropriate measurement of- '**Seasonal unemployment**'.

1.6. (iii) Daily Status Concept:

This concept measures the activity status of a person for each day of the proceeding 7 days. A person who worked at

least for one hour but less than four hours was considered having worked for half a day. It is an appropriate concept devised to measure- '**Underemployment**'.

An idea about the trend and structure of unemployment in India can be had by looking at the data relating to the unemployment rates at different points of time, as shown in Table 1.1 below.

**Table 1.1 Unemployment Rates: Alternative Measures
(Percentage of Labour Force)**

Years	Usual Principal Status(UPS)	Usual Principal and Subsidiary Status (UPS)	Current Weekly Status (CWS)	Current Daily Status (CDS)
Rural				
1983	1.91	1.13	3.88	7.94
1987-88	3.07	1.98	4.19	5.25
1993-94	1.80	1.20	3.00	5.63
1999-2000	1.96	1.43	3.91	7.21
Urban				
1983	6.04	5.02	6.81	9.52
1987-88	6.54	5.32	7.12	9.36
1993-94	5.21	4.52	5.83	7.43
1999-2000	5.23	6.63	5.89	7.65
ALL INDIA				
1983	2.77	1.90	4.51	8.28
1987-88	3.77	2.62	4.80	6.09
1993-94	2.56	1.90	3.63	6.03
1999-2000	2.81	2.23	4.41	7.32

Source: NSSO: 38th, 43rd, 50th and 55th rounds.

The four different unemployment rates emerging from successive NSSO surveys corresponding to each of the four measures are summarized in Table 1.1. The extent of

unemployment varies considerably depending on the measure chosen. The unemployment rate for the year 1999-2000 is a low 2.23 percent based on the UPSS definition, but it rises to 7.32 percent based on the CDS definition. It also reveals a disturbing feature of an apparent rise in unemployment rates in 1999-2000 compared with 1993-94. The UPSS measure shows a modest increase in the rate of unemployment from 1.90 percent in 1993-94 to 2.23 percent in 1999-2000, but the CDS measure shows a sharper increase from 6.03 percent to 7.32 percent for the same period. More importantly all four measures show an increase in unemployment rate reversing the decline witnessed in the previous period.

It can be generally observed that

- 1) People may have a preference for desk jobs rather than jobs, which involve manual work. This is particularly true among educated job seekers.
- 2) There is a strong preference for secure wage employment in the organised sector (especially in government) over other forms of employment in the unorganised sector or self-employment.
- 3) There is also preference for employment in urban areas rather than rural areas because urban areas provide in many ways greater access to other facilities. Unemployment rates are traditionally higher in urban areas than in rural areas, partly because of the greater dominance of the organized sector.

1.7. Causes of Unemployment:

Unemployment results when rate of growth of labour force is more than the rate at which new jobs are created. The

rate of growth of labour force in turn is a function of the rate of growth of population. It is also the result of so many other factors. The broad causes for unemployment problem are- poverty, population explosion, and slow growth rate of backwardness of agriculture, insufficient industrial development, inappropriate education system, and emphasis on capital-intensive technology. Thus, there are many causes for the rapid growth of unemployment in India.

1.8. Linkages among Unemployment, Poverty and Income Distribution:

A close relation exists between high level of unemployment and underemployment, wide spread poverty and unequal distribution of income and standard of living. Poverty and unemployment are like Siamese twins. A person is poor because he is unemployed. He is unemployed because he is poor. Unemployment results in lack of income, which is necessary to obtain the basic necessities of life such as- food, clothing and shelter. But when a person is unemployed he is unable to satisfy his minimum basic needs. This leads to poverty and low standard of living, which in turn leads to low consumption, which will affect his health and efficiency.

Unemployment also creates many problems like hungry, starvation, lack of mental peace, beggary, suicide etc. It also leads to criminal activities in the society. Employment therefore, must be an essential ingredient in many poverty focused development strategies.

1.9. Theoretical Background¹².

A theory is expected to perform two major functions namely, explanation and prediction of a phenomenon. This theoretical background is devoted to critical review of some comprehensive paradigms of development, and examines their relevance to the present study.

1.9. (A). Rosenstein – Rodan’s Theory of ‘The Big Push’¹³.

