

INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, ECONOMICS & MANAGEMENT

I
J
R
C
M



A Monthly Double-Blind Peer Reviewed Refereed Open Access International e-Journal - Included in the International Serial Directories

Indexed & Listed at:

Ulrich's Periodicals Directory ©, ProQuest, U.S.A., EBSCO Publishing, U.S.A., Cabell's Directories of Publishing Opportunities, U.S.A.

as well as in Open J-Gate, India (link of the same is duly available at infibnet of University Grants Commission (U.G.C.))

Registered & Listed at: Index Copernicus Publishers Panel, Poland

Circulated all over the world & Google has verified that scholars of more than Hundred & Thirty Two countries/territories are visiting our journal on regular basis.

Ground Floor, Building No. 1041-C-1, Devi Bhawan Bazar, JAGADHRI – 135 003, Yamunanagar, Haryana, INDIA

www.ijrcm.org.in

CONTENTS

Sr. No.	TITLE & NAME OF THE AUTHOR (S)	Page No.
1.	EXAMINING THE EFFECT OF DECLARATION OF INITIAL PUBLIC OFFERING ON SHARE PRICE AND RETURN: EVIDENCE FROM TEHRAN STOCK EXCHANGE MANSOUR GARKAZ	1
2.	ODE TO THE FABRIC OF DESERT: THE SANCTUARY WAY DR. ASHA ALEXANDER	5
3.	CASH DIVENDS ANNOUNCEMENTS AND IMPACT ON THE SHARE PRICES OF LISTED COMPANIES IN COLOMBO STOCK EXCHANGE IN SRI LANKA SKANTHAVARATHAR RAMESH	11
4.	THE MANAGEMENT OF SMALL AND MEDIUM ENTERPRISES TO ACHIEVE COMPETITIVE ADVANTAGES IN NORTHERN THAILAND DR. RATTANAN PONGWIRITTHON & SURACHAI UTAMA-ANG	16
5.	FUNDS GENERATION AND MANAGEMENT IN ONDO STATE LOCAL GOVERNMENT, NIGERIA DR. FELIX OLURANKINSE	22
6.	DEMOGRAPHICAL ANTECEDENTS IN DECISIONAL AUTONOMY OF WOMEN ENTREPRENEURS: A CASE STUDY OF WOMEN ENTREPRENEURS OF LAHORE, PAKISTAN NOREEN ZAHRA & KASHIF MAHMOOD	27
7.	IMPACT OF INTELLECTUAL CAPITAL ON THE FINANCIAL PERFORMANCE OF LISTED COMPANIES IN TEHRAN STOCK EXCHANGE MANSOUR GARKAZ	32
8.	HOSPITALITY INDUSTRY CSR WITH MARKETING USP – CASE STUDY OF TAJ HOTELS & IHM-A DR. S. P. RATH, DR. SHIVSHANKAR K. MISHRA, SATISH JAYARAM & CHEF LEEVIN JOHNSON	35
9.	HOUSING IN RURAL INDIA: AN OVERVIEW OF GOVERNMENT SCHEMES IN KARNATAKA DR. VILAS M. KADROLKAR & DR. NAGARAJ M. MUGGUR	44
10.	TRENDS AND GROWTH OF PUBLIC EXPENDITURE IN INDIA DURING 2001-12 DR. MANOJ DOLLI	51
11.	FINANCES OF SCHOOL OF DISTANCE EDUCATION OF ANDHRA UNIVERSITY, VISAKHAPATNAM: AN APPRAISAL DR. G. VENKATACHALAM & DR. P. MOHAN REDDY	57
12.	THE IMPACT OF MGNREGA ON THE LIVING CONDITION OF RURAL POOR IN RURAL ECONOMY WITH SPECIAL REFERENCE TO GULBARGA DISTRICT IN KARNATAKA STATE ANIL KUMAR.B.KOTE & DR. P. M. HONNAKERI	62
13.	CONCERNS OF FOOD SECURITY IN INDIA AMIDST ECONOMIC CRISIS DR. ZEBA SHEEREEN	66
14.	ATTAINING SUSTAINABLE DEVELOPMENT THROUGH GREEN BANKING DR. SARITA BAHL	70
15.	A STUDY OF HOUSING DEVELOPMENT PROGRAMMES IN KANCHIPURAM DISTRICT, TAMILNADU R. RETHINA BAI & DR. G. RADHA KRISHNAN	75
16.	THE EFFECT OF PARENTAL INTERVENTION ON THE FAMILY PROBLEMS OF LATE ADOLESCENTS DR. KALYANI KENNETH & SEENA P.C	83
17.	EFFECT OF INDEX FUTURE TRADING AND EXPIRATION DAY ON SPOT MARKET VOLATILITY: A CASE STUDY OF S&P CNX NIFTY DR. BAL KRISHAN & DR. REKHA GUPTA	86
18.	COMPARATIVE ANALYSIS OF PER SHARE RATIO OF SOME SELECTED INDIAN PUBLIC SECTOR BANKS DR. SHIPRA GUPTA	89
19.	CONSUMPTION PATTERN OF CONVENIENCE GOODS: A STUDY WITH RURAL CONSUMERS V. SYLVIYA JOHNSI BAI	97
20.	MOTIVATORS AND MOTIVATIONAL ASPECTS OF THE WOMEN ENTREPRENEURS IN RURAL AREAS DR. M. JAYASUDHA	100
21.	HANDLOOM INDUSTRY IN RELATION TO ITS PRODUCTION ORGANIZATION: A SOCIO-ECONOMIC STUDY IN TWO DISTRICTS OF WEST BENGAL CHITTARANJAN DAS	103
22.	A STUDY ON PUBLIC ATTITUDE AND CONTRIBUTION TOWARDS POVERTY ALLEVIATION L.VIJAY & M. GANDHI	109
23.	DETERMINENTS OF PEOPLE'S PARTICIPATION IN JOINT FOREST MANAGEMENT: A STUDY IN VISAKHAPATANAM DISTRICT OF ANDHRA PRADESH DR. D. NARAYANA RAO	112
24.	AN ECONOMETRIC FRAMEWORK OF POLYTHENE INDUSTRIAL COOPERATIVES IN TAMIL NADU GANDHIMATHY B	117
25.	THEORITICAL PERSPECTIVES OF DOMESTIC VIOLENCE: AN OVERVIEW RAIS AHMAD QAZI & MOHD YASIN WANI	122
26.	FDI INFLOWS IN INDIA TRENDS AND PATTERNS SIRAJ-UL-HASSAN RESHI	127
27.	WOMEN EMPOWERMENT AND PREGNENCY COMPLICATIONS ARCHANA KESARWANI	135
28.	A CRITICAL ANALYSIS OF MGNREGS USING MARSHALLIAN FRAMEWORK MOUMITA BAGCHI	143
29.	A STUDY ON SMALL RUMINANTS AS A SOURCE OF INCOME AMONG THE FARMERS OF PALLIPATTI PANCHAYAT M. ELAGOVAN	147
30.	INSURANCE LEADERS AND ENTREPRENEURS ON EMOTIONAL MANAGEMENT AND PSYCHOLOGICAL EMPOWERMENT DILJOT SOIN	150
	REQUEST FOR FEEDBACK	154

