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A Study on the Impact of Mahatma Gandhi National Rural Employment Guarantee Act (Mgnrega) in Madurai District

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Abstract: The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) was one of India's major rural employment and livelihood-security programmes. It provided a statutory framework for wage employment to rural households and aimed to strengthen livelihood security, create durable rural assets, improve natural resources and promote social inclusion. The present study examines the impact of MGNREGA on the rural labour market, agricultural activities, employment opportunities and asset creation in Madurai District, Tamil Nadu. Particular reference is made to Usilampatti Taluk, where a published study surveyed 60 respondents using simple random sampling and personal interviews. The study used percentage analysis to examine the impact of MGNREGA on farming communities and rural labour markets. The findings reported that MGNREGA contributed to increases in agricultural labour wages, reduced seasonal migration, provided alternative employment during the agricultural lean season and contributed to rural asset creation. The study also found that the programme affected small and marginal farmers through changes in labour costs and availability. Broader research has identified associations between MGNREGA employment and women's economic empowerment and household decision-making. The study concludes that MGNREGA played an important role in rural employment and livelihood security in the Madurai region, although its effects on agriculture and labour markets were mixed.

Keywords: MGNREGA, rural employment, rural development, Madurai District, Usilampatti, agricultural labour, wage employment, livelihood security, women empowerment, rural labour market.

1. Introduction

India has historically depended heavily on its rural economy, with agriculture and casual labour providing important sources of livelihood for rural households. Seasonal unemployment, inadequate employment opportunities, low wages and migration have therefore been significant concerns in rural areas.

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) was introduced as a rights-based employment programme to strengthen livelihood security in rural India. Under its original framework, the programme provided a legal guarantee of at least 100 days of unskilled wage employment in a financial year to rural households whose adult members volunteered to undertake unskilled manual work. It also sought to create durable assets and strengthen the livelihood-resource base of poorer households.

The official MGNREGA framework emphasized four broad objectives: employment generation, livelihood security, creation of productive rural assets and social inclusion. It also sought to strengthen Panchayati Raj institutions through decentralized planning and implementation.

Madurai District provides an important setting for studying these issues because several rural communities in the district depend upon agriculture and wage labour. A particularly relevant published study was conducted in **Usilampatti Taluk of Madurai District**. Preetha and Kanimozhi selected 60 respondents through simple random sampling and collected information through personal interviews. Their study concluded that MGNREGA increased agricultural labour wages and affected agricultural activities, while also contributing to the creation of permanent assets. MGNREGA's impact was not restricted to employment. Research at the national level has examined its effects on women's empowerment and household decision-making. Rodriguez's 2022 study found

that increases in MGNREGA employment were associated with greater women's demand for credit and savings and reductions in certain measures of violence against women.

The present study therefore focuses on the employment, agricultural, labour-market and rural-development dimensions of MGNREGA in the Madurai region.

2. Statement of the Problem

Rural workers frequently face seasonal unemployment because agricultural employment is dependent on cropping patterns, rainfall and agricultural seasons. During periods of low agricultural activity, workers may have to migrate to other villages or urban areas in search of employment. MGNREGA was intended to provide an alternative source of employment during such periods. However, the implementation of an employment guarantee programme can also influence agricultural labour availability and wages. Farmers, particularly small and marginal farmers, may experience changes in labour costs and availability.

The published Usilampatti study found that 100% of its respondents reported an increase in agricultural labour wages after implementation of MGNREGA, while 93.34% considered MGNREGA wages competitive with agricultural wages. The same study also reported reductions in seasonal migration and the creation of permanent assets. Therefore, the problem addressed by this study is: "To study the impact of MGNREGA on employment, agricultural labour wages, migration, farming activities, rural asset creation and livelihood security among rural households in Madurai District."

3. Objectives of the Study

The objectives are:

1. To study the awareness of rural households regarding MGNREGA.
2. To examine the impact of MGNREGA on rural employment.
3. To study the impact of MGNREGA on agricultural labour wages.
4. To examine the effect of MGNREGA on small and marginal farmers.
5. To study the impact of MGNREGA on seasonal migration.
6. To examine the contribution of MGNREGA to rural asset creation.
7. To study the participation of women in MGNREGA.
8. To identify problems faced by MGNREGA beneficiaries.
9. To provide suggestions for improving rural employment programmes.

4. Review of Literature

4.1 Preetha and Kanimozhi (2022)

Preetha and Kanimozhi conducted a study entitled **"Study on Impact of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) on Farming Community and Rural Labour Market in Usilampatti Taluk of Madurai District."** The study selected 60 respondents using simple random sampling. Personal interviews were used for data collection and percentage analysis was used for interpretation. The researchers found that MGNREGA increased labour wages, affected agricultural activities and contributed to permanent asset creation. The study also reported that 100% of respondents felt that MGNREGA increased farm labour wages, 93.34% felt that MGNREGA wages were competitive with agricultural wages and 100% reported that seasonal migration had reduced.

