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## MGNREGA For Poverty Reduction and Economic Upliftment among the Women's

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### Abstract

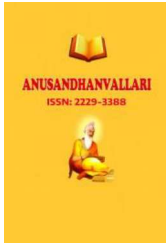
MGNREGA plays a crucial role in stimulating development within villages. While some households or individuals migrate long distances to other states, this study primarily observed short-distance migration to nearby urban or peri-urban areas. Proximity of worksites to homes and flexible work hours have encouraged women to join the workforce. Effective programme management has played a crucial role in attracting women as both workers and managers. Small design modifications could further enhance wellbeing outcomes, such as recognizing the value of assets that meet local needs and support development, providing cash transfers for those unable to work, and offering alternative activities for individuals with lower physical capacity. In conclusion, variations in women's participation are closely linked to local economic factors, including available job alternatives, the comparison of market wages with MGNREGS wages, gender wage gaps, and overall work availability. The guarantee secures household income, reducing the need for women to work as supplemental earners and eliminating a key incentive for saving. Despite significant participation in program jobs, the guarantee lowers engagement in other forms of work, leading to a decline in labor force participation among married women and a reduction in the total working hours of their husbands. It accounts for up to 30% of a recent nationwide drop in rural female labor force participation. While the guarantee boosts household consumption, it diminishes women's control over household income, ultimately impacting their overall wellbeing.

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**Keywords:** Migration, Urban, Flexible work hours, Well-being, Gender wage gap.

### Introduction

Since independence, poverty and unemployment have persisted as unresolved challenges in India. Rural communities continue to face hardships, lacking essential services such as clean drinking water, medical care, and adequate nutrition. Despite the country's abundant human resources, they remain underutilized and underdeveloped. If effectively mobilized, these resources could significantly contribute to national progress. Recognizing that 80% of India's poor reside in rural areas, the Government of India has introduced various initiatives to foster rural development. One such initiative is the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), launched in 2006. This program has successfully promoted gender equality, empowered women, and facilitated long-term rural infrastructure development by providing employment opportunities. Despite political transitions, MGNREGA has remained a vital tool for rural upliftment. Women engaged in labor-market activities gain financial independence, which enhances their decision-making power and access to household resources benefits not available in non-market roles. However, over the past three decades, rural women's labor force participation has declined significantly from an already low level, indicating a deterioration in their economic conditions.



In 2004-05, the prevailing daily wage rate for manual labor required at least three members of an agricultural labor household to secure employment for over 200 days a year to stay above the poverty line. However, since many households struggle to find sufficient work, rural poverty remains high. The situation has worsened over time, with the availability of food grains declining from approximately 510 grams per capita in 1990-91 to about 444 grams in 2009. This decline has been more pronounced in rural areas, where per capita food grain consumption fell from 373 grams in 1987-88 to 313 grams in 2009-10. Additionally, the proportion of marginal farmers has steadily increased, and all three categories of agricultural households landless, marginal, and small farmers face significant income deficits of 20 to 40 percent, making it difficult to meet their basic consumption needs. As a result, many rural households are burdened with debt, with landless laborers and small/marginal farmers being particularly reliant on informal lending sources for survival. In fact, nearly 50 percent of rural households are in debt, and over 60 percent of landless laborers borrow money to cover basic consumption expenses. Furthermore, rural wages often fall below statutory minimum levels and vary based on gender, location, and the nature of work. Recognizing these distressing trends, the government, in its mid-term appraisal of the Tenth Plan (2002-07), expressed serious concern over the hardships faced by agricultural laborers and small/marginal farmers. To address this issue, the government introduced the National Rural Employment Guarantee Act (NREGA) on August 23, 2005. This legislation aimed to provide guaranteed wage employment to unskilled rural laborers by ensuring at least 100 days of work per year at statutory minimum wages.

