

Some Issue in Employment Guarantee Act.

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1. Employment Guarantee is rightly visualized as a right. From this perspective it should be available to all citizens and not confine to a section of the people. Rural Employment Guarantees is the first step towards the goal of employment guarantee for all subsequent steps should be spelled out.
2. How do we conceptualize employment guarantee. Is employment under E.G.S. is the last resort before and unemployed person, who is enable to find any alternative employment in public or private works. This is a limited legalistic role of EGS. Cost implication would also be less.
3. An alternative approach could be that the design and scale of our development plans are geared to generate employment on a longer scale to absorb the entire labour force. Thus, employment generation become a part of a massive programme of development of land and water resources and provision of economic and social infrastructure based on detailed micro level plan at the village Panchayat level. Those who are left out and paid an unemployment allowance.
4. The latter approach would require replacement of present sectoral/schematic approach by an integrated area development approach. This will ensure convergence of efforts and administrative and financial resources. The administrative machinery at the block level is already bundled with too many schemes, which fails to deliver effectively. Thus there is a strong case of bringing all employment generation schemes under one umbrella.
5. Capacity of Panchayats has to be developed to enable them to discharge the responsibility of planning and implementation of works for employment guarantee scheme. At present the capacity of Gram Panchayat to shoulder development responsibility is extremely limited in most of the states. The size of Gram Panchayat is quite small, around two thousand to three thousand persons, in many states. All the GP's do not have any regular staff with them. Many do not have a Panchayat Ghar they will need heavy administrative support to carry out the provision of EGA.
6. Provision of employment opportunities within 5 KMs. from village will be a serious challenge. Block appears to be the appropriate level suitable for preparing area development plan consisting of a shelf of schemes, which may be taken up under EGA programme. It is only at the block level that the scheme of land and water resource management and infrastructure development can be planned and executed. Kshetta Panchayata, therefore, need to be equipped with sufficient powers to control functionary of the line department for planning and execution of the works to be taken up. Necessary technical and administrative support has to be provided to them.

7. Care has to be taken to ensure, that the assets created under the EGA schemes are of proper quality and durable, which contribute to raising output and productivity levels in a sustained manner. Maintenance of the assets is equally important and can be entrusted to GPO. This would require that wages and material cost ratio is kept at in appropriate level of say 60: 40.
8. While EGA is being contemplated as essentially a Center Govt. funded programme, the responsibility of executing the programme will be that of the states. It is, therefore, essential that the states become joint stakeholders. It would be appropriate if the states show 25 percent of the total cost of implementation of EGA.
9. The financial resources required for the implementation of EGA can not be easily estimated but would be quite large. The current estimated vary anything from Rs.20,000 crores to Rs. 50,000 crores per year. Clearly raising resources of this magnitude would be a formidable, if not impossible task. A substantial part of the required resources can be mobilized by bringing the various ongoing employment programmes like SGRY. Persons registered under EGA can also be employed on other developmental projects being implemented at the local level. But there is little doubt that resources on a substantially larger level have to be committed to meet the goal of employment guarantee. Thus, there is no escape from a major effort to raise financial resources through taxes.
10. An important issue here is whether funds for EGA has to be provided from general revenues of the Government or from specific taxes, cess, etc. as in the case of Maharastra's EGS. A communication of both the sources to be needed. Profession tax is one of the under exploited tax, which has substantial potential. Many states are not imposing the profession tax at all (e.g. U.P.). One can also think of a large holding tax or a cess on land revenue for raising more resources. Expansion of service tax to more items can also generate significant amount of resources.
11. Provision of employment guarantee is indeed a formidable political, financial and administrative challenge. But its dividends in terms of removal of poverty, malnutrition, and insecurity of income as well as in contributing to economic growth and sustainable development resources would also be enormous. What is needed is a strong political will and commitment.