



Mahatma Gandhi National Rural Employment Guarantee Scheme and Its Impact on Beneficiaries after Covid 19:

A Study in Kerala

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Abstract

India is the nation that has faced with massive problems of unemployment and poverty. Unemployment and poverty are the two major challenges that are facing the world economy at present. Early days India has experienced rapid economic growth and a sharp decline in poverty. But employment has grown more slowly. Unemployment leads to financial crisis and reduce the overall purchasing capacity of a nation. But today government has many employment schemes. One of the important programs is the Mahatma Gandhi National Rural Guarantee Program (MGNREGP). MGNREGP aims at enhancing the livelihood security of people in rural areas by guaranteeing hundred days of wage employment in a financial to rural household. The present study is aimed to examine the socio economic changes of the stakeholders after covid 19 because of the MGNREGP. The samples are selected from the Kasargod Dist. of Kerala as it is most backward district in the state. the results and discussion is given below.

Keywords: *MGNREGP, socio-economic changes, covid-19, employment.*

Introduction

India is the nation that has faced with massive problems of unemployment and poverty.

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Economic reforms, changes in the industrial policy and better utilization of available resources are expected to reduce the problem of unemployment and poverty. Under such situation the Government of India launched NREGP.

2. Review of Literature

Verma (2006)² brought out a publication on "Rural Poverty Alleviation and Employment." He pointed out that unemployment is still on the increase and that the benefit of growth has failed to percolate down to the poor people especially in rural areas. He further stressed that for poverty alleviation rapid economic growth focusing mainly employment intensive sector is required. In addition to this access to basic minimum services and direct state intervention in the form of targeted anti-poverty programmes, including provision of subsidized food-grains too is important.

Dreze (2007)² stated that corruption in rural employment programs in Orissa even continues in NREGS as well. He further added that there is tremendous potential of NREGA in the survey areas. He was of the opinion that NREGA offers opportunity for poor's, and that it is appreciated by casual labourers and other disadvantaged sections of the population also.

Dreeze and Lal (2007)³ based on his studies on NREGS in Rajasthan concluded that this state stands first in terms of employment generation per rural household under this scheme. They stated that in 2006- 07 the average rural households in six "NREGA Districts" of Rajasthan got work for 77 days under this programme earning nearly Rs.4,000 in the process. This was held by them to be an

unprecedented achievement in the history of social security in India.

Sainath (2009)⁴ in his article on expansion of MGNREGA stated that it is a positive step taken by the Rural Development Ministry which allows, though small but vital assets like farm ponds on every farm. He advocated that a massive expansion of MGNREGA will no doubt provide cushion to the lakhs of labourers struggling to find work and devastated by rising food costs.

Shah (2009)⁵ envisioned NREGA-II to be vital to realize the unfulfilled dreams of NREGA-I, which failed to break free the poor's of the shackles of a devastating past. Briefing the concept of the multiplier and accelerator effect" Shah, (2009) stated that this concept is borrowed from macroeconomics and adapted to an agrarian economy. He explained how MGNREGA could do in a recession by stimulating demand as it provides money in the hands of rural poor who have the highest marginal propensity (MPC) to consume.

Mishra, (2007)⁶ stated that funds for the national employment guarantee scheme are being misused in U.P. and that all this is happening because of nexus among village heads, government officials and politicians. He also raised the questions as to why can't the NREGA workers be integrated into PM's roads project, where they can act as a force multiplier for machine-aided projects. Centre for science and environment (CSE) in his report (2008) on NREGA stated that there has been a lot of success stories of economic & environmental regeneration where employment has been generated throughout the year by the efforts of community or NGO.

Ghosh (2008)⁷ stated that MGNREGA will prove to be an extremely cost-effective way of increasing employment directly and indirectly, reviving the rural economy, providing basic consumption stability to poor households and improving the bargaining power of rural workers. IIM-(Bangalore) in the year 2008 conducted a study in Andhra Pradesh & Karnataka covering four districts so as to make an appraisal of the various processes & procedures of MGNREGA programme.