CHIEF PATRON

PROF. K. K. AGGARWAL

Chancellor, Lingaya's University, Delhi
Founder Vice-Chancellor, Guru Gobind Singh Indraprastha University, Delhi
Ex. Pro Vice-Chancellor, Guru Jambheshwar University, Hisar

PATRON

SH. RAM BHAJAN AGGARWAL

Ex. State Minister for Home & Tourism, Government of Haryana
Vice-President, Dadri Education Society, Charkhi Dadri
President, Chinar Syntex Ltd. (Textile Mills), Bhiwani

CO-ORDINATOR

DR. BHAVET

Faculty, M. M. Institute of Management, Maharishi Markandeshwar University, Mullana, Ambala, Haryana

ADVISORS

DR. PRIYA RANJAN TRIVEDI

Chancellor, The Global Open University, Nagaland

PROF. M. S. SENAM RAJU

Director A. C. D., School of Management Studies, I.G.N.O.U., New Delhi

PROF. M. N. SHARMA

Chairman, M.B.A., Haryana College of Technology & Management, Kaithal

PROF. S. L. MAHANDRU

Principal (Retd.), Maharaja Agrasen College, Jagadhri

EDITOR

PROF. R. K. SHARMA

Professor, Bharti Vidyapeeth University Institute of Management & Research, New Delhi

CO-EDITOR

DR. SAMBHAV GARG

Faculty, M. M. Institute of Management, Maharishi Markandeshwar University, Mullana, Ambala, Haryana

EDITORIAL ADVISORY BOARD

DR. RAJESH MODI

Faculty, Yanbu Industrial College, Kingdom of Saudi Arabia

PROF. SIKANDER KUMAR

Chairman, Department of Economics, Himachal Pradesh University, Shimla, Himachal Pradesh

PROF. SANJIV MITTAL

University School of Management Studies, Guru Gobind Singh I. P. University, Delhi

PROF. RAJENDER GUPTA

Convener, Board of Studies in Economics, University of Jammu, Jammu

PROF. NAWAB ALI KHAN

Department of Commerce, Aligarh Muslim University, Aligarh, U.P.

PROF. S. P. TIWARI

Department of Economics & Rural Development, Dr. Ram Manohar Lohia Avadh University, Faizabad

DR. ANIL CHANDHOK

Professor, Faculty of Management, Maharishi Markandeshwar University, Mullana, Ambala, Haryana

DR. ASHOK KUMAR CHAUHAN

Reader, Department of Economics, Kurukshetra University, Kurukshetra

DR. SAMBHAVNA

Faculty, I.I.T.M., Delhi

DR. MOHENDER KUMAR GUPTA

Associate Professor, P. J. L. N. Government College, Faridabad

DR. VIVEK CHAWLA

Associate Professor, Kurukshetra University, Kurukshetra

DR. SHIVAKUMAR DEENE

Asst. Professor, Dept. of Commerce, School of Business Studies, Central University of Karnataka, Gulbarga

ASSOCIATE EDITORS**PROF. ABHAY BANSAL**

Head, Department of Information Technology, Amity School of Engineering & Technology, Amity University, Noida

