



# A STUDY ON FINANCIAL SUSTAINABILITY AND IMPACT ASSESSMENT OF MGNREGA WITH A SPECIAL REFERENCE TO COIMBATORE DISTRICT

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**Abstract:** Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is a key policy programme that aims to improve socioeconomic empowerment and financial sustainability for India's marginalised communities. With an emphasis on the effects on individuals with special needs, this study examines the MGNREGA's financial viability and impact evaluation in the Coimbatore area. The study uses a mixed-methods approach to assess people's financial sustainability using quantitative surveys and qualitative interviews.

**Key words:** MGNREGA, Job card, Objectives, Significance

## I. INTRODUCTION:

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), enacted in 2005, stands as a pioneering social welfare initiative in India, addressing rural unemployment and poverty. Rooted in the principle of providing a safety net during economic distress, MGNREGA guarantees at least 100 days of wage employment in a financial year to rural households whose adult members volunteer for unskilled manual work. Central to the

program is the concept of decentralized planning, involving Gram Panchayats in decision-making and project prioritization to align efforts with local needs. MGNREGA's impact extends beyond immediate employment, fostering long-term rural development through the creation of infrastructure assets such as roads and water conservation structures. Notably, the program emphasizes women's participation, aiming to empower them economically and socially. Despite its success, MGNREGA faces challenges like delayed payments and concerns about asset sustainability. Nevertheless, its commitment to transparency, direct wage payment, and social audits underscores its significance as a transformative force in promoting livelihood security, environmental sustainability, and inclusive development in rural India.

MGNREGA operates on the foundational principle of providing a livelihood guarantee, a critical measure to combat rural distress. The program is instrumental in alleviating poverty by offering a safety net to vulnerable households and creating employment opportunities, particularly during agricultural off seasons when rural unemployment tends to spike. The decentralized planning approach, involving local governance bodies, not only ensures a tailored response to regional needs but also enhances community participation and ownership in the developmental process. The direct payment of wages into workers' bank accounts promotes transparency and reduces the likelihood of corruption. Social audits, conducted by local communities, further strengthen accountability and help identify and rectify implementation challenges.

## **1.1 OBJECTIVE OF THE STUDY**

- ✓ To analysis the socio-economic factors of the MGNREGA wages.
- ✓ To know awareness level of people on MGNREGA Scheme.
- ✓ To examine the challenges faced by people in getting facilities through the MGNREGA Scheme.

## **1.2 STATEMENT OF THE PROBLEM**

The study aims to comprehensively investigate the financial sustainability and gauge the impact of the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) within Coimbatore District. It seeks to analyse the allocation, disbursement, and utilization of funds earmarked for MGNREGA initiatives, scrutinizing the efficiency of financial management and resource allocation. Additionally, the research endeavours to assess the tangible outcomes and societal implications of MGNREGA projects on the local populace. It will evaluate the program's effectiveness in generating employment opportunities, enhancing livelihoods, and contributing to socioeconomic development within Coimbatore District

## 1.3 SCOPE OF THE STUDY

- ✦ The primary focus of the study is to examine central government allocations, state contributions, and additional funding sources for MGNREGA projects in Coimbatore district.
- ✦ Study the socio-economic profile of beneficiaries, including demographic characteristics and income levels.
- ✦ Evaluate the quality and sustainability of assets created through MGNREGA projects, such as roads and water conservation structures.

## II. RESEARCH METHODOLOGY

Methodology is a way to systematically solve a research problem. It explains the various steps that are generally adopted by a researcher to solve a research problem.

### 2.1. SOURCES OF DATA

#### PRIMARY DATA

The study related to primary data, which is collected for the first time for a particular interest to collect more information. In this study, the primary data was collected by conducting a survey through a well-structured questionnaire.

#### SECONDARY DATA

The data which are already collected is called secondary data. It means data that was already available. Secondary data, which is collected from government website MGNREGA, Reports and journal etc.,

### 2.2. TOOLS AND TECHNIQUES OF ANALYSIS

- ❖ Simple percentage analysis

### 2.3 LIMITATIONS OF THE STUDY

- The study is restricted to 120 respondents only.
- The study was restricted only to the people in Coimbatore district.
- The findings of the study are based on information provided by the respondents only

### III. ANALYSIS AND INTERPRETATION

#### 3.1 SIMPLE PERCENTAGE ANALYSIS

Simple percentage analysis refers to a special kind of rates, percentage are used in marketing comparison between two or more series of data

#### Formula

Percentage= Number of respondents/ Total number of respondents\*100

S.NO	VARIABLES	CATEGORIES	NO. OF RESPONDENTS	PERCENTAGE
01.	Gender	Male	71	59%
		Female	49	41%
02.	Age	Below 20	7	6%
		20-29	8	7%
		30-39	23	19%
		40-49	46	38%
		>50	36	30%
03.	Marital Status	Married	92	77%
		Unmarried	28	23%
04.	Educational qualification	Illiterate	55	46%
		School	50	42%
		diploma	13	11%
		Others	2	1%
05.	Community	BC	28	23%
		MBC	36	30%
		SC/ST	44	37%
		OC	12	10%
06.	Family type	Nuclear	72	60%
		Joint	48	40%

