A Study on Impact of MGNREGA Scheme on Enhancing the Living Standard of Rural People: with Special Reference to Kovilpatti

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Abstract

This research explores the influence of the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) on improving the living conditions and living standard of rural households, with a particular emphasis on the Kovilpatti region. The study focuses on examining the socio-economic characteristics of beneficiaries, assessing the advantages they gain from the scheme, and identifying the challenges they face while working under it. In addition, the research aims to present constructive findings and suggest practical measures to enhance the quality of rural people's life. To carry out the study, both primary and secondary sources of data were employed. Primary data were gathered through structured interviews conducted with 50 respondents selected using a convenient sampling method. Secondary data were obtained from government publications and relevant literature. The collected data were analyzed using statistical methods including percentage analysis, the Chi-square test, and the Independent Sample T-test. The study tested two hypotheses such as first, to determine whether there is a significant relationship between gender and the benefits received by the beneficiaries under MGNREGA and second to examine whether educational qualification significantly affects the challenges experienced by the respondents.

Keywords: living standard of rural households, socio-economic characteristics of beneficiaries and the quality of rural people's life.

Introduction

India has long grappled with the twin issues of rural poverty and unemployment, both of which contribute to deep-rooted economic disparities. To address this, the Government of India introduced the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) in 2005, which guarantees 100 days of wage employment each year to rural households willing to do unskilled manual work. Recognized as one of the world's largest public employment initiatives, MGNREGA not only aims to provide jobs but also to improve rural livelihoods and infrastructure (Ministry of Rural Development, 2023).

Over time, MGNREGA has played a crucial role in improving rural incomes, limiting migration caused by economic hardship, empowering women, and fostering inclusive development. Research indicates that the scheme has positively influenced rural households by improving access to food, financial services, healthcare, and education (International Labour Organization, 2021). However, recent trends show a reduction in the average number of workdays per household and a small proportion of households completing the full 100-day entitlement, highlighting issues in the scheme's implementation and overall effectiveness (Down to Earth, 2024; Business Standard, 2025). In June 2025, approximately 27.6 million rural households sought employment under the MGNREGA scheme, reflecting a 4.5% increase compared to the same period in the previous year. This rise indicates a sustained reliance on the program among rural communities. Over recent months, the demand for work under MGNREGA has remained consistently high, with monthly figures ranging between 25 and 28 million households. This trend underscores the scheme's continued importance as a safety net for rural livelihoods (Business Standard, 2025).

Review of Literature

According to the Government of India, this integration has reportedly saved approximately ₹2,73,093 crore up to March 2022 by eliminating duplicate and fraudulent beneficiaries and reducing leakages. To evaluate the overall impact of Aadhaar on welfare distribution, Bhaskar conducted a case study involving a survey of nearly 3,000 workers across eight villages in Jharkhand. The study primarily investigates how Aadhaar linkage influences errors of inclusion and exclusion in the implementation of MGNREGA (Anjor Bhaskar, 2024). MGNREGA (Mahatma Gandhi National Rural Employment Guarantee Act), represents one of the largest government initiatives aimed at ensuring employment through public intervention. At its peak, the program involved around five crore households and accounted for more than 0.5% of the country's GDP and nearly 4% of government spending, making it significantly larger than similar policies worldwide (Sarkar & Singh, 2024). In his 2024 study, Gerry Rodgers examines the impact of linking Aadhaar to welfare schemes in India, noting that this integration has reportedly saved approximately ₹2,73,093 crore by eliminating duplicate and fake beneficiaries and reducing leakages up to March 2022. To evaluate the overall effects of Aadhaar on welfare delivery, Rodgers conducts a case study of MGNREGA in Jharkhand, surveying around 3,000 workers across eight villages to analyze both the advantages and disadvantages, particularly focusing on errors of inclusion and exclusion (Rodgers, 2024).While the 2023-2024 budget emphasizes agriculture and related sectors by promoting cooperative models, enhancing digital infrastructure, and encouraging millet production, these initiatives, though positive, are insufficient to fully address the existing issues (Dev, 2023).The researcher's study developed a

Composite Index of MGNREGA Performance (CIMP) based on seven variables: household consumption, women's participation, average employment, completion of 100 days of work by households, wage rates, fund utilization, and work completion rates. This index was used to assess and compare the scheme's effectiveness across different states (Turangi, 2022).

Statement of the Problem

One major challenge faced by the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) scheme is its uneven implementation, which has resulted in several problems such as insufficient wage rates, delays in payments, substandard work quality, limited opportunities for skill development, and a lack of focus on creating sustainable livelihoods. Despite its wide reach, MGNREGA has faced significant challenges in delivering its promised benefits. Recent data reveals that only 7% of enrolled households were able to access the full 100 days of guaranteed employment, indicating limitations in the program's execution. Furthermore, the total number of person-days generated under the scheme witnessed a 7.1% decline, dropping from 2,884 million to 2,684 million within a year. This decrease was accompanied by a fall in the number of households that actually received work, declining from approximately 55.1 million to around 53.5 million. These figures point to a reduction in both the depth and consistency of employment support provided to rural workers through the scheme (Down to Earth, 2024). Although the scheme aims to guarantee employment for rural populations, it often falls short in effectively reaching the most vulnerable groups, especially women and marginalized communities. This is due to issues like gender bias in the allocation of work and inadequate infrastructure support at job sites. With the consideration of the above said issues, the researchers examine the benefits and the challenges faced by the beneficiaries during their participation in the programme in Kovilpatti.