4.2 Rodriguez (2022)

Rodriguez examined the relationship between MGNREGA employment and women's empowerment using district-level data across India. The study used a difference-in-differences approach and examined indicators including women's demand for microfinance and incidents of violence against women. The results indicated that increases in women's MGNREGA employment were associated with increased demand for credit and savings among women and reductions in certain forms of violence.

4.3 Tagat (2020)

Tagat examined the effect of a workfare programme on women's intra-household decision-making in rural India. The research used household survey data from five Indian states and reported changes in women's involvement in decisions concerning food consumption and child health following MGNREGS implementation

4.4 Rafi, Prasad and Naseef (2025)

A more recent national-level study examined the socioeconomic impacts of MGNREGA on households and communities, including employment, asset creation, financial inclusion and women's empowerment. The study demonstrates the continuing academic interest in assessing the broader socioeconomic consequences of India's rural employment guarantee programme.

4.5 Research Gap

Although several studies have examined MGNREGA at the national and state levels, there is value in examining its local effects because rural labour markets differ from one region to another. The Usilampatti study provides useful district-level evidence, but additional field research can examine beneficiary awareness, household income, women's participation, payment problems and satisfaction at the village level.

5. Methodology of the Study.

5.1 Research Design

The study follows a **descriptive and ex-post facto research design**. The approach is appropriate for examining the perceived and observed effects of an employment programme that has already been implemented.

5.2 Area of the Study

The study focuses on **rural areas of Madurai District**, with particular reference to **Usilampatti Taluk**.

It is important to distinguish Madurai District from Madurai City because MGNREGA was designed for rural households. Consequently, a study titled “MGNREGA in Madurai City” should preferably be reframed as **“MGNREGA in Madurai District”** or focus on rural administrative areas surrounding Madurai.

5.3 Sample Size

For the published Madurai-region study, the sample consisted of **60 respondents**. For a new student field survey, a sample of 100 beneficiaries may alternatively be selected, but the five charts below use the **published 60-respondent data**, not invented survey responses.

5.4 Sampling Technique

The published study used **Simple Random Sampling (SRS)**.

5.5 Sources of Data

Primary Data

Primary data may be collected from MGNREGA beneficiaries through a structured questionnaire/interview schedule.

Secondary Data

Secondary data for the study can be collected from various reliable sources, including publications and records of the **Ministry of Rural Development**, **MGNREGA official records**, government reports, research journals, previously published research studies, and district-level publications. These sources provide relevant information on employment generation, wage payments, beneficiary participation, rural development, asset creation, and the socio-economic impact of MGNREGA. The secondary information helps to understand the implementation and outcomes of the programme and provides a basis for comparing and interpreting the findings of the present study.

5.6 Data Collection Method

A structured questionnaire can be administered through personal interviews with selected respondents.

6. Tools Used for the Study

The study uses various statistical and research tools for systematic data collection and analysis. **Percentage analysis** is used to describe the responses of the respondents and to present the data in a simple and understandable form, with the percentage calculated using the formula **Percentage = (Number of respondents / Total number of respondents) × 100**. A **structured questionnaire** is used as the primary data-collection instrument to obtain information regarding the demographic characteristics of respondents, awareness of MGNREGA, employment received, wage payments, agricultural employment, migration, household income, women's participation, asset creation, problems and satisfaction. The **Chi-Square test** may be applied to examine the association between variables such as gender and awareness of MGNREGA, education and awareness, MGNREGA participation and income improvement, and employment days and household income. In addition, **Mean and Standard Deviation** may be used to analyse numerical variables such as the number of employment days, household income and expenditure, thereby helping to identify the average value and degree of variation among the respondents.

6. Analysis and Interpretation of Data

The data presented in the following five charts are derived from the findings of a previously published study involving 60 respondents from Usilampatti Taluk, Madurai District.

Chart 1: Impact of MGNREGA on Agricultural Labour Wages

Response	Respondents	Percentage
Yes	60	100%
No	0	0%
Total	**60**	**100%**

Interpretation

The table shows that all 60 respondents reported that MGNREGA had increased agricultural labour wages. This indicates a strong perceived relationship between the introduction of MGNREGA employment opportunities and local agricultural wage levels in the study area.

Chart 2: MGNREGA Wage Compared with Agricultural Wage

Response	Respondents	Percentage
MGNREGA wage is competitive	56	93.34%
Not competitive	4	6.67%
Total	**60**	**100%**

Interpretation

The majority of respondents, 93.34%, considered MGNREGA wages competitive with agricultural wages. This suggests that MGNREGA provided workers with an alternative wage-employment opportunity and potentially strengthened their bargaining position in the rural labour market.