According to this theory, there is a minimum level of resources that must be devoted to a development programmes if it is to have any chance of success. Launching a country into self-sustaining growth is like getting an aero plane off the ground. There is a critical ground speed, which must be passed before the craft can become airborne. The essence of this theory is proceeding 'bit by bit' will not add up in its effects to the sum total of the single bits. An atmosphere of development may only arise after a critical minimum level of investment has been reached.

Thus, the rural unemployment is a major problem where in majority of them are illiterate and ignorant. To develop the skill in them, they need a training, which will push them to take up self-employment. This theory can provide a ground that a big push investment for a country to develop, and in particular for an individual the big push in the form of training will help to build his career. Thus we can adopt this theory to the present problem.

1.9. (B). Leibenstein's - Critical Minimum Effort Thesis:

The critical minimum effort thesis developed by Harvey Leibenstein, ¹⁴ states that – “if sustained development is to be

generated, it is necessary that the initial effort or the initial series of efforts must be above a certain magnitude. That is to say, not all efforts to raise per capita income lead to economic development. There are some that are too small to do so". The need for a minimum effort arises to overcome internal and external diseconomies of scale, to overcome income depressing obstacles which may be generated by the stimulants to growth and to generate sufficient momentum in the system, so, the factors that stimulate growth continue to play that part.

To enable a poor household to rise above the poverty line once and for all, it is necessary that the household be assisted sufficiently, so that the critical minimum level of investment is required to generate sufficient income. Needless to say, the critical minimum level of investment in the form of training would vary from family to family, depending upon the families initial resource endowment, types of asset and access to basic infrastructure. This critical minimum level of investment in the form of skill generation will lead to earn their own income.

1.9. (C). Ragner Nurkse's Balanced Growth Theory:

Ragner Nurkse has given a theory regarding vicious circle of poverty. This theory is aimed at solving the problem of poverty by increasing capital formation in the country. Nurkse writes - 'undeveloped countries suffer from large scale disguised unemployment. A large part of population engaged in agriculture could be removed without reducing agricultural output. To have a balanced growth in the country we have to use capital, which can create new jobs and will lead to the solution of the problems like unemployment and poverty. He

says "country is poor because it is poor". The term vicious circle¹⁵ as it applied to the environment in undeveloped countries refers to an inextricable interrelationship of cause and effect.

For the underdeveloped country like India to solve the problem like poverty and unemployment need the capital formation. This theory is relevant to the present analysis, because it aimed at solving the problem of poverty and unemployment by capital formation. The present study also aims studying TRYSEM as a solution for rural unemployment through skill formation.

1.9. (D). Lewis Model of Economic Development with Unlimited Supply of Labour:

W. Arthur Lewis¹⁶ model is based on the fact that in many developing countries, there exist large reservoirs of labour whose marginal productivity is negligible, zero or even negative. This labour is available in unlimited quantities at the wage equal to the subsistence level of living, plus a margin sufficient to overcome the friction of moving from the 'subsistence sectors to 'capitalist sector ' which may be called 'subsistence plus' wage. As supply of labour is unlimited, new industries can be set up and the existing one can be expanded without limit, at the ruling wage rate. The capitalist sector also needs skilled workers. But Lewis maintains that skilled labour is only a temporary bottleneck, and can be removed by providing training facilities to unskilled workers.

Since the marginal productivity of labour in the capitalist sector is higher than the ruling wage rate, there results a

capitalist surplus. This surplus is used for capital formation, which makes possible employment of more people from the subsistence sector. The increase in investment by the capitalists raises the marginal productivity of labour, which induces capitalist employers to increase their labour force till the marginal productivity of labour falls to a level equivalent to the ruling wage rate. This process goes on till the capital - labour ratio rises to the point where the supply of labour becomes inelastic.

Its basic premise is that labour productivity in agriculture must increase substantially in order to generate surplus in the form of food to be used for development of the non-farm sector, and to release the surplus labour from agriculture for meeting the growing needs of the non-farm sector.

However, this theory is very much relevant to present work, because in Indian economy both traditional and capitalist sectors are prevailing and also there is disguised unemployment in agriculture sector. This surplus labour can be transferred to the capitalistic industrial sector, but they are illiterate and need massive training, which is provided by the schemes like TRYSEM'. The training under the trade like automobile, electricity, motor rewinding and others will provide a skill to the rural unemployed youths. But they will not get wage employment at village level, and they have to undertake self-employment in urban and semi in urban areas. Thus, this theory properly describes the problem of unlimited supplies of labour.