PARVEEN KHURANA

Associate Professor, Mukand Lal National College, Yamuna Nagar

SHASHI KHURANA

Associate Professor, S. M. S. Khalsa Lubana Girls College, Barara, Ambala

SUNIL KUMAR KARWASRA

Principal, Aakash College of Education, Chander Kalan, Tohana, Fatehabad

DR. VIKAS CHOUDHARY

Asst. Professor, N.I.T. (University), Kurukshetra

TECHNICAL ADVISORS**MOHITA**

Faculty, Yamuna Institute of Engineering & Technology, Village Gadholi, P. O. Gadholi, Yamunanagar

AMITA

Faculty, Government M. S., Mohali

FINANCIAL ADVISORS**DICKIN GOYAL**

Advocate & Tax Adviser, Panchkula

NEENA

Investment Consultant, Chambaghat, Solan, Himachal Pradesh

LEGAL ADVISORS**JITENDER S. CHAHAL**

Advocate, Punjab & Haryana High Court, Chandigarh U.T.

CHANDER BHUSHAN SHARMA

Advocate & Consultant, District Courts, Yamunanagar at Jagadhri

SUPERINTENDENT**SURENDER KUMAR POONIA**

CALL FOR MANUSCRIPTS

We invite unpublished novel, original, empirical and high quality research work pertaining to recent developments & practices in the area of Computer, Business, Finance, Marketing, Human Resource Management, General Management, Banking, Insurance, Corporate Governance and emerging paradigms in allied subjects like Accounting Education; Accounting Information Systems; Accounting Theory & Practice; Auditing; Behavioral Accounting; Behavioral Economics; Corporate Finance; Cost Accounting; Econometrics; Economic Development; Economic History; Financial Institutions & Markets; Financial Services; Fiscal Policy; Government & Non Profit Accounting; Industrial Organization; International Economics & Trade; International Finance; Macro Economics; Micro Economics; Monetary Policy; Portfolio & Security Analysis; Public Policy Economics; Real Estate; Regional Economics; Tax Accounting; Advertising & Promotion Management; Business Education; Management Information Systems (MIS); Business Law, Public Responsibility & Ethics; Communication; Direct Marketing; E-Commerce; Global Business; Health Care Administration; Labor Relations & Human Resource Management; Marketing Research; Marketing Theory & Applications; Non-Profit Organizations; Office Administration/Management; Operations Research/Statistics; Organizational Behavior & Theory; Organizational Development; Production/Operations; Public Administration; Purchasing/Materials Management; Retailing; Sales/Selling; Services; Small Business Entrepreneurship; Strategic Management Policy; Technology/Innovation; Tourism, Hospitality & Leisure; Transportation/Physical Distribution; Algorithms; Artificial Intelligence; Compilers & Translation; Computer Aided Design (CAD); Computer Aided Manufacturing; Computer Graphics; Computer Organization & Architecture; Database Structures & Systems; Digital Logic; Discrete Structures; Internet; Management Information Systems; Modeling & Simulation; Multimedia; Neural Systems/Neural Networks; Numerical Analysis/Scientific Computing; Object Oriented Programming; Operating Systems; Programming Languages; Robotics; Symbolic & Formal Logic and Web Design. The above mentioned tracks are only indicative, and not exhaustive.

Anybody can submit the soft copy of his/her manuscript **anytime** in M.S. Word format after preparing the same as per our submission guidelines duly available on our website under the heading guidelines for submission, at the email addresses: infoijrcm@gmail.com or info@ijrcm.org.in.

GUIDELINES FOR SUBMISSION OF MANUSCRIPT

1. **COVERING LETTER FOR SUBMISSION:**

DATED: _____

THE EDITOR
IJRCM

Subject: SUBMISSION OF MANUSCRIPT IN THE AREA OF _____.

(e.g. Finance/Marketing/HRM/General Management/Economics/Psychology/Law/Computer/IT/Engineering/Mathematics/other, please specify)

DEAR SIR/MADAM

Please find my submission of manuscript entitled ' _____ ' for possible publication in your journals.

I hereby affirm that the contents of this manuscript are original. Furthermore, it has neither been published elsewhere in any language fully or partly, nor is it under review for publication elsewhere.

I affirm that all the author (s) have seen and agreed to the submitted version of the manuscript and their inclusion of name (s) as co-author (s).

Also, if my/our manuscript is accepted, I/We agree to comply with the formalities as given on the website of the journal & you are free to publish our contribution in any of your journals.

NAME OF CORRESPONDING AUTHOR:

Designation:

Affiliation with full address, contact numbers & Pin Code:

Residential address with Pin Code:

Mobile Number (s):

Landline Number (s):

E-mail Address:

Alternate E-mail Address:

NOTES:

- a) The whole manuscript is required to be in **ONE MS WORD FILE** only (pdf. version is liable to be rejected without any consideration), which will start from the covering letter, inside the manuscript.
- b) The sender is required to mention the following in the **SUBJECT COLUMN** of the mail:
New Manuscript for Review in the area of (Finance/Marketing/HRM/General Management/Economics/Psychology/Law/Computer/IT/Engineering/Mathematics/other, please specify)
- c) There is no need to give any text in the body of mail, except the cases where the author wishes to give any specific message w.r.t. to the manuscript.
- d) The total size of the file containing the manuscript is required to be below **500 KB**.
- e) Abstract alone will not be considered for review, and the author is required to submit the complete manuscript in the first instance.
- f) The journal gives acknowledgement w.r.t. the receipt of every email and in case of non-receipt of acknowledgment from the journal, w.r.t. the submission of manuscript, within two days of submission, the corresponding author is required to demand for the same by sending separate mail to the journal.

