

# Impact of Mahatma Gandhi National Rural Employment Guarantee Act (Mnrega) on Poverty Alleviation Programme in Tiruvarur District of Tamilnadu, India

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## Abstract:

The Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA) is a pivotal initiative aimed at bolstering the financial stability of rural households in India by ensuring a minimum of 100 days of guaranteed wage employment annually. This study, conducted in the Nannilam Block of Tiruvarur District, focuses on 110 rural poor beneficiaries to assess the impact of MNREGA. Findings reveal that a majority of beneficiaries experienced an increase in their annual income, leading to upward mobility in income brackets. Individual characteristics such as education, social engagement, land ownership, credit accessibility, information sources, interaction with MNREGA staff, scheme attitude, and beneficiary knowledge were identified as influential factors in the beneficiaries' improved annual income. Notably, over one-third of recipients advocate for collaborative efforts between local NGOs and community leaders to enhance awareness and promote the benefits of MNREGA within households. This underscores the need for comprehensive community engagement and support structures to maximize the effectiveness of MNREGA in uplifting rural economies.

**Keywords:** Poverty Alleviation, Rural Employment, Rural Development, MNREGA

## Introduction:

The Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA) was enacted on August 25, 2005, as an Indian law ensuring 100 days of employment annually for adult members of rural households engaged in unskilled manual labor at minimum wage rates. Monitored by the Ministry of Rural Development in conjunction with state governments, the legislation aims to enhance the economic standing of rural individuals below the poverty line, with a focus on semi or unskilled work. About one-third of the workforce targeted should be women. The process involves household registration through Gram Panchayats, issuance of job cards, and facilitation of work applications. MNREGA acts as a vital safety net during periods of limited employment, tackling issues like drought and deforestation to fortify rural livelihoods and generate enduring assets. If effectively implemented, MNREGA has the potential to transform the poverty landscape, fostering transparency and grassroots democracy in governance

(Badodiya, S.K., Kushwah, R.S., Garg, S.K., and Shakya, S.K. 2011). The MGNREGA program has been instrumental in creating economic opportunities for individuals, particularly benefiting tribal communities (Sarkar, P., & Kumar, J. 2011). However, relying solely on providing unskilled manual labor through the scheme may not be a sustainable approach for the future. It is recommended to incorporate provisions for skilled and semi-skilled workers into the program (Azhagaiah, R., & Radhika, G. 2014). Research indicates that families, including both male and female workers, experience improved welfare as evidenced by increased spending on family needs and children's education. Furthermore, participation in MGNREGA enables individuals to save money in banks or post offices, contributing to overall economic well-being (Shalla, S. A., & Fazili, A. I. 2015).

**Table 1 – Details of MNREGA between India and Tamilnadu for financial Year 2023-24**

Categories	India	Tamilnadu
Total Workers	25,92,25,559 (in crores)	1,24,55,674 (in crores)
Active Workers	14,35,62,859 (in crores)	92,09,642 (in lakhs)
Households Benefitted	5.51 (in crores)	68,15,226 (in lakhs)
Assets Created	7.94 (in crores)	5,32,395 (in lakhs)

Source: (MNREGA PROGRAMEE FOR 2023-24) <https://nrega.nic.in/>

**Table 2 – Details of MNREGA in the Tiruvarur District**

Categories	Tiruvarur District
Total Workers	450988
Active Workers	281791
SC	180147
ST	12569
Others	258272
Total Number of Active Job cards	266383
Total Number of Applied Job cards	328514
Active Workers	20693

Source: (MNREGA PROGRAMEE FOR 2023-24) <https://nrega.nic.in/>

**Review of literature:**

Roy&Shubhadeep (2011) discussed the impact of the Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA) on the livelihoods of beneficiaries in West Bengal, India. The study revealed that MNREGA has had a substantial and positive effect on the rural economy, particularly for marginalized communities and women, by creating employment opportunities. The paper highlights obstacles encountered during program implementation, such as corruption and bureaucratic inefficiencies, and proposes strategies to tackle these challenges. Ultimately, the authors contend that MNREGA holds the potential to bring about a transformative impact on the lives of the rural poor in West Bengal and other regions of India, emphasizing the need for additional efforts to ensure its efficient and effective execution.