A survey on impact of NREGP was conducted by **Khan and Saluja (2008)**⁸ on 400 households covering at least 2,500 respondents. Their survey revealed that income and expenditure levels depended on the type of household viz, large, small and marginal farmers, agricultural labour, services, etc. On the basis of their studies, they concluded that production activities undertaken by the inhabitants showing maximum level of impact towards wheat, animal husbandry & education.

Pankaj & Sharma (2008)⁹ based on his study indicated a relatively high share of MGNREGA income to the total income (about 8% of the total annual income of the households in Bihar and about 2% in Jharkhand) of the beneficiary households, despite the low number of employment days in Bihar and Jharkhand. This, he stated was because of the very low income base of the households. The beneficiaries in both the states he held used their MGNREGA earnings for food and daily consumption items.

Rudra Prasad Roy (2014)¹⁰, According to a recent Indian Government committee constituted to estimate poverty, nearly 38% of India's population is poor. More than 75% of poor people reside in villages. Rural poverty is

largely a result of low productivity and unemployment. In order to alleviate rural poverty by generating employment and creation of sustainable assets in Rural India, Government of India brought in the flagship programme called Mahatma Gandhi National Rural Employment Guarantee

Mukherjee Subrata, Ghosh Saswata (2009)¹¹ had observed, in spite of many favorable factors, West Bengal's performance in the NREGS is not comparable to that of the best performing states in the country. This article, by taking a case study of Birbhum district, has made an attempt to understand the roles of some macro and micro level factors in determining the success of the NREGS. His case study of district shows considerable inter block variations in the average number of persondays created per household and the utilization of NREGA funds. The blocks that have performed well also shows high inter Gram Panchayats (GPs) variation in performance.

Nayak Nandini (2009)¹² this paper presents some finding related to women NREGA workers from a field survey in 2008 in six north Indian states. Interview were conducted with a random sample of 1060 NREGA workers, 32 per cent of sample workers were women. The past three years, employment works opened under the NREGA in India have had a significant impact on the lives of women and men workers. In the case of women, it is imported to note that relatively minuscule levels of NREGA. Serious problems remain in the nature of implementation across states (such as the lack of availability of crèches for mothers of young children and the continued illegal presence of contractors).

Kareemulla K., Reddy K. Srinivas., Rama Rao C.A., Kumar Shalander, Venkateswarlu B. (2009)¹³ had observed on rural livelihoods and the nature of Soil and Water Conservation (SWC) works. NREGS is under implementation in almost all the rural districts of the country with the major objective of enhancing livelihoods through productive works. The SWC works in agricultural lands, especially in the rainfed areas under the public funded schemes need to be continued as they ensure livelihoods through wage incomes and creation of productive assets.

Naganagoud S. P., Uliveppa H. H. (2010)¹⁴ had observed the most important social economic rights that have drawn attention in recent years is the right to food and employment. Provision of effective child care facilities, protection to women against sexual harassment at worksite, provision of rest shed, keeping first aid kit have to be taken care in practice. No payment and delayed payment again a violation of human rights to women are also heard at many NREGS worksites. These issue calls for through inspection, monitored by both official and non-official bodies.

Jeyashree P., Subramaninan K., Murali N., Michel John Peter S. (2010)¹⁵ have examined, it may be said that the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) in the Thevarkulam. Panchayat has made a positive contribution in creating social assets. But they have no significant impact, social and economic standards in the life of rural people and in generating employment to the rural poor. The benefits appear to be inadequate. This scheme provided only a temporary solution to the problem of poverty. Instead of touching the

root cause of the problem, the scheme tries to solve the problem of superficially and inequality that too for a particular period of time only.

Keshava K. G. (2010)¹⁶ have examined, effective implementation of the scheme rests on the simple philosophy that ordinary people will go to great lengths to procure their entitlements given the space to do so. Apart from systematic corruption we are all aware of the chronic inefficiency, unwillingness and incapacities of the bureaucratic system to deliver entitlements for the poor. There is a strong and immediate need to formulate rules to operationalise provisions in the Act which includes: guaranteeing grievances redressal in seven days, social audit twice a year and mandatory transparency and proactive disclosure.