2. **MANUSCRIPT TITLE:** The title of the paper should be in a 12 point Calibri Font. It should be bold typed, centered and fully capitalised.

3. **AUTHOR NAME (S) & AFFILIATIONS:** The author (s) **full name, designation, affiliation (s), address, mobile/landline numbers**, and **email/alternate email address** should be in italic & 11-point Calibri Font. It must be centered underneath the title.

4. **ABSTRACT:** Abstract should be in fully italicized text, not exceeding 250 words. The abstract must be informative and explain the background, aims, methods, results & conclusion in a single para. Abbreviations must be mentioned in full.

5. **KEYWORDS:** Abstract must be followed by a list of keywords, subject to the maximum of five. These should be arranged in alphabetic order separated by commas and full stops at the end.
6. **MANUSCRIPT:** Manuscript must be in **BRITISH ENGLISH** prepared on a standard A4 size **PORTRAIT SETTING PAPER**. It must be prepared on a single space and single column with 1" margin set for top, bottom, left and right. It should be typed in 8 point Calibri Font with page numbers at the bottom and centre of every page. It should be free from grammatical, spelling and punctuation errors and must be thoroughly edited.
7. **HEADINGS:** All the headings should be in a 10 point Calibri Font. These must be bold-faced, aligned left and fully capitalised. Leave a blank line before each heading.
8. **SUB-HEADINGS:** All the sub-headings should be in a 8 point Calibri Font. These must be bold-faced, aligned left and fully capitalised.
9. **MAIN TEXT:** The main text should follow the following sequence:

INTRODUCTION

REVIEW OF LITERATURE

NEED/IMPORTANCE OF THE STUDY

STATEMENT OF THE PROBLEM

OBJECTIVES

HYPOTHESES

RESEARCH METHODOLOGY

RESULTS & DISCUSSION

FINDINGS

RECOMMENDATIONS/SUGGESTIONS

CONCLUSIONS

SCOPE FOR FURTHER RESEARCH

ACKNOWLEDGMENTS

REFERENCES

APPENDIX/ANNEXURE

It should be in a 8 point Calibri Font, single spaced and justified. The manuscript should preferably not exceed **5000 WORDS**.

10. **FIGURES & TABLES:** These should be simple, crystal clear, centered, separately numbered & self explained, and **titles must be above the table/figure**. **Sources of data should be mentioned below the table/figure**. It should be ensured that the tables/figures are referred to from the main text.
11. **EQUATIONS:** These should be consecutively numbered in parentheses, horizontally centered with equation number placed at the right.
12. **REFERENCES:** The list of all references should be alphabetically arranged. The author (s) should mention only the actually utilised references in the preparation of manuscript and they are supposed to follow **Harvard Style of Referencing**. The author (s) are supposed to follow the references as per the following:
 - All works cited in the text (including sources for tables and figures) should be listed alphabetically.
 - Use **(ed.)** for one editor, and **(ed.s)** for multiple editors.
 - When listing two or more works by one author, use --- (20xx), such as after Kohl (1997), use --- (2001), etc, in chronologically ascending order.
 - Indicate (opening and closing) page numbers for articles in journals and for chapters in books.
 - The title of books and journals should be in italics. Double quotation marks are used for titles of journal articles, book chapters, dissertations, reports, working papers, unpublished material, etc.
 - For titles in a language other than English, provide an English translation in parentheses.
 - The location of endnotes within the text should be indicated by superscript numbers.

PLEASE USE THE FOLLOWING FOR STYLE AND PUNCTUATION IN REFERENCES:

BOOKS

- Bowersox, Donald J., Closs, David J., (1996), "Logistical Management." Tata McGraw, Hill, New Delhi.
- Hunker, H.L. and A.J. Wright (1963), "Factors of Industrial Location in Ohio" Ohio State University, Nigeria.

CONTRIBUTIONS TO BOOKS

- Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

JOURNAL AND OTHER ARTICLES

- Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

CONFERENCE PAPERS

- Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19–22 June.

UNPUBLISHED DISSERTATIONS AND THESES

- Kumar S. (2011): "Customer Value: A Comparative Study of Rural and Urban Customers," Thesis, Kurukshetra University, Kurukshetra.

ONLINE RESOURCES

- Always indicate the date that the source was accessed, as online resources are frequently updated or removed.

WEBSITE

- Garg, Bhavet (2011): Towards a New Natural Gas Policy, Political Weekly, Viewed on January 01, 2012 <http://epw.in/user/viewabstract.jsp>

A CRITICAL ANALYSIS OF MGNREGS USING MARSHALLIAN FRAMEWORK

MOUMITA BAGCHI
RESEARCH SCHOLAR (ECONOMICS)
SCHOOL OF SOCIAL SCIENCES
INDIRA GANDHI NATIONAL OPEN UNIVERSITY
NEW DELHI

ABSTRACT

The aim of this paper is to present a policy analysis of the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) using the principles laid out by Alfred Marshall in his work Principles of Economics. This analysis provides the policy makers and researchers of welfare economics with a different perspective and an alternate approach to social welfare and economic development. This existing MGNREGS scheme requires an annual outlay of more than Rs. 40,000 crore every year, which adds to the deficit of the central government as well as being inflationary in its outcome. The alternate approach not only ensures a self-sustaining model of development, but also eliminates the corruption issues.