### Literature Review

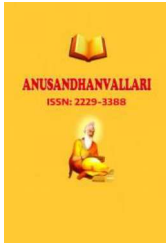
The phased implementation of the National Rural Employment Guarantee Act (NREGA) 2005 began on February 2, 2006, covering 200 of the most underdeveloped districts in its first phase (Breitkreuz et al., 2017). The second phase, launched on April 1, 2007, expanded the program to an additional 130 districts. Soon after, on September 28, 2007, the third phase incorporated the remaining 285 districts, ensuring that all 615 rural districts in India were included under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS).

Based to Reddy et al. (2014), MGNREGA is founded on the principles of universality and self-selection. The scheme guarantees a legal right to employment at a minimum wage for any individual who applies, with work being provided within 15 days. Its universal design reduces targeting errors, while its focus on land and water resource development benefits marginalized groups, including Scheduled Castes (SC), Scheduled Tribes (ST), Below Poverty Line (BPL) families, Indira Awas Yojana (IAY) beneficiaries, and land reform recipients. The scheme also places strong emphasis on creating employment opportunities for women.

Sudarshan (2011) examines the diverse factors influencing women's participation in MGNREGS across states and regions. While the program has contributed to social and economic empowerment, locally tailored modifications could enhance its effectiveness. High female participation in Kerala and Rajasthan is linked to gender disparities in market wages and higher male earnings, while care giving responsibilities often restrict women's mobility and availability for paid work. Factors such as accessible worksites and flexible schedules have encouraged greater female involvement.

Ranjan and Ahmedabad (2015) highlight the role of Kerala's Kudumbashree initiative in promoting women's participation in MGNREGS, both as workers and supervisors. Their research suggests that beyond economic necessity, social relationships within workgroups foster a sense of attachment and stability, enhancing job participation and commitment to the program.

Dasgupta and Sudarshan (2011) explore the significance of wage-setting in public employment



programs, noting discrepancies between program wages, legally mandated minimum wages, and prevailing market wages. Some argue that setting public works wages below market rates helps ensure participation by those most in need, reinforcing the scheme's self-selection mechanism.

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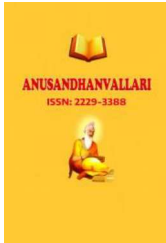
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Shah Mihir (2004) suggested that the proposed employment guarantee program would create job opportunities for the poorest sections of society. Gopal K. S. (2005) described the National Rural Employment Guarantee Act as a landmark piece of legislation, emphasizing the need to develop user-friendly guidelines to instill confidence among the poor. Rao K. H. and Durga P. P. (2008) asserted that the National Rural Employment Guarantee Scheme (NREGS) could effectively address rural unemployment and poverty while revitalizing the agricultural sector. Mohinder Singh and Vijay Kumar (2009) found that MGNREGS played a crucial role in empowering women in Garhipadla village, reducing poverty, and enabling them to meet their basic needs. Rao V. (2010) observed that while MGNREGS is not exclusively limited to poor families, it is predominantly sought by those willing to engage in manual labor. Bholane K. P. (2022) concluded that the program contributed to reducing migration by offering employment opportunities.

The reviewed literature highlights the significant impact of the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) on employment creation, poverty alleviation, and rural development in India. Studies emphasize its role in reducing migration for work, particularly among vulnerable populations, by providing guaranteed wage employment. Research suggests that the program's influence on female labor force participation is shaped by societal gender roles, with women's engagement often dependent on cultural and institutional contexts. Scholars argue that while MGNREGS promotes gender equality and financial independence, structural and social barriers continue to affect women's workforce participation.

The evolution of the concept of "work" over time, influenced by economic, political, and sociological factors, further informs discussions on employment as a fundamental right. Additionally, studies highlight MGNREGS's contributions to rural infrastructure development, food security, and social inclusion, particularly for women. However, challenges such as wage payment delays, inefficiencies, and corruption persist. Convergence strategies integrating public programs, private initiatives, and community participation have been identified as essential for maximizing MGNREGS's impact. Case studies underscore the scheme's potential for enhancing rural livelihoods and empowering women through increased awareness and institutional support.