1.10. Historical Background of 'TRYSEM'

India is predominantly an agricultural country and its 80 percent of population lives in rural areas with farming as their main occupation. The All India Rural Credit Review Committee (AIRCRC) in its report warned – 'if the fruits of development continues to be denied to the large number of rural community, while prosperity occurs to some, the tension of social economic problems may not only upset the process of orderly and peaceful change in the rural economy, but even frustrate the national efforts to step up agricultural production.'¹⁷ Thus all development efforts center around the human prosperity.

To achieve the objective of rural development, several programmes were undertaken, new approaches were adopted and experimented and pilot projects were launched in the past.

India has a very long history of experimenting with various approaches to rural development. Even in the pre-independence era, nationalist thinkers and social reformers initiated a number of rural reconstruction experiments. Well known among them were.

- The Gurgaon Experiment of F.L. Brayne (1920),
- The Marthandam Experiment of Spencer Hatch (1921)
- The Sriniketan Experiment of Rabindranath Tagore (1920),
- The Sewagram Experiment of M.Gandhi (1931),
- Firka Development Scheme (1946),
- The Etawah Pilot Project of Albert Mayer (1948),
- Nilokheri Experiment of S.K. Dey (1948).

Besides these experiments by social reformers and missionaries, various departments of government like

Agriculture, Co-operation, Irrigation, Health, Education etc., also tried in their own way to resolve rural problems falling within their respective jurisdictions. In 1952, the Government of India

appointed the "Grow More Food Inquiry Committee" (GMFIC)¹⁸ under the chairmanship of Sir V.T. Krishnamachari to evaluate the campaign. One of the recommendation was that an extension agency should be set up for rural work, which would reach every farmer and assist in the co-ordinated development of rural life. It was out of this background and experience that Indian's Community Development Programme (CDP) was born.

1.10. (A). Community Development Programme – 1952

The Community Development Programme (CDP)¹⁹ was launched on 2nd October, 1952. It was intended to be the first step towards rural development. It was broad based programme covering all aspects of village life, including agriculture, health, education, rural industries, transport and communication and social welfare of woman and children. The main emphasis was on the development of self-reliance in the individual, and initiative in the community for achieving desired goals. It was launched to initiate the process of transformation of social and economic life of India's villages through a change in the outlook and methods of production of rural population. It was conceived as a peoples' programme with avowed objectives of harnessing the local resources and the energies of the masses for the socio-economic upliftment of all.

At the village level there was a 'Gram Sevak' (GS) who was trained in all walks of rural life. He guided the farmers in

building new life. The CDP and National Extension Service (NES) which become the major weapons of rural development initially, failed to achieve their main objectives. In initial period, the programme gave priority to providing social overheads. The overheads thus created benefited the better off sections of the rural community. At any rate, such overheads, did not improve the incomes and living conditions of the rural. The programme did not make a dent in rural unemployment and poverty. Despite drawback the CDP and NES blocks gave an institutional framework and provided a new dimension to rural development in India.

1.10.(B). Intensive Agricultural District Programme (IADP) 1960-61

Failure of Community Development Programme resulted in severe food crisis and diversions of resources to non - economic sectors. The Government of India realised the need of the hour resulting in shifting the policy from broad based community development approach to a sharper focus aimed at intensification of agriculture. Thus the new project Intensive Agriculture District Programme (IADP) was introduced in 1960²⁰.

IADP sought to cover and to achieve rapid increase in the agricultural production through concentration of financial, technical, extension and administrative resources. Its aim in the long run was to achieve a self-generating breakthrough in productivity and raise the production potential by stimulating the human and physical processes of change.

It is also called as a 'Package Programme'. The programme was to be intensive in the sense that all aspects of improvement essential for a rapid increase in farm production and income were to be introduced simultaneously in the selected districts. It was to be organized as a single operation programme to be directed from one district office under the guidance of agriculturally trained district officer.

1.10.(C). Intensive Agricultural Area Programme (IAAP) 1964 :

A little later a similar programme, but less in intensity and thinner in staffing pattern was started in 1964, which was known as "Intensive Agricultural Area Programme" (IAAP). The selection of district was on the basis of potential for a single crop, where as the former emphasised intensive agricultural development of the entire area. The IAAP had a wider coverage, but without a corresponding increase in resources. It aimed at achieving a self-generating breakthrough in agricultural production. It covered some 1500 development blocks or about one fourth of the cultivated area in the country in a short time.