KEYWORDS

MGNREGS, Employment Guarantee, Welfare, Marshall, economic development.

INTRODUCTION

National Rural Employment Guarantee Act 2005 was sanctioned on 5th of September 2005 by Honourable Shri Abdul Kalam, the President of India. With the aim of providing assured livelihood of at least 100 days for rural unemployed to one person in every household, the Act was a judicially enforceable obligation on the government. In this Act, along with the livelihood, additional targeted benefits are:

- to enable poor households in rural India to cross the poverty line,
- reduction in rural-urban migration,
- empowerment of women,
- asset creation in rural areas and,
- foster more equitable social order in rural India.

The other distinction of this Act is that it dispenses with the need of any identification of families living below poverty line, thus creating universal entitlement. NREGA was renamed to MGNREGS in 2009 in honour of the father of the nation, Mahatma Gandhi.

Intervention on such a massive scale has found support from certain sections of economists, e.g., like Amartya Sen (1996), who advocated removal of social deprivation to be an important goal in itself.

EARLY EVIDENCE OF FLAWS IN MGNREGS

Issues in the implementation of MGNREGS emerged in the initial phases itself. Bhatia and Dreze (2006) found that there were problems with access to benefits and the quantum of the benefits. The same problems were noticed with Employment Guarantee Scheme in Maharashtra which preceded MGNREGS (for example Bhende et. al., 1992). It has been observed that state apathy manifested in terms of lack of responsiveness of state policy to developmental needs and social needs along with lack of formal monitoring mechanism have been the other shortcomings of the programme (Drèze and Gazdar, 1996). These issues create a need for a critical analysis of the program to be taken up so that one can examine the features of the MGNREGS in minute detail. The same is being discussed in detail in the remaining part of the paper.

NEED FOR ANALYSIS OF MGNREGS PROGRAM

The current discussion, both among the policy makers and the national media, on MGNREGS is dominated by the extent of its implementation and lack of failures in the form of corruption. The major stakeholders in this ongoing discussion are economists, some belong to government and others belonging to the NGOs, the media which consistently exposes the lack of success in programs, and highlights the critical incidents like death of RTI activist, and researchers who have been studying the impact of the program or the extent to which the program has been activated at the grass root level. The elements in the current ongoing discussion can be narrowed down to the following elements:

- Entitlement of the less-privileged section population
- Credit-seeking by political parties
- Corruption and leakages from the system
- Lack of accountability
- Opaqueness of the system

What has been ignored in the current discourse is a complete analysis of the MGNREGS program as to whether this program really has the potential to achieve the economic development of the people below the poverty line or not. Also the question as to whether the policy makers have looked at alternate approaches to economic and social development or not, have not been covered in the policy analysis and the policy discussion. One alternate approach is to use the Marshallian principles to analyse MGNREGS. The elements of Marshallian framework are clearly laid out in the following section and the analysis using that framework is presented subsequently.

ECONOMIC DEVELOPMENT: MARSHALL'S SCHOOL OF THOUGHT

The essentials of framework are derived from Alfred Marshall's *Principles of Economics*. Marshall identified that all economic activities to be directed to creation of goods and services preferred or demanded by consumers, and this was the foundation of economic development of the industrialized countries, both in the western hemisphere and in the eastern part of the world. However as contrasted to welfare economics, the primary aim of Marshall's economics was to provide a way out of poverty and this was to be achieved only by industrial development. As indicated in his work (Marshall, 1920:3)

"The hope that poverty and ignorance may gradually be extinguished derives indeed much support from the steady progress of the working class during the nineteenth century. The steam engine has relieved them of much exhausting and degrading toil; wages have risen, education has been improved and become more general... A great part of the artisans have ceased to belong to the 'lower classes' in the sense in which the terms was originally used; and some of them already lead a more refined and noble life than did the majority of the upper classes even a century ago."

Alfred Marshall conceptualized economic welfare into two components – producer surplus and consumer surplus, both of which jointly lead to economic welfare and development. For Marshall the culmination of the economic activities was the development and prosperity of industrial districts – where there was high degree of vertical and horizontal integration. The successes of industrial clusters in states like Gujarat provide proof to the power of Marshallian model of sustainable development. From this discussion, the essential elements of the managerial framework which can be defined are as follows:

- i. Consumer Needs: Existence of economic activities to be framed in terms of fulfilling a customer need

- ii. Production Infrastructure: The means to carry out production of goods and services
- iii. Evaluation of economic welfare due to economic activities undertaken: Producer welfare and consumer welfare
- iv. Sustainability of the economic activity based on producer surplus

As can be seen, critical to this approach of economic development is the role of market in which the primary aim is the creation of productive assets – in terms of factories or plants etc., which would be engaged in a production process directed towards customers' demands. Creation of employment is not the primary objective or the aim of any economic activity, but is a derived outcome. The employment generated is an outcome of the labour required to carry out the following two processes:

- setting up of new factories and plants or equipments and
- the day – to – day operation of factories and plants

These two economic processes create employment which is both productive and sustainable. In his analysis, Marshall observed that these processes to be the reason for economic development in the industrial districts. This concept has been not only accepted, but implemented on a large scale in all industrialized countries of the west, but also countries like China, which few decades back were in a condition that was similar to India. Even the experience of states like Gujarat has shown the sustainability and the scalability of these principles in fostering economic development.