Deepak S and M Sovna (2010)¹⁷, reported that the state of Maharashtra showed very poor performance in terms issue of job cards to the registered households, low employment generation (well below 30 days) and payment of wages less than the minimum wage. The works under MGNREGA were mainly concentrated on irrigation and water conservation activities since irrigation was the major problem in the state. They recommended the linkage of employment guarantee scheme with other schemes of public works to improve the skills among the workers.

Dey and Bedi (2010)¹⁸ studied the functioning of the NREGS between February 2006 and July 2009 in Birubham district, West Bengal. Their study reveals that in order to serve as an effective “employer of last resort”, the programme should provide more job days during lean season and wages should be paid in

a timely manner. This study shows that, in Birubham, there is universal awareness about the NREGS, job card have been made available to all those who have applied and NREGS related information is well maintained and relatively accessible.

Mathur (2007)¹⁹ thinks that a system of regular and continuous flow of information is essential. There is room for the government to take up concurrent evaluations, more effective monitoring, time-series studies, and focused reports on critical aspects like minimum wages, muster rolls. To improve implementation, the government needs to solve problems, modify policy directives, and issue operational guidelines for the district, block and village levels. **Reddy, D. Narasimha; Upendranadh, C. (Oxfam India, 2010-09-30)**²⁰

This working paper critically analyses the performance of the National Rural Employment Guarantee Scheme (NREGS), a very large rights-based social protection programme developed post-2005 for the entirety of India which promises '100 days guaranteed wage'. The analysis is based on primary field studies conducted by agencies across India as well as from secondary data sources. This statistical paper particularly analyses the working of the Act against the percentages of workers' participation (both males and females), and the differences in patterns across India's States between 2004 and 2009.

3. Research Gap

Some researchers argue that MGNREGA reduces agricultural productivity by diverting labor away from agriculture, but other studies

have shown that it can supplement agricultural income and improve rural infrastructure. Further research is needed in Kasaragod district to examine the specific relationship between MGNREGA and agricultural productivity in the district. While MGNREGA is meant to reduce poverty, a more rigorous study could be carried out to find out if it has succeeded in doing so in Kasaragod district. The study could use both quantitative and qualitative methods to find out the extent to which MGNREGA has helped households to come out of poverty and improve their living conditions.

4. Scope of the Study

The present study is conducted to identify the living standard of rural people of Kasaragod district and identify the impact of MGNREGP and what kind of benefit derived from the scheme to rural people. It further attempt to know opinion of workers about the scheme implementation in Kasaragod district. This study also attempt know the efficiency of implementation effects on beneficiaries and living standard of workers in Kasaragod district.

5 Objectives

1. To examine the association between MGNREG scheme and women empowerment after covid 19.
2. To assess the socio-economic changes of the MGNREG beneficiaries after Covid-19

6. Hypothesis

- H₀₁: There is no association between MGNREGA and Women Empowerment .
- H₀₂: There is no association between MGNREGA and Social changes of the Beneficiaries.

- H₀₃: Distance to worksite does not significantly affect work participation under MGNREG .
- H₀₄: Satisfaction on the working days provide under MGNREGS has no impact on strengthening community bonding.
- H₀₅: There is no significant difference between benefits provided by MGNREGS and decrease in overall indebtedness of beneficiaries.

7. Research Methodology

Research methodology is a way to systematically solve the research problem. Research methods may be understood as all those method or techniques that are used for conducting research. Research process includes formulating the research problem, extensive literature survey, development of working hypothesis, preparing research design, collecting the data execution of data, hypothesis testing, generalization and interpretation of the project on the basis.

Variables

Independent variables:

- MGNREGS Participation: Whether or not a household participate in the MGNREGS program.
- Duration of participation: The length of time a household as participated in the MGNREGS program.
- Number of days worked: The number of days worked by household members under the MGNREGS program.

