



## Effect of NREGA on rural entrepreneurship (A pilot study in the district of Khargon)

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### Abstract

*The economic development of a country is closely linked with the proper organization and employment of its manpower. In India, in recent years, the tempo of planning has been on the increase. The outlay provided has been growing plan to plan. Still, the back log of unemployed has on the increase and therefore, the important aspect is to assess the magnitude of the problem. The economic policy has to be formulated by keeping in view the concept of full employment. For the purpose to solve this severe problem Government introduces many plans to restrict the growth of unemployment. Major of these schemes constitute PradhanMantri Rojgar Yojana, Swarna Jayanti Swarojgar Yojana, Pratishtha Rojgar Yojana, Antyavasayi Swarojgar Yojana, Ambedker vishesh Rojgar Yojana, Ensured Employment Schemes, National Rural Employment Guarantee Act. With the help of these schemes government tried to provide sustained employment in the form of micro-enterprises to educated and uneducated youth. This paper is the outcome of curiosity of the researcher about the effect of these schemes on the entrepreneurship. Since the rural area of the country is facing different types of unemployment problems, rural entrepreneurship has become the key area for its eradication as well. This research paper is just a pilot study to enquire into the effect of MGNREG scheme on the rural entrepreneurship.*

### Introduction

The economic development of a country is closely linked with the proper organization and employment of its manpower. Employment has been a major objective of planning in India. In recent years, it has assumed a special significance and the reduction of unemployment are considered as the primary goal of economic policy. The concept of full employment has caught the imagination of planners practically all over the world.

In India, in recent years, the tempo of planning has been on the increase. The outlay provided has been growing plan to plan. The increase in the employment opportunities has not been commensurate with the huge investment made. The back log of unemployed has on the increase and therefore, the important aspect is to assess the magnitude of the problem. By estimating these factors, the size of the plan will have to be determined while formulating the plan, priority has to be given to the aspect. The economic policy has to be formulated by

keeping in view the concept of full employment. The main solution lies in proper manpower planning for the country as a whole.

The unemployment problem is one of the most baffling problems which confronted the different countries of the world, though with varying degrees of intensity. There are many inroads which this prolonged unemployment makes upon the lives of the workers and their families. When unemployment strikes a family for any period, impairment in the family's living standards is inevitable. The families have to economize on clothing and fuel. Housing accommodation is also curtailed. The consequences of unemployment on the community may be thus summed up;

1 It puts a brake on the attainment of economic and social objectives.

2 The evil of unemployment extends for beyond any loss of material wealth.

3 The worker's attitude to his job is also perverted. He goes in fear of losing it and



yet in fear of excelling in it, he cannot afford to be either conspicuously inefficient or conspicuously efficient.

4 Finally, the wage earners are undoubtedly the chief sufferers in periods of employment. The meager savings the workers are able to accumulate are soon exhausted when their source of income is cut off.

Unemployment brings in its train loss of economic status and vast numbers of workers drift into the tide of casual laborers with income cut off and skill going to waste, the moral of workers is weakened and the economic degeneration is the result.

For the purpose to solve this severe problem Government introduces many plans to restrict the growth of unemployment. Major of these schemes constitute Pradhan Mantri Rojgar Yojana, Swarna Jayanti Swarojgar Yojana, Pratishtha Rojgar Yojana, Antyavasayi Swarojgar Yojana, Ambedker vishesh Rojgar Yojana, Ensured Employment Schemes, National Rural Employment Guarantee Act. With the help of these schemes government tried to provide sustained employment in the form of micro-enterprises to educated and uneducated youth.

NREGA guarantees at least 100 days of employment as unskilled labor to at least one adult member of any rural household that registers for employment under it. It is the eternal nature of human being that if gets space for sitting he won't stand; if he gets space to rest he won't work. (c) to innovate new things and to create 'Unique' or at least distinct in a meaningful area. Whether this nature of human being is reflected with the implementation of NREGA is the reason for carrying a research in this field.