Chart 3: Reduction in Seasonal Migration

Response	Respondents	Percentage
Migration reduced	60	100%
No reduction	0	0%
Total	**60**	**100%**

Interpretation

All respondents reported that seasonal migration to urban areas and other villages for employment had reduced following MGNREGA implementation. This finding suggests that locally available employment during the agricultural lean season provided an alternative to migration.

Chart 4: Preference for MGNREGA During the Lean Agricultural Season

Response	Respondents	Percentage
Prefer MGNREGA during lean season	60	100%
Do not prefer MGNREGA	0	0%
Total	**60**	**100%**

Interpretation

All respondents preferred MGNREGA work during the agricultural lean season. This indicates that the programme served as an alternative source of employment when agricultural employment opportunities were relatively limited.

Chart 5: Creation of Permanent Rural Assets

Response	Respondents	Percentage
Positive impact on asset creation	60	100%
No positive impact	0	0%
Total	**60**	**100%**

Interpretation

All respondents in the published study reported a positive impact of MGNREGA activities on the creation of permanent assets and improvement of agricultural resources. This represents an important dimension of MGNREGA because the programme was intended to combine employment generation with the creation of productive and durable rural assets.

7. Findings of the Study

Based on the published evidence from Usilampatti Taluk, the following findings are identified:

1. **Increase in agricultural labour wages:** All 60 respondents reported that MGNREGA had increased agricultural labour wages.
2. **Competitive wages:** 93.34% of respondents stated that MGNREGA wages were competitive with agricultural wages.
3. **Effect on small and marginal farmers:** All respondents reported that small and marginal farmers were affected by the changes associated with MGNREGA.
4. **Reduction in seasonal migration:** All respondents reported a reduction in migration to urban areas and other villages for employment.
5. **Alternative employment:** MGNREGA provided an alternative employment opportunity during the agricultural lean season.
6. **Labour bargaining power:** The published study reported that MGNREGA strengthened workers' bargaining position with landowners.
7. **Rural asset creation:** The study reported positive effects on the creation of permanent assets and agricultural resources.
8. **Women's economic participation:** Broader Indian research indicates that MGNREGA employment can contribute to women's economic empowerment and participation in household decisions.
9. **Mixed agricultural effects:** Although MGNREGA provided benefits to rural workers, the published Madurai study also found effects on agricultural activities and labour costs, creating challenges particularly for small and marginal farmers.

8. Suggestions of the Study

1. **Improve awareness:** Rural households should receive clear information about employment rights, job cards, wages and grievance procedures.
2. **Ensure timely wage payments:** Wage payments should be made without unnecessary delays.
3. **Provide adequate employment:** Employment should be made available to eligible households when work is demanded under the applicable programme rules.
4. **Improve worksite facilities:** Drinking water, shade, first aid and other basic facilities should be provided at worksites.
5. **Strengthen women's participation:** Women should have equal access to employment opportunities and safe working conditions.
6. **Improve asset quality:** Employment-generating works should result in durable and useful community assets.

7. **Strengthen social audits:** Greater transparency in attendance, expenditure, work allocation and wage payments can improve accountability.
8. **Improve grievance mechanisms:** Beneficiaries should know where complaints can be registered and how they will be resolved.
9. **Coordinate rural employment with agriculture:** Employment activities should be planned carefully so that they complement agricultural development where permitted by the programme framework.
10. **Special attention to vulnerable households:** Landless labourers, women-headed households, small farmers and economically vulnerable groups should receive appropriate attention.

9. Conclusion

MGNREGA was an important rural employment and livelihood-security programme in India. Its original framework combined guaranteed wage employment with the creation of productive rural assets and strengthening of the livelihood-resource base.

The evidence from Usilampatti Taluk in Madurai District indicates that the programme had significant effects on the rural labour market. The published study found increases in agricultural labour wages, competitive MGNREGA wages, reductions in seasonal migration, alternative employment during lean agricultural periods and positive effects on permanent asset creation.

At the same time, the programme had implications for small and marginal farmers because changes in labour wages and availability could affect agricultural activities. Therefore, its impact should be understood as having both employment and labour-market dimensions.National research further indicates that MGNREGA employment could contribute to women's economic empowerment and household decision-making.

For an academic study of Madurai, the evidence supports the conclusion that MGNREGA was an important mechanism for providing rural employment and influencing the local labour market. However, findings from Usilampatti should not automatically be generalized to every rural area of Madurai District. Village-level differences in agriculture, employment demand and implementation can produce different outcomes.

Current policy context: Since July 1, 2026, the Government of India states that MGNREGA has been replaced by the Viksit Bharat–G RAM G Act, 2025. Consequently, a present-day research paper should clearly identify whether it is studying the historical impact of MGNREGA or the current rural employment framework.

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