1.10.(D). Food for Work Programme (FWP) - 1977

It is because of the limited success of programmes implemented by the government, a new programme was started by government called 'Food for Work Programme'²⁰ to uplift rural poor. It was launched in April 1977, as a non-plan scheme to augment the funds of state governments for the maintenance of public works on which large investments were made in the past. It was also planned to convert the surplus food grains into

amenities, the stock of which was reasonably large at that time, to satisfy the minimum needs. The basic objectives of the programme were to generate additional gainful employment for large number of unemployed and underemployed persons, to create durable community assets; strengthen the rural infrastructure and to utilize surplus food grains for development of human resources.

The programme was expanded later to cover on going plan and non-plan schemes, and new items of capital work. The programme becomes very popular in the rural areas and came to be recognised as a major instrument of rural employment and development.

The Food for Work Programme did not make headway due to certain constraints inherent in the scheme itself, such as - erratic disbursement of food grains as wages, delay in measurement of earthwork, non - durability of asset created under the programme and lack of storage facility.

1.10. (E). Reasons for Adoption of IRDP and TRYSEM

An evaluation of the experiences of the various rural development programmes shows that a mere sectoral approach is not adequate to lead to an overall development of rural areas and distribution of profits to local population, particularly the weaker section of the society. It also intended to lay stress on the income disparities between the rural rich and rural poor.

It was therefore proposed to integrate multiplicity of agencies for providing rural employment such as - Employment Guarantee Scheme (EGS), Small Farmers Development Agency (SFDA), Marginal Farmers and Agricultural Labourers (MFAL),

Development Agency, Drought Prone Area Programme (DPAP), Command Area Programme (CADD), Desert Development Programme (DDP) etc. As all these programmes overlap between itself thus it became essential to integrate these programme for effective monitoring and accounting. These programmes are replaced by one single integrated programme called - Integrated Rural Development Programme (IRDP) operating through out the country.

Another objective for the implementation of IRDP was to improve the general growth rate of the economy. The government felt it necessary to reorient or redesign the programmes of rural development, so as to utilize the local resources physical and human to exploit local development potential fully.

Progressive reduction and alternate alleviation of poverty has been one of the major goals of India's economic policy, since the beginning of the Fifth Plan. Although group specific and area specific rural development programmes were initiated, the basic strategy of combining the minimum needs programme with programmes for employment and income generation took concrete step towards the end of Fifth Plan, when IRDP was launched. The Sixth Plan launched a direct attack on the basic problems of rural poverty and unemployment.

The first and most desirable step was to merge several programmes of rural development specially, SFDA, MFAL, DPAP, CADP and DDP into a single united programme called IRDP (Integrated Rural Development Programme).

10.10.(F). Integrated Rural Development Programme: (IRDP) 1978-1979

IRDP is the single largest programme, which was launched in 1978 -79 in 2300 selected blocks in the country and was extended to all the blocks in the country with effect from 2ndOctober, 1980. It aims at providing income generating assets and self-employment opportunities to the rural poor, to enable them to rise above poverty line once for all. IRDP in effect seeks to redistribute assets and employment opportunities in favour of rural poor, and thereby reduce income inequality.

IRDP beneficiaries are assisted through viable bankable projects, which are financed partly by subsidy and partly by bank loans. The IRDP provides for training of both beneficiaries and functionaries at all levels. Beneficiaries are trained in how to manage the new asset, so as to drive the maximum benefits from them. The full cost of training the beneficiaries is met out of the programme funds. Besides this, a special scheme called "Training of Rural Youth for Self-Employment " (TRYSEM) was initiated in 1979 with principal objective of removing unemployment among rural youth.

1.10. (G). The Link Between IRDP and TRYSEM

The IRDP was launched as an asset generation programme to the rural poor, while the TRYSEM is a subsidiary programme or a facilitating component of IRDP, aimed at providing the necessary skills, institutional infrastructure and programme support to rural youth enabling them to seek self employment. As IRDP provides loans and help them to generate

income, the TRYSEM is providing training to create skill and help them to take self-employment. Thus, both IRDP and TRYSEM schemes aims at alleviation of poverty and unemployment.

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