07.	Occupation	Agriculture labour	37	31%
		Farmer	39	32%
		Industry labour	24	20%
		Self-employer	17	15%
		Others	3	2%
08.	Methods of awareness	Government announcement	25	21%
		Local community meeting	35	29%
		Social media	24	20%
		Word of mouth	22	18%
		Others	14	12%
		09.	Annual Income	Below 25000
25000-50000	46			38%
50000-100000	33			28%
Above 100000	14			12%
10.	Annual expenditure	Below 25000	33	28%
		25000-50000	25	21%
		50000-100000	27	22%
		Above 100000	35	29%
11.	Annual savings	Below 25000	30	28%
		25000-50000	60	21%
		50000-100000	22	22%
		Above 100000	8	29%
12.	Saving type	Post office	52	43%
		Bank	37	31%
		Insurance	11	10%
		Cash in hand	13	11%
		others	7	5%

13.	wages	Care of problem	45	37%
		Provided first aid kit	60	50%
		Received assistance	15	13%
14.	Problem of getting MGNERGA	Yes	47	39%
		No	73	61%
15.	wages	Good	71	59%
		Fair	43	36%
		poor	6	5%
16.	Implication of MGNERGA in rural	Agree	83	69%
		Disagree	37	31%
17.	Reason for migration	Low wages	35	31%
		Low working days	29	28%
		Lack of employment opportunity	40	37%
		Others	48	4%
18.	Participation of the family	Non participants	36	30%
		One person	39	39%
		Two persons	27	27%
		More than	5	4%

(Source: Primary data)

## INTERPRETATION

Majority 59% of respondents are male. Majority 38% of respondents are between 40-49. Majority 77% of respondents are married. Majority 46% of respondents are illiterate. Majority 37% of respondents is joint SC/ST. Majority 60% of respondents are joint family. Majority 32% of respondents are farmer. Majority 29% of respondents are aware through local community. Majority 38% of respondent's annual savings is between 25000-50000. Majority 29% of respondent's annual expenditure is above 100000. Majority 50% of respondent's annual savings is between 25000-50000. Majority 43% of respondents are savings through post office. Majority 50% of the respondents are provided with first aid kit. Majority 61% of respondents has no problem in getting MGNERGA. Majority 59% of respondents are feeling good about wages. Majority 69% of respondents are agreed

with implication of MGNERGA in rural. Majority 37% of respondents are faced low employment opportunity. Majority 39% of respondents has one participant from family.

## **FINDINGS**

- Majority 59% of respondents are male.
- Majority 38% of respondents are between 40-49.
- Majority 77% of respondents are married.
- Majority 46% of respondents are illiterate.
- Majority 37% of respondents is joint SC/ST.
- Majority 60% of respondents are joint family.
- Majority 32% of respondents are farmer.
- Majority 29% of respondents are aware through local community.
- Majority 38% of respondent's annual savings is between 25000-50000.
- Majority 29% of respondent's annual expenditure is above 100000.
- Majority 50% of respondent's annual savings is between 25000-50000.
- Majority 43% of respondents are savings through post office.
- Majority 50% of the respondents are provided with first aid kit.
- Majority 61% of respondents has no problem in getting MGNERGA.
- Majority 59% of respondents are feeling good about wages.
- Majority 69% of respondents are agreed with implication of MGNERGA in rural.
- Majority 37% of respondents are faced low employment opportunity.
- Majority 39% of respondents has one participant from family.

## **SUGGESTIONS**

- ❖ Creating awareness about MGNREGA and job card facilities to people and Information should provide to people in timely.
- ❖ People goods and equipment should be protected during working time.
- ❖ In case of emergency there should be primary aids must be available in work place.
- ❖ Wages of MNREGA should equal to market.
- ❖ Hundred days of work should available.

## CONCLUSION

MGNREGA is an attempt by the Govt. of India to reduce the gap between the rich and the poor, to reduce poverty and to improve the socio-economic conditions of the people. Through this programmed, people are improving their living conditions, acquiring jobs, and their status. The aforementioned study was conducted to assess MGNREGA's performance. Based on the analysis, it can be said that MGNREGA has significantly improved peoples' socioeconomic circumstances. It has aided in the provision of jobs and job cards to people. Therefore, the MGNREGA Act still has to concentrate on informing the public about its provisions in order for them to be aware of them. It also needs to concentrate more on the process of putting its provisions into practice. The above results prove that the MGNREGA Act was thoroughly successful in enhancing the standard of living of the rural lot and was very beneficial to them financially.