### Meaning of Entrepreneurship

Entrepreneurship is the process of identifying opportunities in the market place, arranging resources required to exploit the opportunities for long term gains. It is creating wealth by bringing together resources in new ways to start and operate an enterprise. It is the ability to take risk

independently to make more earnings in the market - oriented economy.

The concept of entrepreneurship has assumed prime importance for accelerating economic both in developed and developing countries. It is a basis of free enterprise. It promotes capital formation and creates wealth in the country. It is the hope and dream of millions of individual around the world. It has the thrill of risk, change, challenges and growth. It builds wealth. It is a pathway to prosper. It reduces unemployment and poverty.

It refers to a process of action an entrepreneur undertakes to establish an enterprise. It is a creative and innovative skill and adapting response to environment. Entrepreneurship is primarily a wealth-producing task it involves putting the resources to productive use. It creates and operates an enterprise. It is basically concerned with the production and distribution of goods and services.

Entrepreneurship involves exploring new opportunities it creates new jobs new tasks and new ventures in the society. It creates new economic values, wealth and capital in the country.

According to modern view :-

The new view of entrepreneurship is innovative it is the ability -

- (a) to create changes to exploit them.
- (b) to explore and to maximise opportunities to obtain results .
- (c) to innovate new things and to create 'Unique' or at least distinct in a meaningful area.
- (d) to earn 'economic results' only by leadership, not by mere competence.
- (e) to allocate resources to opportunities, rather than problems.
- (f) to create 'effectiveness' rather than efficiency.
- (g) to redirect resources from areas of low or diminishing returns to areas of high increasing results and to optimise the yield from these resources.
- (h) to create 'tomorrow'



This includes individuals who operate local stores such as neighborhood groceries and restaurants. The small business entrepreneurs may have vision for growth, commitment to constructive change, persistence to gather necessary resources, and energy to achieve unusual results.

Importance for common man, owning a business provides entrepreneurs the independence and the opportunity to achieve what is important to them. Entrepreneurs want to have freedom to work and decide, independence, autonomy and desire to create their own density in their lives, and they use their business to make that desire a reality.

Entrepreneurs reap the rewards of their skill and venturing. Entrepreneurship is a good way to make a living. It fulfills a desire to earn money and wealth. It protects the lives of millions in developing countries. It is a force to preserve the Earth's limited resources and entrepreneurship enjoy their work they are heroes of society's progress contributes to women liberty and part time entrepreneurs can easily enter into and operate the business.

## Methodology

This pilot study was conducted in the rural area which has very thin transportation system. The villages were so selected that the households For the purpose of observing effect of NREG Act on rural entrepreneurship, 50 rural micro entrepreneurs were selected. These were so selected that every household had a micro business like hair cutting saloon, stitching clothes etc. These were asked about their future planning with the help of a schedule, specially made for the purpose. This data so collected was then analyzed and interpreted.

## Findings

The findings of the data collected are as follows:

1 A positive shift in the income group of the NREG Scheme beneficiaries has been observed. Beneficiaries who were initially

belonging to a lower income group have now moved to a higher income group. The number of beneficiaries in the lower income group has reduced to less than half and the number of beneficiaries in the higher income group has increased to more than double.

2 Out of the total 50 families those have been selected for the purpose of study all were found to be registered under NREG Scheme. It is found that families with an established business (More than 5 years) have also registered under NREG Scheme.

3 More than 80% of the families have either closed their business or are least interested in continuing their business. 36% of the families are either running their business on part time or the operating member is registered under NREG Scheme hence other family members are looking after the business. 46% families (23) out of 50 have completely closed their business.

4 Only 2 families have a willingness to restart their closed business. These are those families who had a business which was more than 5 years old.

## Conclusion

On the basis of the findings it can be concluded that Mahatma Gandhi NREG Act is affecting the rural entrepreneurship negatively as the people who are registered under the scheme have a very poor willing to restart their business.

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8

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