Badodiya, S.K., Kushwah, R.S., Garg, S.K., and Shakya, S.K. (2011) analyzed the impact of the Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA) on poverty alleviation in

India. They conducted a study in the Baran district of Rajasthan to evaluate MNREGA's impact on poverty. The research revealed a positive influence on poverty reduction, as MNREGA provided employment opportunities to rural residents, enhancing their income levels. Additionally, MNREGA contributed to rural infrastructure development, including roads, water conservation, and land development. These improvements resulted in increased agricultural production and better market connectivity, ultimately enhancing the economic conditions of rural inhabitants. Despite these positive outcomes, the study identified challenges in MNREGA's implementation, such as corruption and malpractice in beneficiary selection and wage distribution. The authors recommended the establishment of effective monitoring and evaluation mechanisms to ensure transparency and accountability in MNREGA implementation. They also emphasized the ongoing need for enhancements in the scheme's implementation to guarantee that the intended beneficiaries receive the benefits.

The study conducted by Sarkar and Kumar (2011) in the Burdwan District highlights several noteworthy findings regarding the impact of MGNREGA on the rural poor. The study reveals that as a result of MGNREGA, rural families have been able to make more money, which has greatly lowered the number of people living in poverty. According to the study, the programme has also improved access to necessities like clean water, sanitary facilities, and education, which has aided in fostering social inclusion and overall wellbeing. As a result, not only have gender inequities been eliminated, but women have also been given the ability to actively engage in the decision-making processes that take place within their communities. Based on the findings of this study, it is clear that the MGNREGA has had a good impact on the reduction of rural poverty and the improvement of the socio-economic condition of the rural poor in the Burdwan District of West Bengal. It has been demonstrated that the MGNREGA is a transforming force in the process of elevating marginalised communities. This is accomplished through the provision of guaranteed employment opportunities, the promotion of social welfare, the empowerment of women, and the promotion of sustainable development.

Negi, R.S., Singh, Santosh, and Dhanai, Rekha (2015) conducted a research study evaluating the effects of the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) in the Pauri Garhwal district of Uttarakhand, India. The investigation involved surveying 300 households across 10 villages. The findings revealed a favorable influence of MGNREGA on the employment status of these households, offering them a consistent income source. Additionally, the program contributed to poverty reduction by enhancing the living standards of the households. Nevertheless, the study identified certain drawbacks, including delays in wage payments and a lack of transparency in implementation. The authors recommend improved monitoring and evaluation of the scheme, along with adequate training for local officials to enhance its effectiveness. In summary, the study provides valuable insights into both the positive and negative aspects of MGNREGA's impact.

## Objectives

The findings of the study can be useful for policymakers and researchers in the field of rural development in India. Taking into account the aforementioned viewpoints, the current study was conducted with the following objectives:

1. To evaluate the recipients' experience with the Mahatma Gandhi National Rural Employment Guarantee Act.

2. To investigate the relationship between beneficiary characteristics and the impact of the Mahatma Gandhi National Rural Employment Guarantee Act scheme (in terms of annual income growth).
3. To look for recommendations for improving the plan.

**Methodology:**

The Present study was conducted in the Nannilam Block of the Tiruvarur region. Nandusal, Peralam, Kudavasal, Koradachery, Valangaiman, Needamangalam, and Muthupettai constitute the seven municipal panchayats that comprise the district. The Nannilam block was deliberately selected due to its high concentration of impoverished households that have obtained assistance under the MNREGA Act. 110 individuals who were rural poor, small farmers, landless, and marginal farmers were enrolled in the study as participants. The effectiveness of the MNREGA in alleviating famine among farmers was assessed by examining the extent to which the program increased their annual income. Participants who benefited from the program were interviewed using a pretested schedule, and additional information was obtained from government records and other sources.