The nation's R&D sector has implemented various policies and initiatives to tackle employment challenges, sustainable livelihoods, opportunities, poverty, and growth in rural areas. One significant step taken by the Indian government in this direction is the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA). This initiative aims to enhance livelihood security by ensuring up to 100 days of guaranteed



work per fiscal year for rural households. The program is designed to boost rural employment and improve living conditions while achieving specific objectives, such as safeguarding the poor from drought and promoting water conservation and agricultural productivity. Additionally, MGNREGA includes afforestation and plantation projects.

As highlighted by Singh (2017), ensuring fair compensation for labor is crucial, and it is suggested that wages under MGNREGA be paid on a piece-rate basis based on completed work. Beyond employment generation, the program has significantly contributed to rural infrastructure development, including schools, healthcare centers, and roads. These improvements have enhanced the quality of life in rural areas by increasing accessibility to essential services. A study conducted by the Indian Institute of Management (IIM) also confirms that MGNREGA has been instrumental in infrastructure development, particularly in remote and underdeveloped regions.

Furthermore, as noted by Rizvi (2025), MGNREGA has played a vital role in promoting women's empowerment and gender equality in rural areas. The program has successfully met its objective of ensuring that at least one-third of participants are women in many states. By providing work opportunities, MGNREGA has enabled women to contribute to household income and gain greater financial independence. Numerous studies have also highlighted the program's role in fostering women's empowerment.

### **Objectives of the Study**

The primary objective of this research is to evaluate the impact of the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) on rural livelihoods, employment, and socio-economic development. The key objectives are:

1. To analyze the impact of MGNREGA on rural employment generation and income security
2. To assess the role of MGNREGA in improving rural infrastructure and sustainable asset creation
3. To evaluate the effectiveness of MGNREGA in promoting gender empowerment and social inclusion.
4. To examine the influence of MGNREGA in reducing migration and enhancing food security.

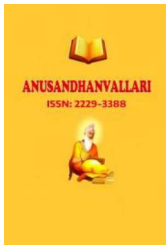
### **Hypotheses of the Study**

This research aims to test the following null hypotheses:

1. There is no significant difference in household monthly income before and after participation in MGNREGS.
2. There is no significant difference in household monthly expenditure before and after participation in MGNREGS.
3. There is no significant association between participation in MGNREGS and the reduction in poverty levels among the sample households.

### **Research Methodology**

This study adopts a mixed-methods approach to analyze the impact of MGNREGA on rural development. By incorporating both qualitative and quantitative data collection techniques, the research ensures



a comprehensive understanding of the program's outcomes.

- **Research Design:** The study follows a descriptive and analytical research design to assess the effectiveness of MGNREGA in achieving its objectives. The descriptive aspect focuses on understanding the existing conditions and trends, while the analytical component evaluates the scheme's impact on various socio-economic parameters.
- **Sampling Technique:** A purposive sampling method is employed to select study areas based on MGNREGA performance indicators. This approach ensures representation from diverse socio-economic and geographic contexts, allowing for a more inclusive and accurate analysis of the scheme's effectiveness across different rural regions.

### Impact of MGNREGA on women's employment

Women's was more likely than men to participate in MGNREGA. However, several challenges hindered their ability to engage effectively in the program. Many women cited the nature of the work and the lack of adequate childcare facilities as ongoing issues. Despite being employed under MGNREGA, women still faced workplace discrimination. They reported mistreatment by site supervisors, who often assigned them tasks beyond their physical capacity and paid them lower wages. Additionally, their unpaid caregiving responsibilities limited their working hours compared to men, sometimes resulting in wage deductions.

In Kerala, landless women occasionally used childcare facilities or brought their babies to the fields, while in Tamil Nadu, they were more likely to place their children in Anganwadi Centres before going to work. Interestingly, despite these difficulties, many women viewed MGNREGA positively, as it provided them with an opportunity to earn an income. Some women acknowledged that the work was demanding and that supervisors did not always treat them well, but they appreciated the flexible hours and the ability to bring their children along. Tamil Nadu's landless women, in particular, were vocal about the hardships they encountered under the program.

