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Impact Of Mgnregs On Rural Livelihoods: An Assessment Over A Decade Of Implementation

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ABSTRACT

The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) has been a key initiative in improving the socio-economic well-being of rural households by providing guaranteed employment. Despite its widespread success, there is a need to assess its long-term impact on rural life, particularly in terms of health, self-respect, purchasing power for durable goods, expenditure on social ceremonies, and access to essential groceries. This study evaluates the impact of MGNREGS on these aspects over a decade of its implementation. Based on primary data collected from 660 MGNREGS beneficiaries across 12 villages in Mangalagiri Mandal, Guntur District, Andhra Pradesh, the study reveals that the scheme has significantly enhanced the sense of self-respect, access to food security, and improved health outcomes for rural households. However, its impact on purchasing durable goods and expenditures on social ceremonies was less pronounced. The study highlights the importance of refining MGNREGS to include skill-oriented employment opportunities, improve health infrastructure, and provide financial literacy programs to maximize its socio-economic impact. These findings suggest that a focused approach on sustainable livelihoods and equitable access can further strengthen the program's role in rural development.

Keywords: MGNREGS, impact, health, self-respect, durable goods, food security

Rural India, home to nearly two-thirds of the country's population, plays a pivotal role in shaping its socio-economic fabric. It is characterized by diverse livelihoods, largely centered on agriculture and allied activities. Despite its vast potential, rural India faces challenges such as low-income levels, lack of infrastructure, and limited access to basic amenities like education, healthcare, and sanitation. These issues have hindered the holistic development of rural communities, necessitating concerted efforts to bridge the rural-urban divide.

Employment challenges remain one of the most pressing issues in rural India, where agriculture, the primary source of livelihood, is often seasonal and vulnerable to factors like erratic monsoons, fluctuating market conditions, and declining landholding sizes. This dependence on agriculture has resulted in underemployment and disguised unemployment, leaving a significant section of the rural workforce in financial insecurity. Moreover, the lack of diverse employment opportunities and skill development avenues further exacerbates the problem, pushing many to migrate to urban areas in search of better livelihoods.

Recognizing the urgency of these issues, the government has introduced several rural development programs aimed at creating sustainable livelihoods and improving the quality of life in rural areas. These initiatives include integrated watershed management, rural infrastructure development, self-employment schemes, and direct employment programs. Among them, wage employment schemes have emerged as a crucial intervention, addressing immediate livelihood needs while contributing to the creation of durable assets and infrastructure.

The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), launched in 2006, is a landmark initiative in this direction. Enacted under the Mahatma Gandhi National Rural Employment Guarantee Act, the scheme guarantees 100 days of wage employment annually to rural households willing to undertake unskilled manual work. With a focus on inclusive growth, MGNREGS aims to address rural poverty by enhancing livelihood security, creating community assets, and empowering marginalized groups. Over the years, its implementation has had significant implications for rural socio-economic development, making it a cornerstone of India's rural employment policy. This study seeks to assess the multifaceted impact of MGNREGS on rural households and its role in transforming the rural economy over more than a decade of operation.

Review of Literature

Pramathesh Ambasta et al. (2008) offer a critical analysis of the National Rural Employment Guarantee Act (NREGA), highlighting its potential to transform rural development in India. The authors emphasize that NREGA has raised unprecedented expectations as a rural development initiative, largely due to its scope and promise of guaranteed employment. However, they caution that this potential remains underutilized and requires both strategic implementation and sustained public vigilance. The article underscores the political and societal significance of NREGA, noting its origins in a sustained civil society movement supported by progressive political forces. This movement represents one of the rare successful campaigns advocating for India's rural poor, a constituency that has historically been marginalized in national discourse. Despite the enactment of NREGA, the authors criticize the persistent neglect of the rural poor by governments prioritizing corporate reforms over rural development. They highlight the poor quality and under-resourcing of initiatives aimed at rural welfare, exacerbated by the lack of professionalization in the rural development sector. Ambasta et al. also call for reforms to address systemic issues of corruption and accountability in rural development. They argue that reforms must be complemented by mechanisms like social audits and continuous public engagement to ensure efficiency and transparency. Importantly, the authors caution against disillusionment with NREGA, emphasizing the need for tangible outcomes to prevent frustration and cynicism among beneficiaries. The authors advocate for a long-term vision where NREGA investments focus on enhancing agricultural productivity and water security in backward regions. This, they suggest, could lead to sustainable rural development by creating allied livelihoods, spurring private investments, and reducing dependency on work guarantees over time. The article concludes that NREGA represents a historic opportunity to reshape rural livelihoods, contingent upon synergizing public activism and professional implementation.

Saibal Ghosh (2017) examines the impact of MGNREGA on financial inclusion using household-level data across 500 districts in India. The study finds that districts with early MGNREGA implementation experienced greater financial access, especially in areas with higher female participation. While the program's effect on the actual use of financial services is less clear, the findings suggest that public work programs like MGNREGA play a significant role in improving financial inclusion, particularly in enhancing access to financial services in rural areas.