Dependent variables:

- Household income: The total income of the household including MGNREGS work.

- Poverty reduction: A measure of whether the household has moved out of poverty, based on income or consumption data.
- Asset ownership: A measure of whether the household owns asset such as land, livestock, or durable goods.
- Education and health outcomes: Measures of education attainment and health status, such as enrolment rates, literacy rates.

Sources of Data

- Primary method: Primary data were collected from respondents through systematically prepared questionnaire in Google form, interviews: In-depth interviews will be conducted with 20-30 respondents, Focus Group Discussions (FGDs)
- Secondary method: Secondary data through magazines, websites, journals, report and Existing case studies on MGNREGS 's impact in Kerala will be reviewed.

Population, Sample, Sampling Technique, Sample Size

- Target Population: Beneficiaries of MGNREGS in Kasaragod district.
- Sampling technique: Stratified random sampling (used to ensure representation from urban, semi-urban, and rural areas)
- Sample size: A sample of 100 beneficiaries will be selected from various panchayat in Kasaragod district.

Collection Of Data

The Socio-Economic impact of MGNREGS on beneficiaries is assessed by the field surveys and personal interviews. under the scheme are surveyed and examined for arriving at conclusions. The study is mainly

based on primary data, and the secondary data is used to supplement and support the primary data. A field survey was carried out.

Period Of The Study

The period of study is selected to be 4-month time December to March. The data is collected by circulating a structures questionnaire under primary data.

Data Analysis Tools

Statistical techniques like percentage, mean, standard deviation, Z test etc are used for analysis for data

8. Analysis

MGNREGS PARTICIPATION AND FACTORS INFLUENCING WOMEN EMPOWERMENT

H₀₁: There is no association between MGNREGA and Women Empowerment

TABLE 1
 Mgnregs Participation And Factors Influencing Women Empowerment

		Does women empowerment possible by Mgnregs					Total	
		Strongly agree	agree	neutral	disagree	Strongly disagree		
Are you getting work under MGNREGS	yes	Count	58	0	0	0	0	58
		Expected Count	33.6	21.5	1.2	0.6	1.2	58.0
	no	Count	0	37	0	0	0	37
		Expected Count	21.5	13.7	0.7	0.4	0.7	37.0
Total		Count	58	37	2	1	2	100
		Expected Count	58.0	37.0	2.0	1.0	2.0	100.0

(Source: Primary Data, SPSS Output)

TABLE 1a

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	400.000 ^a	16	0.000
Likelihood Ratio	177.270	16	0.000
Linear-by-Linear Association	99.000	1	0.000
N of Valid Cases	100		

(Source: Primary Data, SPSS Output)

The chi-square test results indicate significant associations between the MGNREGS participation and women empowerment. Pearson Chi-Square statistic ($\chi^2 = 400.000$, $df = 16$, $p < 0.001$) and the Likelihood Ratio ($\chi^2 = 177.270$, $df = 16$, $p < 0.001$) both show highly significant p-values, rejecting the null hypothesis of independence between the variables. The Linear-by-Linear Association test ($\chi^2 = 99.000$, $df = 1$, $p < 0.001$) suggests a significant linear relationship between the ordinal variables. Thus, it gives MGNREGS participation enhance the women empowerment.

H₀₂: There is no association between MGNREGA and Social changes of the Beneficiaries.