**TABLE 1**  
**Percentage Share of Women in Total Person Days of MGNREGS employment**



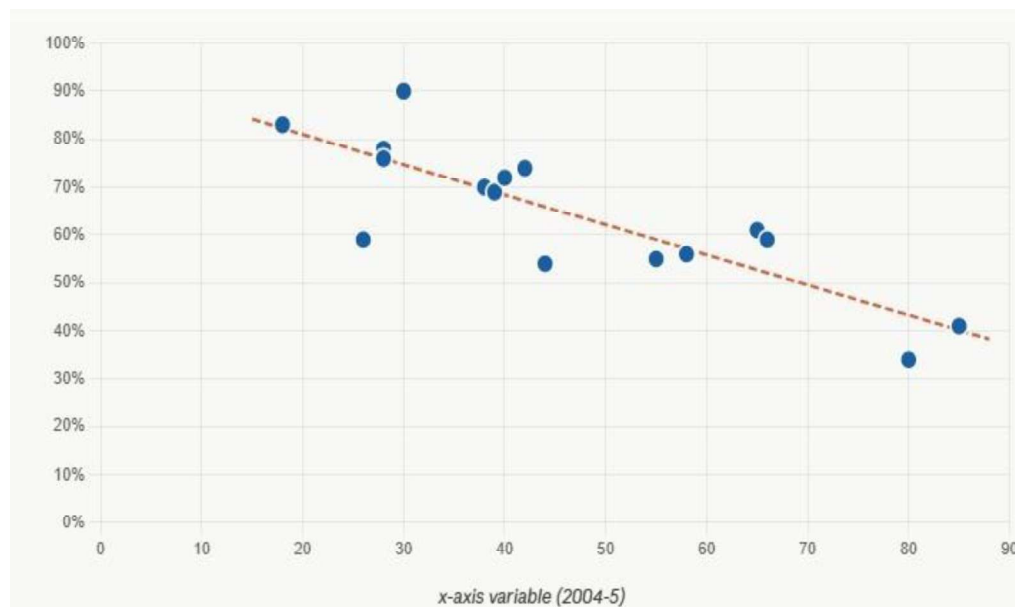
Source: [www.nrega.nic.in](http://www.nrega.nic.in).

During the epidemic years, reverse migration led to a significant rise in labor demand under MGNREGS, increasing from 265 crore person-days in 2019–20 to 389 crore in 2020–21 and 363 crore in 2021–22. Women accounted for approximately 53–54% of the workforce during this period. Bholane (2025)

explores how a rights-based approach functions in India's current social and economic landscape. While the findings remain preliminary, our comprehensive analysis reveals an underlying yet persistent hierarchy even among the targeted beneficiaries. For example, in Tamil Nadu, women and other marginalized socioeconomic groups had better access to employment opportunities, as a large number of men migrated to Kerala and Karnataka for seasonal agricultural work.

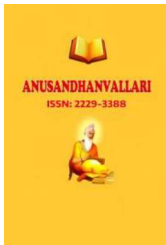
**Table: 2**

**Relation between initial gender gap in actual wages and women's participation in MGNREGA**



**Source: Primary Data**

The correlation between women's participation in MGNREGA and gender disparities in actual earnings reveals a significant negative relationship. When women's real wages in unskilled agriculture, as a percentage of men's wages (from Table 1), are plotted against women's MGNREGA participation in 2008–09 across various states, the results indicate that higher gender wage gaps correspond to greater female participation in MGNREGA. The regression analysis, with an adjusted R-square of 0.69 and a statistically significant coefficient at the 95% confidence level, supports this finding. This suggests that in states where the gender pay gap is wider, women are more inclined to join MGNREGA, which, at least in principle, guarantees minimum wages. Given that MGNREGA operates as a household entitlement, women may opt for MGNREGA employment while men seek alternative job opportunities. This study aligns with the findings of Madaswar, A. N., et al. (2025), which examine the constraints faced by beneficiaries in participating in the MGNREGA scheme.