**Results and discussion**

**Table 3. Distribution of the Respondents Based on the Impact of MNREGA in terms of Yearly Income**

S.No	Categories	Frequency	Percentage
1	Low Income (Below 8000)	14	12.7
2	Middle Income (8000 – 12,000)	74	67.3
3	Higher Income (Above 12000)	22	20.0
		<b>110</b>	<b>100</b>

**Source: Primary data**

Based on the data provided in Table-3, it is clear that the active involvement of respondents in the MNREGA program has resulted in a significant rise in their yearly earnings. The majority of participants (67.3%) reported a moderate increase in income, ranging from Rs 8000 to 12000/-. Additionally, a significant portion (20.0%) experienced a higher income exceeding Rs 12000/-. Conversely, only a small percentage (12.7%) observed a minimal raise in their annual earnings, reaching up to Rs 8000/-.

**Table 4. Strategies recommended for improvement of the programme**

S.No	Suggestions	Number	Percentage	Rank
1	Develop comprehensive information campaigns to raise awareness about the benefits and provisions of MNREGA	80	72.7	II
2	Collaborate with local NGOs and community leaders to promote the scheme and its benefits	85	78.2	I
3	Use modern technology, such as mobile applications or web portals, for real-time tracking of work progress, funds utilization, and worker	40	36.4	VII

	attendance			
4	Implement a robust monitoring and evaluation system to ensure transparency and accountability at all levels	74	67.2	III
5	Introduce eco-friendly and sustainable practices within MNREGA projects to promote environmental conservation.	52	47.3	VI
6	Ensure timely and efficient release of funds to avoid delays in wage payments.	59	53.6	V
7	Implement mechanisms to prevent corruption and leakages, such as using direct benefit transfer methods	68	61.8	IV
8	Collaborate with vocational training institutes to provide training in relevant areas, such as construction, agriculture, and crafts.	34	30.9	VIII

**Strategies Recommended for Strengthening of the program:**

The data presented in Table-4 indicate the strategies suggested for betterment benefit of this act by the sample respondents. It was found that most of the beneficiaries (78.2%) recommended that Collaborate with local NGOs and community leaders to promote the scheme and its benefits in terms of a household. Develop the comprehensive information campaigns to raise awareness about the benefits and provisions of MNREGA reported by 72.7 percent of the beneficiaries. Implement a robust monitoring and evaluation system to ensure transparency and accountability at all levels (67.2%), Implement mechanisms to prevent corruption and leakages, such as using direct benefit transfer methods (61.8%), Ensure timely and efficient release of funds to avoid delays in wage payments (53.6%). Introduce eco-friendly and sustainable practices within MNREGA projects to promote environmental conservation (47.3%), Use modern technology (36.4%) and Collaborate with vocational training institutes (40.90%).

**Conclusion:**

The study reveals that the MNREGA program has a favorable effect on the livelihood security of rural communities. As a result of the program, there is an increase in the percentage of beneficiaries in the medium to high-income category, which helps to mitigate poverty and improve economic prosperity. This positive impact can lead to enhanced accessibility to essential services such as education, healthcare, and others, further strengthening livelihood security. The study suggests that the programme helped the beneficiaries earn more money and improve their overall financial situation. It also highlights the effectiveness of the MNREGA programme in supporting the economic well-being of individuals living in rural communities. To elaborate on the strategies suggested by the beneficiaries for improving the benefits of the programme, more than one third of the beneficiaries recommended collaborating with local NGOs and community leaders. This collaboration would aim to promote the scheme and its benefits at the household level. By working together with these organizations and leaders, the programme can reach a wider audience and ensure that the benefits are understood and utilized effectively. In addition, 72.7 percent of the beneficiaries suggested implementing comprehensive

information campaigns. These campaigns would be designed to raise awareness about the various benefits and provisions offered by MNREGA. By providing clear and detailed information, more people can become aware of the opportunities and resources available through the programme. This increased awareness can help individuals and communities make the most of MNREGA and improve their livelihoods. Overall, these strategies of collaboration and information campaigns aim to improve the accessibility and understanding of MNREGA's benefits. By working together more individuals and households can benefit from the programme and its provisions.

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