Gian Singh et al. (2017) examine the indebtedness of farmers and agricultural labor households in rural Punjab, focusing on the extent, sources, and variations in debt. The study finds that agricultural laborers rely heavily on non-institutional sources of debt, such as large farmers, relatives, and traders, who charge high interest rates. Despite institutional credit being a primary source for farmers, many are unable to meet their consumption needs with their income, leading to a reliance on debt. The paper highlights that without efforts to improve income and economic conditions, the burden of indebtedness among these households will likely persist and grow in the future.

Aggarwal (2017) critiques the Management Information System (MIS) used in MGNREGA, arguing that it excessively centralizes control, hindering states from implementing the program according to their needs and capacities. Based on observations in Jharkhand, the article highlights how the MIS, initially praised for enhancing transparency and accountability, is now being misused to violate workers' legal entitlements. This misuse leads to frequent disruptions, impedes effective program execution, and opens new avenues for corruption, suggesting that similar issues may be occurring in other states as well.

Pankaj & Bhattacharya (2022) explore the impact of income-generating individual assets on the livelihood conditions of rural households under MGNREGA. Based on a primary survey conducted in six districts across Uttar Pradesh, Rajasthan, and Tamil Nadu, the study finds that land and irrigation works led to increased crop acreage, higher yields, and greater crop diversification. These improvements boosted household incomes and enhanced food security within communities. Additionally, promoting livestock and fishery assets improved access to high-protein, nutritious food and supported agricultural development.

Statement of the Problem

The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) has been a transformative initiative aimed at enhancing the socio-economic well-being of rural households through guaranteed employment. Since its inception, the scheme has played a pivotal role in addressing rural poverty, improving household incomes, and fostering economic resilience. By providing a reliable source of livelihood, MGNREGS has influenced various aspects of rural life, such as health, dignity, consumption patterns, and financial stability. Despite its widespread implementation and success, there remains a need to comprehensively evaluate its long-term impact on rural households. Questions persist regarding the extent to which the scheme has contributed to improving health outcomes, enhancing self-respect, enabling investments in durable goods, facilitating expenditure on social ceremonies, and ensuring access to food grains and essential groceries. This study aims to bridge this knowledge gap by systematically analyzing the socio-economic effects of MGNREGS on rural households over a decade of its operationalization. Such an understanding is crucial for assessing the effectiveness of the scheme and informing future policy decisions to strengthen rural development initiatives.

Objectives of the Study

The objectives of the study are to assess the impact of the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) on the socio-economic well-being of rural households over a period of more than one decade of its operationalization. Specifically, the study aims to examine the impact of MGNREGS on (i) health, (ii) sense of self-respect, (iii) purchasing durable goods, (iv) expenditure on social ceremonies, and (v) access to food grains and other essential groceries among rural households.

Methodology

The study is based on primary data collected through a structured questionnaire, meticulously designed to gather comprehensive information about the socio-economic characteristics of respondents, their experiences with MGNREGS, and its impact on various dimensions of their livelihoods. The study was carried out in Mangalagiri Mandal of Guntur District, Andhra Pradesh, encompassing 12 villages. A stratified purposive sampling technique was employed to ensure adequate representation of diverse social categories. A total sample of 660 respondents was selected, with 55 beneficiaries of MGNREGS identified and chosen from each village. This approach enabled the study to capture a broad spectrum of perspectives and experiences related to the scheme. The data collected through the questionnaire was subjected to analysis using descriptive statistical tools. Percentages were used to interpret the data and draw meaningful inferences about the role of MGNREGS in influencing the socio-economic well-being of rural households.

Results and discussion

Health

The data presented in Table - 1 provides insight into the respondents' perceptions regarding the impact of the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) on their household's overall health over the last decade. A significant proportion of respondents (41.70 per cent) believe that MGNREGS has contributed to a great extent in improving their household's health. Additionally, approximately 36.50 per cent of respondents feel that MGNREGS has contributed to a considerable or some extent in enhancing their household's health. However, about 21.80 per cent of respondents perceive that MGNREGS has contributed to a little extent or not at all in improving their household's health.

Table - 1

PERCEPTION OF THE RESPONDENTS ON THE EXTENT TO WHICH MGNREGS HAS CONTRIBUTED TO AN IMPROVEMENT IN THEIR HOUSEHOLD'S OVERALL HEALTH IN THE LAST DECADE

Opinion of the Respondents					Total
To a great extent	To a considerable extent	To some extent	To a little extent	Not at all	
275 (41.70)	135 (20.50)	106 (16.00)	99 (15.00)	45 (6.80)	660 (100.00)

Note: Figures in the parenthesis represent percentage to the total.

Source: Field Survey

Self-respect

The data presented in Table- 2 reveals the respondents' perceptions regarding the impact of working under MGNREGS on their sense of self-respect. An overwhelming majority of respondents (77.00 per cent) believe that working under MGNREGS has contributed to a great extent in increasing their sense of self-respect. Additionally, 10.80 per cent and 12.00 per cent of respondents feel that it has contributed to a considerable extent and to some extent, respectively. Only 0.30 per cent of respondents perceive that working under MGNREGS has contributed to a little extent in increasing their sense of self-respect.