The above market based framework is well supported by Nobel Laureate Douglass North, who demonstrated that economic performance is determined largely by the extent of support to market mechanisms, and the role of institutions in encouraging and sustaining markets. In addition to the market mechanism, he points out the critical role of institutions that preserve the market from interference from the government. This has led to substantial increases in material development in certain societies. As he pointed out (North, 2005)

"The unprecedented economic development of the past several centuries with its consequences for material progress and life expectancy has, not surprisingly, provided a context and perspective to humans of continuous progress; and with good reason. The growth in the stock of knowledge has produced material improvements beyond the wildest dreams of our ancestors. The current definition of poverty in the United States (approximately \$18,000 a year for a family of four) would have exceeded (given appropriate deflators) the living standard of all but a miniscule fraction of humans several centuries ago."

FRAMEWORK FOR ANALYSIS OF MGNREGS

The analysis is done using the elements identified in the earlier section.

CONSUMER NEEDS: EXISTENCE OF ECONOMIC ACTIVITIES TO BE FRAMED IN TERMS OF FULFILLING A CUSTOMER NEED

The activities being carried out in MGNREGS are rudimentary and do not involve much capital investment. This is due to the rule that 60% of the project outlay must be spent on manual labour. Therefore the implementations of the schemes involve basic activities like rural road building, digging of wells and ponds etc. This requires a project approval from the administration and not a market analysis as to the need and the suitability of the project in meeting the customer needs. Even if one looks at the idea of citizens as consumers of the assets created like roads etc., the very start of the project is generation of employment and not the appropriate identification and fulfilment of the customer demands, in terms of goods and services, of citizens in that area.

PRODUCTION INFRASTRUCTURE: MEANS TO CARRY OUT THE PRODUCTION PROCESS

The roads are not of the necessary standards as the rules stipulate the minimum expenditure to be on labour payment. Hence payment for materials has to be always less. One can look at the potential to create sustainable businesses using the amount of money being spent – however the current state of affairs leads to creation of roads which gets washed away in the first showers of the monsoons. And the story of having another expenditure on the same road length continues – keeping the bureaucrats and the contractors happy. The villagers get the job, working on the same road length year after year. The evidence is from the field reports from different villages in Jharkhand in the following section.

EVALUATION OF ECONOMIC ACTIVITIES UNDER MGNREGS

First the in-built accountability and transparency measures in MGNREGS are discussed, which is then followed by the analysis using the Marshallian framework.

ACCOUNTABILITY AND TRANSPARENCY IN MGNREGS

Measures to ensure accountability and transparency have been technically in-built in MGNREGS. Social audits, conduct of which has been mandated in MGNREGS itself have led to many instances where misappropriation has been unearthed (Mathur, 2008). As analyzed by Aiyar and Samji (2009), there are three features that, theoretically ought to, ensure accountability and transparency:

- i. Decentralised planning and implementation – where the Act stipulates that a minimum of 50% of the funds and the relevant works be executed by the Gram Panchayat.
- ii. Proactive Disclosure – according to which relevant departments of government are mandated to maintain and publicly display proper records related to MGNREGS.
- iii. Social Audits – where social audits, the process of cross – verification of government records with ground level realities is mandated to be carried out atleast every six months.

However as reported by Khera (2008) and Aiyar and Samji (2009), the use of the transparency and accountability measures in MGNREGS has been rare, though these are theoretically powerful mechanisms (Ghosh, 2008a and 2008b). A case in point is, Andhra Pradesh where the government has proactively taken steps to open itself to the scrutiny by citizens and has initiated a systematic process of undertaking social audits for all MGNREGS works. Orissa has been another state where there have been reports of some impact (e.g., Baisakh, 2008).

The implementation of the huge program is dependent on the availability and competence of local administration. This is fraught with problems as in certain cases; Block Development Officers are absent either due to fear of Naxalites in some states or vacancies (Jenamani, 2010). In other cases, bribes direct the choice of the project (see Kumar, 2009).

The issue of social audit is also characterised with contradictions and implementation issues. As reported "Last year [referring to 2009], in a majority of 33,000 – odd villages, the social audit teams reportedly could not carry out their task properly due to lack of training" (Kiro, 2010). This implies that the critical task of auditing the work is left to untrained or semi-trained villagers who can easily be deceived or coerced. This concept of social audit by people untrained in auditing is another lacuna in the entire program of MGNREGS. Situations where people have job cards but no jobs are quite common in absence of integrated plan. The following is an extract from an article published (The Telegraph, 2008)

"When job cards were distributed among villagers of Chiharbona under the National Rural Employment Guarantee Act (MGNREGS) in 2006, migrant labourers had started dreaming of a dignified life. But, two years on, their hopes have nosedived. Reason: the tribal daily wagers of the hamlet never got a job against the card thought it is mandatory under the act to provide 180 days of work against the card."