Objectives of the Study

- To know the socio-economic profile of the respondents.
- To investigate the benefits received from MGNREGA scheme.
- To analyse the challenges faced by the respondents while working under MGNREGA scheme.
- To offer suitable findings & suggestions based on the study.

Hypotheses

H0: There is no significant association between gender and the benefits received by the respondents from MGNREGA scheme.

H0: There is no significant difference among the challenges faced by the respondent while working under MGNREGA scheme on the basis of their educational qualifications.

Research Methodology

In the present day, both primary and secondary data were collected and analysed for measuring the benefits received by the rural people under MGNREGA programme and also the challenges faced by them while working under the same in Kovilpatti. The required data for the study have been collected using interview schedule. The researchers have used the convenient sampling method for selecting 50 sample respondents in the study area.

Statistical Tools

The following tools have been used for the analysis of collected data.

- Percentage Analysis
- Chi-Square Test
- Independent Sample T-test.

Data Analysis and interpretation

Age wise Classification

Age is an important factor through which various standard of living of rural communities are being measured and which is shown in table 1.

Table 1

Age Wise Classification

S. No	Age	No. of Respondents	Percentage
1.	18 to 30	4	8.00
2.	31 to 40	11	22.00
3.	41 to 50	21	42.00
4.	51 to 60	14	28.00
Total		**50**	**100.00**

Source: primary data

From the above table 1 it shows that, out of 50 respondents,42.00 percent (21) of the respondents belong to the age group of 41-50, 28 per cent (14) of the respondent belongs to the age group of 51-60years, 22.00 percent (11) of the respondents belong to the age group of 31-40 years and remaining 8.00 percent (4) of the respondents belong to the age group of 18-30 years.

It is found that majority (42.00%) of the respondents belong to the age group of 41-50 years.

Gender wise Classification

The researcher has examined the gender classification of the respondent in the study area and it is presented in table 2.

Table 2

Gender Wise Classification

S. No	Gender	No. of Respondents	Percentage
1.	Male	14	28.00
2.	Female	36	72.00
Total		**50**	**100.00**

Source: Primary Data

From the above table 2, it is measured that out of 50 respondents, 72.00 percent (36) of the respondent are female. 28.00 percent (14) of the respondents are male.

It obvious from the study that majority (72.00%) of the respondents are female.

Educational Qualification wise Classification

The researcher made an attempt to study the educational status of the respondent and it is shown the table 3.

Table 3

Educational Qualification Wise Classification

S. No	Educational Qualification	No. of Respondents	Percentage
1.	Illiterate	28	56.00
2.	Primary	12	24.00
3.	Secondary	6	12.00
4.	Higher secondary	3	6.00
5.	Others	1	2.00
Total		**50**	**100.00**

Source: primary data

Schedule 3, expressed that among 50 respondent 56.00 per cent (28) of the respondents are Illiterate. 24.00 per cent (12) of the respondents are primary, 12.00 per cent (6) of the respondent are secondary, 6.00 per cent (3) of the respondent are higher secondary, 2.00 per cent (1) of the respondent are others

It is vivid from the analysis that majority (56.00%) of the respondents are Illiterate.

Occupation wise Classification

The occupation is one of the important factors and it's also being measured in the following table which shows the occupation of the sample respondent

Table 4

Occupation Wise Classification

S. No	Occupation	No. of Respondents	Percentage
1.	Farmer	32	64.00
2.	Labourer	16	32.00
3.	Self-employed	2	4.00
Total		**50**	**100.00**

Source: primary data

From the above table 4, it is measured that out of 50 respondents, 64.00 per cent (32) of the respondents are farmers. 32.00 per cent (16) of the respondents are labourers. 4.00 per cent (2) of the respondents are self-employed.

It is obvious from the study the majority (64.00%) of the respondents are Farmers.

Analysis of Benefits Received from MGNREGA Scheme

The researchers have analysed the benefits received from MGNREGA Scheme.

Table 5

Analysis of Benefits Received from MGNREGA Scheme

S. No	Statement	SA	A	N	D	SDA	Total
1	I feel that my household income is increased	15 (30.00)	24 (48.00)	10 (20.00)	1 (2.00)	_	50 (100)
2	My living standard is promoted	4 (8.00)	29 (58.00)	16 (32.00)	1 (2.00)	_	50 (100)
3	I could get employment in my residential region	13 (26.00)	19 (38.00)	18 (36.00)	_	_	50 (100)
4	I could achieve economic stability of my family	8 (16.00)	20 (40.00)	20 (40.00)	2 (4.00)	_	50 (100)
5	I can develop my skills	6 (12.00)	15 (30.00)	9 (18.00)	13 (26.00)	7 (14.00)	50 (100)

Source: computed data

It is evident from table 5 that Out of 50 Respondents, most (30.00 per cent) of the Respondents strongly agree with the Statement namely "I feel that my household Income is Increased", majority (58.00 Percent) of the respondents agree with the Statement namely "My living Standard is promoted", most (40.00 Per cent) of the respondents are neutral in their opinion with the Statement "I could achieve economic stability of my family", most (26.00 per cent) of the respondents disagree with the Statement with namely "I Can develop my skills", most (14.00 Per cent) of the respondents strongly disagree with the Statement "I can develop my Skills".