Table - 2

PERCEPTION OF THE RESPONDENTS ON THE EXTENT TO WHICH WORKING UNDER MGNREGS HAS CONTRIBUTED TO AN INCREASE IN THEIR SENSE OF SELF-RESPECT

Opinion of the Respondents				Total
To a great extent	To a considerable extent	To some extent	To a little extent	
508 (77.00)	71 (10.80)	79 (12.00)	2 (0.30)	660 (100.00)

Note: Figures in the parenthesis represent percentage to the total.

Source: Field Survey

Purchasing durable goods

The data presented in Table-3 reveals the respondents' perceptions regarding the utilization of MGNREGS earnings for purchasing durable goods over the last decade. A majority of respondents (71.40 per cent) stated that MGNREGS earnings have not been utilized at all for purchasing durable goods. In contrast, only 5.20 per cent of respondents reported utilizing MGNREGS earnings to a great extent for this purpose, while 8.20 per cent and 15.30 per cent utilized them to a considerable extent and to a little extent, respectively.

Table – 3

PERCEPTION OF THE RESPONDENTS ON THE EXTENT TO WHICH MGNREGS EARNINGS HAVE BEEN UTILIZED FOR PURCHASING DURABLE GOODS (FURNITURE, APPLIANCES) IN THE LAST DECADE

Opinion of the Respondents				Total
To a great extent	To a considerable extent	To a little extent	Not at all	
34 (5.20)	54 (8.20)	101 (15.30)	471 (71.40)	660 (100.00)

Note: Figures in the parenthesis represent percentage to the total.

Source: Field Survey

Social ceremonies

The data presented in Table -4 reveals the respondents' perceptions regarding the allocation of MGNREGS earnings for social ceremonies and events over the last decade. A majority of respondents (61.50 per cent) stated that MGNREGS earnings have not been allocated at all for social ceremonies and events. Additionally, 33.00 per cent of respondents allocated earnings to a little extent for this purpose, while 4.20 per cent and 1.20 per cent allocated them to a considerable extent and to some extent, respectively.

Table – 4

PERCEPTION OF THE RESPONDENTS ON THE EXTENT TO WHICH MGNREGS EARNINGS HAVE BEEN ALLOCATED FOR SOCIAL CEREMONIES AND EVENTS IN THE LAST DECADE

Opinion of the Respondents				Total
To a considerable extent	To some extent	To a little extent	Not at all	
28 (4.20)	8 (1.20)	218 (33.00)	406 (61.50)	660 (100.00)

Note: Figures in the parenthesis represent percentage to the total.

Source: Field Survey

Food grains and other essential groceries

The data presented in Table -5 reveals the respondents' perceptions regarding the utilization of MGNREGS earnings for purchasing food grains and other essential groceries over the last decade. A majority of respondents (58.00 per cent) reported using MGNREGS earnings to a great extent for this purpose, while 36.40 per cent and 5.60 per cent used them to a considerable extent and to some extent, respectively.

Table – 5

PERCEPTION OF THE RESPONDENTS ON THE EXTENT TO WHICH MGNREGS EARNINGS HAVE BEEN USED FOR PURCHASING FOOD GRAINS AND OTHER ESSENTIAL GROCERIES IN THE LAST DECADE

Opinion of the Respondents			Total
To a great extent	To a considerable extent	To some extent	
383 (58.00)	240 (36.40)	37 (5.60)	660 (100.00)

Note: Figures in the parenthesis represent percentage to the total.

Source: Field Survey

Conclusion

The study explored respondents' perceptions of the socio-economic impact of the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) over the past decade. The findings reveal that MGNREGS has played a significant role in improving the well-being of rural households. Notably, the scheme has enhanced respondents' sense of self-respect and improved their access to food grains and essential groceries. It has also positively influenced household health, contributing to better living standards. While the scheme's benefits were evident in these critical areas, the study observed relatively lower utilization of MGNREGS earnings for purchasing durable goods and for expenditures on social ceremonies and events. These findings underscore the importance of MGNREGS as a tool for rural development and its contribution to household resilience. The study emphasizes the need to sustain and refine such initiatives to maximize their impact on the socio-economic conditions of rural communities.

Broadening the scope of the scheme to include skill-oriented and productive employment options can enable beneficiaries to secure lasting economic stability. Educational initiatives should motivate beneficiaries to channel their earnings into durable goods and income-generating ventures, fostering long-term economic growth. Priority should be given to projects that enhance health infrastructure and nutritional security, building on the scheme's demonstrated positive effects on household well-being. Focused assistance for marginalized groups is crucial to guarantee equitable access and reduce socio-economic inequalities. Robust monitoring systems are needed to identify shortcomings and improve strategies, ensuring the program achieves its intended goals. Encouraging the creation of community assets, such as irrigation facilities and infrastructure, can boost sustainable benefits, while financial literacy programs can empower beneficiaries to make prudent decisions about saving and investing their earnings for future needs. These recommendations aim to ensure MGNREGS remains a cornerstone of rural socio-economic advancement.

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