Apart from non-payment due to no work, instances of delay in payment even when the work has been carried out have also been reported (Kiro, 2009). Rebuttal of the highly publicised achievements of MGNREGS by political leaders comes from another source - the incidents of death of RTI activists who wanted details about work carried out under MGNREGS. For example the killing of Niyamat Ansari in Latehar district of Jharkhand (Shrivastava, 2011) and of Subal Mahto (Gupta, 2011) are cases that highlight the significance of the problem at grass root level. Reports have also pin-pointed control of the program by contractors along with contractor-mafia nexus (Gupta, 2011). This validates other reports on similar lines, report indicated only 3.2% of rural households were provided with mandatory 100 days' employment in 2008-2009 (Paul, 2009). Reports of embezzlement of funds have been made in media (e.g., Times of India, 2009). In fact

MGNREGS has been termed by former finance minister Mr. Yashwant Sinha as “the most corrupt plan, which has given contractors, bureaucrats and politicians open access to funds meant for the needy.” (The Telegraph, 2009).

The above analysis, as per the Marshallian framework, and media-reported facts give a picture that is contradictory to that portrayed by the government. This is due to the fact that in the absence of the consumers, the analysis of consumer welfare can not be done. One does not know whether the projects carried out under MGNREGS actually satisfy a real need of the rural citizens, or are carried out to meet the mandate of the MGNREGS program that a certain amount of budget must be spent. As we see the indicator of performance is expenditure of the funds, not creation of production assets or capital assets.

Even there we see there is a doubt about the money being actually spent and the money being shown as spent. The death of RTI activists hint at a huge divergence of the same. This is well in line with experience of earlier government schemes like Public Distribution System (PDS) where the history of pilferage and corruption is well known (e.g., see Mishra, 2011).

SUSTAINABILITY OF THE ECONOMIC ACTIVITY BASED ON PRODUCER SURPLUS

While Marshallian school of thought requires identification of responsibility in terms of not only execution of the projects, but also focuses on the sustainability in terms of return on investment, such measures are totally absent from the MGNREGS evaluation framework. The entire function of social audit is to ensure that the expenditures as shown in the books matches with that really carried out, not in terms of what has been the outcome of such expenditure. As Marshall pointed out, unfettered by government interference or support, businesses prove their viability in the market by producing goods and services that the required by the consumers –thus not only creating consumer surplus but also producer surplus. It is the producer surplus which is later used to not only maintain the infrastructure created, but also as an incentive for the producer to invest in other such development as long as the marginal return is positive.

CONCLUSION AND DISCUSSION

The above analysis finds serious flaws in the conceptualisation of MGNREGS as a way for economic development. The idea of generating employment as the objective of economic activity has led to a situation wherein every year funds would be needed to sustain the employment. This is due to the fact that no factories or plants are created under MGNREGS. Administrative officers can not be expected to take the role of entrepreneurs who would have the knowledge and competence to create businesses. This creates the tendency not to invest in long term infrastructure which can benefit the development of industry, and lead to a sustainable development model. Hence the MGNREGS program requires an annual infusion of funds to sustain it. This is a contravention of basic economic principles that all investments must lead to economic returns. In MGNREGS there are no provisions to evaluate returns on the investment made. In reality all the investment that is made is spent on the labour and the consumption of low-quality material. Examples of the same are *murram* roads, which get washed away in the first showers of monsoons, only to be rebuilt using the MGNREGS funds the following year. The issue of *murram* roads has been raised by non other than former finance minister Mr. Yashwant Sinha (The Telegraph, 2009)

“I was surprised to observe that substantial money has been earmarked under the scheme for just laying *murram* soil on a road in my constituency.”

This is a blatant waste of capital, but has not been analysed or criticised by mainstream media or economists.

Asset creation in absence of the basic plan – leads to creation of *murram* roads that get washed away in the first monsoon showers. One of the stated aims is asset creation. The aim neither the act talks about the durability of the asset. This is also quite difficult to achieve given that another of the MGNREGS's requirements is that all projects should involve a 50% labour content. Hence it should not be any surprise to anyone that the projects are of such durability that most of them hardly last more than one monsoon.

A significant flaw in the design of the program is the indiscriminate entitlement to the benefits by a simple virtue of residence in village. There are certain additional flaws:

1. It ignores the economics of funds transfer from the urban areas of people who trade goods and services with the cities and towns
2. Definition of the villages – the entitlement to all villagers and all villages is flawed. This does not look at the economic status of the family or the economics of the village. Villages which are located near industrial districts and which are already pre-existing sources of employment are equated with villages in backward regions and where sources of livelihood are non-existent.

The funding of the MGNREGS, presently being carried out by deficit financing is bound to be inflationary. This would thus be contrary to the initial objectives – to help people to cross the poverty line. As the inflation keeps pushing the poverty line up, the minimum wage would need to be pushed up to match the inflation. This would require the budgetary outlay for MGNREGS to be increased which would be financed by another round of budget deficit. This would perpetuate the cycle once again by creating inflation. This is reflected in RBI's Governor's plea to government to put the fiscal situation under control (Goyal, 2011). The same has also been concluded by researchers (e.g., Habibullah, Cheah and Baharom, 2011) who have researched different developing countries in Asia. Therefore it is concluded that the current plan of action that is being followed under MGNREGS would not be able to fulfil the stated goal of economic welfare and social development of rural citizens of the country.