Association Between Gender and Benefits Received by the Respondents from MGNREGA Scheme – Result of Chi-Square Test

H0: There is no significant association between gender and the benefits received by the respondents from MGNREGA scheme.

H1: There is significant association between gender and the benefits received by the respondents from MGNREGA scheme.

Table 6

Association Between Gender and Benefits Received by the Respondents from MGNREGA Scheme – Result of Chi-Square Test

Particulars	Value	D f	Asymp. Sig.(2-sided)
Pearson Chi-Square	8.365	9	.498
Likelihood ratio	10.449	9	.315
Linear-by-linear association	.299	1	.585
No of valid cases	50		

Source: computed data

From the above table 6 it is found that the significant chi-square value of 8.365 for the 9 degrees of freedom is .498 which is more than the acceptable level of 0.05. Hence the null hypothesis is accepted and it is concluded that there is no Significant association between gender of the respondents and benefits received by the respondents from MGNREGA scheme.

Analysis of challenges faced by the Respondents while Working under MGNREGA Scheme by the Respondents

The researchers have analysed the challenges faced by the Respondents while Working under MGNREGA Scheme by the Respondents using Chi-Square test.

H0: There is no significant mean difference in the challenges faced by the respondents while working under MGNREGA scheme on the basis of their educational qualifications

H1: There is significant mean difference in the challenges faced by the respondents while working under MGNREGA scheme on the basis of their educational qualifications

Table 7

Result of Anova

	Sum of Squares	D f	Mean Square	F	Sig.
Between Groups	8.353	4	2.088	.135	.968
Within Groups	693.667	45	15.415		
Total	702.020	49			

Source: computed data

Table 7 depicts that the calculated value is greater than the significant value (.968<0.05). The hypothesis is accepted. "There is no significant mean difference between educational qualifications of the respondents and the problems faced by them while working under MGNREGA scheme.

Findings

- It is found that majority (42.00%) of the respondents belong to the age group of 41-50 years.
- It obvious from the study that majority (72.00%) of the respondents are female.
- It is vivid from the analysis that majority (56.00%) of the respondents are Illiterate.
- It is obvious from the study the majority (64.00%) of the respondents are Farmers
- Result of Chi-Square test: The significant chi-square value of 8.365 for the 9 degrees of freedom is .498 which is more than the acceptable level of 0.05. Hence the null hypothesis is accepted and it is concluded that there is no Significant association between gender of the respondents and benefits received by the respondents from MGNREGA scheme.
- Result of ANOVA: The calculated value is greater than the significant value (.968<0.05). The hypothesis is accepted. "There is no significant mean difference between educational qualifications of the respondents and the problems faced by them while working under MGNREGA scheme.

Suggestions

- It is essential to initiate **basic education and skill-building programs** tailored to MGNREGA workers. These efforts will help them better understand their rights, procedures, and reduce dependence on intermediaries.

- The researchers suggested to **create supportive work environments**, including provisions such as child care (crèches), sanitation facilities, and flexible working hours. Establishing mechanisms to address women's concerns at the workplace can further empower them.

- The government should consider introducing **health services, safety measures, and age-suitable work assignments** to maintain their active participation and well-being.

- The efforts can be made to **align MGNREGA projects with agricultural needs**, such as constructing water bodies, compost pits, or small irrigation works. This dual approach can enhance farm productivity and ensure steady employment.

- The concerned authorities should focus on **resolving common challenges**, including delays in wage payments, lack of proper facilities, and irregular work availability.

- it's important to **continue monitoring to ensure equal access**. Routine assessments will help identify and correct any emerging inequalities in benefit distribution.

Conclusion

This study offers meaningful insights into the socio-economic characteristics and experiences of MGNREGA beneficiaries, focusing on aspects like age, gender, education, and occupation. The results show that a large share of participants is middle-aged women, many of whom are uneducated and rely on farming for their livelihood. This underlines the program's significance in supporting underprivileged groups in rural areas.

The statistical findings reveal no significant relationship between a person's gender and the benefits they receive, nor between their education level and the difficulties they face while working under MGNREGA. This implies that the challenges encountered are broad and affect all participants, regardless of their personal background.

To improve the scheme's effectiveness, there is a need for better management of common issues such as late wage payments, lack of awareness, and poor worksite conditions. Providing special support for women, older workers, and those with low literacy, along with aligning MGNREGA activities with farming, can boost both employment and rural productivity.

Overall, although MGNREGA remains a vital source of livelihood for rural communities, its outcomes can be enhanced through targeted reforms, improved infrastructure, and inclusive practices that ensure fair and efficient implementation.

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