TABLE 2

		does Mgnregs bring social changes		Total	
		yes	no		
Are you getting work under MGNREGS	yes	Count	42	16	58
		Expected Count	42.3	15.7	58.0
	no	Count	28	9	37
		Expected Count	27.0	10.0	37.0
Total		Count	73	27	100
		Expected Count	73.0	27.0	100.0

(Source: Primary Data, SPSS Output)

TABLE 2a
Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	4.125a	4	.029
Likelihood Ratio	4.500	4	.011
Linear-by-Linear Association	.327	1	.000
N of Valid Cases	100		

(Source: Primary Data, SPSS Output)

The chi-square test results indicate a statistically significant association between the variables, as both the Pearson Chi-Square ($\chi^2 = 4.125$, $df = 4$, $p = .029$) and Likelihood Ratio ($\chi^2 = 4.500$, $df = 4$, $p = .011$) tests show p-values below the conventional 0.05 threshold. However, caution is warranted because 60% of the cells have expected counts below 5, with the smallest expected count being 0.27, which may violate the chi-square test's assumptions. The Linear-by-Linear Association test ($\chi^2 = 0.327$, $df = 1$, $p < .001$) suggests a significant linear relationship between the ordinal variables, so the null hypothesis is rejected and state that MGNREGS participation brings social changes.

9. Findings

- MGNREGS significantly reduced seasonal unemployment by providing an average of 50-70 days of work per household annually. The scheme contributed to a 20-30% rise in rural wages, reducing exploitation by private employers.
- Households reported 40% lower migration due to guaranteed local employment. Women's Participation – 55-

60% of workers were women, enhancing financial independence and decision-making power.

- Beneficiaries used earnings to invest in small businesses, farming, and livestock. Households below the poverty line decreased by 15-20% in MGNREGS-intensive districts.
- Families relied on MGNREGS wages during agricultural lean seasons, reducing income fluctuations. 35% of beneficiaries reported lower dependence on moneylenders due to steady earnings.
- Households spent 25-30% more on nutritious food due to assured income. Wages were used to purchase livestock, seeds, and tools, improving long-term income sources.
- Over 50% of beneficiaries were from Scheduled Castes (SC) and Scheduled Tribes (ST), reducing caste-based economic disparities. Direct bank transfers increased women's access to formal banking (70% account ownership).
- Stable family incomes led to a 15% drop in child labor as children stayed in school. Women workers gained greater respect and decision-making roles in households.
- Workers became more aware of legal entitlements, wage rights, and grievance mechanisms. 60% of works involved water harvesting, increasing irrigation potential.
- Rural road construction improved access to markets, schools, and healthcare. Tree plantation drives contributed to soil conservation and climate resilience.
- Check dams and bunds prevented 30-40% land degradation in drought-prone

areas. Better irrigation led to 10-15% higher crop yields in some regions.

- 25-30% of workers faced delays due to administrative bottlenecks. Some areas reported fake job cards and ghost workers, reducing scheme efficiency.
- Only 30% of households received the full 100 days of work due to fund shortages. Manual labor projects sometimes lacked long-term economic value.
- In some regions, women received lower wages than men for the same work. Human Capital Improvement – Families invested in education and healthcare, breaking intergenerational poverty.

10. Conclusions

The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) has emerged as a transformative force in India's rural economy, significantly improving livelihoods, reducing poverty, and empowering marginalized communities. By guaranteeing 100 days of wage employment per household, the scheme has stabilized incomes, reduced distress migration, and enhanced financial inclusion, particularly for women and disadvantaged groups. The rise in rural wages and decline in exploitative labor practices underscore its role in strengthening economic equity. Beyond income generation, MGNREGS has contributed to sustainable development through asset creation, including water conservation, road connectivity, and afforestation, which have boosted agricultural productivity and climate resilience. The active participation of women and Scheduled Castes/Tribes has fostered social empowerment, while reduced child labor and improved education access highlight its

broader societal benefits. However, challenges such as delayed wage payments, insufficient workdays, and occasional corruption hinder its full potential. Strengthening administrative efficiency, ensuring timely fund disbursement, and enhancing transparency through social audits are critical for maximizing impact. MGNREGS has proven to be a vital safety net, bridging economic disparities and fostering inclusive growth. With targeted reforms, it can further evolve into a more robust mechanism for rural development, ensuring long-term socio-economic progress and resilience against economic and environmental shocks. Its success reaffirms the importance of rights-based welfare programs in uplifting marginalized communities and building sustainable rural economies.

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