REFERENCES

1. Aiyar, Y. and Samji, S. (2009) Transparency and Accountability in MGNREGS: A Case Study of Andhra Pradesh. *AI Working Paper No.1*, February 2009.
2. Baisakh, P. (2008). Social Audit Scenario in Orissa, *Yojana*, Vol. 52, pp. 22 -25.
3. Bhatia, B & Dreze, J. (2006). Employment Guarantee in Jharkhand: Ground Realities. *Economic and Political Weekly*, July 22, Vol. 41, No. 29, pp. 3198-3202.
4. Bhende, M., Walker, T., Lieberman, S., and Venkataram, J. (1992). EGS and the poor: evidence from longitudinal village studies. *Economic and Political Weekly*, March 28, Vol. 27, No. 13, pp. A19-A22.
5. Drèze, J. and Gazdar, H. (1996). Uttar Pradesh: The Burden of Inertia (page 33- 128), in *Indian Development: Selected Regional Perspectives* (Ed.) Jean Drèze & Amartya Sen. Oxford University Press, 1996
6. Ghosh, G. (2008a). Transparency and Accountability, *Yojana*, Vol. 52, pp. 37 -40.
7. Ghosh, G. (2008b). Social Audit and MGNREGS, *Yojana*, Vol. 52, pp. 18-21.
8. Goyal, Kartik (2011). Subbarao Seeks Budget Restraint to Curb India Inflation After Rate Rise. January 26, 2011. Accessed from - <http://www.bloomberg.com/news/2011-01-25/india-raises-interest-rates-to-two-year-high-to-slow-inflation.html> on 15 December 2011.
9. Gupta, A (2011). Funds freeze on two districts. *The Telegraph*. 22 May 2011.
10. Habibullah, M.S., Cheah, Chee-Kok and Baharom, A.H. (2011). Budget Deficits and Inflation in Thirteen Asian Developing Countries. *International Journal of Business and Social Science*, 2(9), pp. 192-204.
11. Jenamani, K (2010). No BDOs in six blocks. *The Telegraph*. 1 June 2010.
12. Khera, R. (2008). The Black Hole of MGNREGS Records, *Yojana*, Vol. 52, pp.26 -31.
13. Kiro, S (2009). Wages elude NREGS workers at Turia village. *The Telegraph*. 6 August, 2009.
14. Kiro, S (2010). Jharkhand - Rural job audit from Friday. *The Telegraph*. Page 17. 3 June, 2010.
15. Kumar, R (2009). Vigilance FIRs over job scheme forgery. *The Telegraph*. 28 June, 2009.
16. Marshall, Alfred (1920). “Principles of Economics.” 8th edition. Macmillan and Co., London.
17. Mathur, L. (2008). Fulfilling the Promise. *Yojana*, Vol. 52, pp.5 -8.
18. Mishra, S. (2011). Vacancies hit PDS revamp. *The Telegraph*. 14 March 2011.
19. North, Douglas (2005). *Understanding the Process of Economic Change*. Princeton University Press, New Jersey.
20. Paul, C. (2009). Job drive in red zone. *The Telegraph*. 14 November.
21. Sen, A. (1996). Radical Needs and Moderate Reforms. Page 1- 32 in *Indian Development: Selected Regional Perspectives* (Ed.) Jean Drèze & Amartya Sen. Oxford University Press, 1996.

22. Shrivastava, S (2011). Move to allow CBI probe- Niyamat case stirs up govt. *The Telegraph*, page 1, 2 June 2011.
23. The Telegraph (2008). Just cards, but no jobs for tribals. 22 October, 2008.
24. The Telegraph (2009). NREGS corrupt: Yashwant. *The Telegraph*. 26 July, 2009.
25. Times of India (2009). MGNREGS funds embezzled in Baliapur block. 16 September 2009.



REQUEST FOR FEEDBACK

Dear Readers

At the very outset, International Journal of Research in Commerce, Economics and Management (IJRCM) acknowledges & appreciates your efforts in showing interest in our present issue under your kind perusal.

I would like to request you to supply your critical comments and suggestions about the material published in this issue as well as on the journal as a whole, on our E-mails i.e. **infoijrcm@gmail.com** or **info@ijrcm.org.in** for further improvements in the interest of research.

If you have any queries please feel free to contact us on our E-mail infoijrcm@gmail.com.

I am sure that your feedback and deliberations would make future issues better – a result of our joint effort.

Looking forward an appropriate consideration.

With sincere regards

Thanking you profoundly

Academically yours

Sd/-

Co-ordinator

ABOUT THE JOURNAL

In this age of Commerce, Economics, Computer, I.T. & Management and cut throat competition, a group of intellectuals felt the need to have some platform, where young and budding managers and academicians could express their views and discuss the problems among their peers. This journal was conceived with this noble intention in view. This journal has been introduced to give an opportunity for expressing refined and innovative ideas in this field. It is our humble endeavour to provide a springboard to the upcoming specialists and give a chance to know about the latest in the sphere of research and knowledge. We have taken a small step and we hope that with the active co-operation of like-minded scholars, we shall be able to serve the society with our humble efforts.

Our Other Journals