**Impact of MGNREGS on Poverty:**

The effect of the Mahatma Gandhi National Rural Employment Guarantee Scheme's implementation on respondents' poverty in the research region is seen in Table 3.

**Table 3**  
**Impact of MGNREGS on Poverty**

Particulars	Before MGNREGS	After MGNREGS
Average monthly income of household	7951.56	10242.19
Number of earning members	412	524
Female members of household participating in income generation	183	306
% contribution by the female members in the total income of household.	25	41
Average monthly total expenditure	4200	5800
Average monthly expenditure on food items	3000	4200
Average monthly expenditure on non-food items	780	1150
Level of poverty - BPL	300	175

**Source:** Primary Data.

Participation in MGNREGS significantly influenced respondents' spending habits. Before enrolling in the program, the average monthly expenditure was Rs. 4200 on food, Rs. 3000 on non-food items, and Rs. 780 in total. After joining MGNREGS, these figures increased to Rs. 5800, Rs. 4200, and Rs. 1150, respectively. Among the 320 surveyed households, 300 were below the poverty line (BPL) prior to participation, but this number declined to 175 afterward. This suggests that MGNREGS contributed to poverty reduction and an increase in both income and spending. However, the households' monthly income showed little variation before and after joining the program. To assess whether the change in income is statistically significant, a Paired T-Test is conducted.

**Table 4**  
**Monthly Income Before and After Joining MGNREGS**

Monthly Income	Mean	Std. Deviation	Std. Error Mean
Before MGNREGS	7900.23	5300.859	308.247
After MGNREGS	10215.21	6459.499	359.021

**Source:** Primary Data.

Table 4 presents the mean, standard deviation, and standard error of the monthly income of families before and after joining MGNREGS. The data indicates that after enrolling in MGNREGS, families experienced an increase in their monthly income (M = 10,215.21, SD = 6,459.499) compared to their income prior to joining the program (M = 7,900.23, SD = 5,300.859).

**Table 5**

**Chi-Square Results for Poverty before joining and after joining MGNREGS**

Particular	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	15.166	1	0.000
Likelihood Ratio	20.144	1	0.000
Linear-by-Linear Association	15.118	1	0.000
N of Valid Cases	320		

Source: Primary Data

The null hypothesis, which posits no significant relationship between MGNREGS participation and poverty reduction among sample households, is rejected. This conclusion is based on a Pearson Chi-Square value of 15.166 with 1 degree of freedom, which is statistically significant at the 0.05 level ( $p < 0.05$ ). Consequently, a significant association between MGNREGS participation and poverty reduction is established. To assess the strength of this relationship between categorical variables, Cramer's V is utilized. With a Cramer's V value of 0.218, the correlation between MGNREGS participation and poverty reduction is found to be modest but meaningful.

**Table 6**

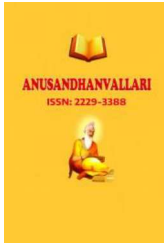
**Symmetric Measures**

Particular	Value	Approximate Significance
Phi	0.218	0.000
Cramer's V	0.218	0.000

Source: Primary Data.

**Conclusion**

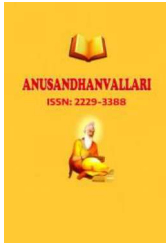
MGNREGA has been a transformative force in rural development, but to maximize its impact, policy reforms are essential to bridge implementation gaps. To enhance the scheme's efficiency, sustainability, and inclusivity, ensuring its continued role in shaping rural India's future. By promoting transparency, strengthening local governance, and fostering long-term economic resilience, MGNREGA can fully realize its potential as a cornerstone of India's rural development strategy. There is no doubt that MGNREGA has significantly contributed to improving the livelihoods of rural communities by guaranteeing at least 100 days of wage employment per financial year to households whose adult members are willing to undertake unskilled manual



work. Secondary data analysis indicates a rising participation of rural women in the scheme, with their employment percentage increasing consistently over the years. MGNREGA has emerged as a ray of hope for rural families, particularly by enhancing women's livelihood security. It has had a positive impact on women's participation in the workforce and their financial independence.

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