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**AN ANALYTICAL STUDY ON THE EFFECTIVENESS OF MAHATMA  
GANDHI NATIONAL RURAL EMPLOYMENT GUARANTEE  
SCHEME IN TAMIL NADU WITH SPECIAL REFERENCE TO ERODE  
DISTRICT**

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## **ABSTRACT**

The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) is a flagship rural development programme aimed at providing guaranteed wage employment and improving the livelihood security of rural households in India. This study focuses on analyzing the effectiveness of MGNREGS in Tamil Nadu, with special reference to Erode District. The study is based on both primary and secondary data. Primary data were collected from 120 beneficiaries of MGNREGS in selected rural areas of Erode District using a structured questionnaire and personal interviews. Secondary data were gathered from government publications, official MGNREGS reports, journals, and related research articles. The population of the study consists of all registered MGNREGS beneficiaries in Erode District, from which a representative sample was selected using convenient sampling methods. To analyze the data, appropriate statistical tools such as percentage analysis, mean score analysis, and chi-square tests were employed. These tools helped in examining the relationship between demographic factors and beneficiary satisfaction, as well as evaluating the overall effectiveness of the scheme. The study concludes that MGNREGS has been effective in improving the socio-economic conditions of rural households in Erode District. However, strengthening implementation, ensuring timely wage payments, and improving awareness among beneficiaries are essential to enhance its overall effectiveness.

**KEYWORDS:** *MGNREGS, Rural Employment, Employment Guarantee Scheme, Wage Employment, Socio-Economic Development, Women Empowerment, Government Scheme.*

## **INTRODUCTION**

The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) is a landmark rural development initiative introduced by the Government of India in 2005 with the objective of enhancing livelihood security in rural areas. The scheme guarantees a minimum of 100 days of wage employment per year to every rural household willing to undertake unskilled manual work. It not only aims to reduce rural unemployment and poverty but also focuses on creating durable assets and strengthening the rural economy. In the context of Tamil Nadu, MGNREGS has been implemented effectively compared to many other states, owing to better administrative mechanisms and higher awareness among rural populations. The state has consistently recorded high participation rates, particularly among women, thereby contributing to gender empowerment and financial inclusion. Rural districts such as Erode District have witnessed notable progress in employment generation and infrastructure development under the scheme.

Despite its achievements, several challenges continue to affect the overall effectiveness of MGNREGS. Issues such as delays in wage payments, lack of transparency, insufficient awareness among beneficiaries, and administrative bottlenecks hinder the optimal functioning of the programme. Moreover, variations in implementation at the district level necessitate a focused analysis to understand the ground realities. Against this background, the present study attempts to analyze the effectiveness of MGNREGS in Tamil Nadu with special reference to Erode District. The study examines key aspects such as employment generation, income improvement, asset creation, and beneficiary satisfaction. It also seeks to identify the challenges in implementation and suggest measures to enhance the efficiency of the scheme. Through this analysis, the study aims to contribute to a better understanding of the role of MGNREGS in promoting sustainable rural development.

## **Rural Employment under MGNREGS**

Rural employment refers to the availability of job opportunities in rural areas that help individuals earn a stable income and improve their standard of living. In India, rural employment is significantly supported by the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), which aims to provide livelihood security to rural households. The scheme guarantees a minimum of 100 days of wage employment per year to

adult members willing to engage in unskilled manual work. MGNREGS plays a vital role in addressing seasonal unemployment, especially during non-agricultural periods when job opportunities are limited. It helps reduce rural poverty by ensuring a steady flow of income and minimizes migration from villages to urban areas in search of work. The scheme also promotes inclusive participation by providing equal employment opportunities to women, Scheduled Castes, and other marginalized groups. In addition to generating employment, MGNREGS contributes to rural development through the creation of durable assets such as roads, irrigation facilities, water conservation structures, and land development projects. These assets enhance agricultural productivity and support long-term economic growth in rural areas. MGNREGS serves as an important tool for strengthening rural employment, improving livelihood security, and promoting sustainable development in India.

**Employment Guarantee Scheme – MGNREGS :** An Employment Guarantee Scheme is a government initiative designed to provide assured job opportunities to individuals, particularly in rural areas, to ensure livelihood security and reduce poverty. In India, the most prominent example is the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), which guarantees a minimum of 100 days of wage employment per year to every rural household willing to undertake unskilled manual work.

**Table No:1.1.**

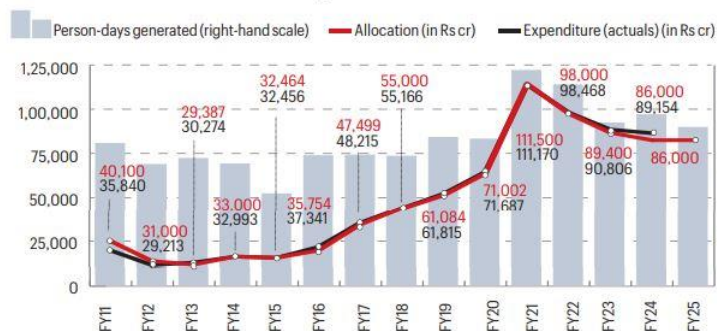
S.No	Particulars	Details
1	Scheme Name	(MGNREGS)
2	Year of Launch	2005
3	Implemented By	Government of India
4	Objective	To provide livelihood security by guaranteeing wage employment to rural households
5	Coverage	All rural districts across India
6	Employment Guarantee	Minimum 100 days of wage employment per year
7	Type of Work	Unskilled manual work (e.g., road construction, water conservation, land development)
8	Target Group	Rural households, especially poor and marginalized sections
9	Wage Payment	Paid as per state minimum wage rates through bank/post office accounts
10	Women Participation	At least one-third beneficiaries should be women

## Wage Employment under Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)

Wage employment refers to a type of work where individuals receive monetary payment (wages) in return for their labor or services. It is one of the most common forms of employment, especially in rural and unorganized sectors, where people depend on daily or periodic wages to meet their basic needs. Wage employment can be either temporary or permanent and may include agricultural labor, construction work, and government-supported employment programs.

In the rural context, wage employment plays a vital role in ensuring income stability for households that do not own land or have limited resources. Government initiatives such as the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) provide wage employment opportunities by offering paid work for unskilled manual labor. This helps reduce poverty, unemployment, and seasonal migration. Wage employment not only supports day-to-day living expenses but also contributes to overall economic development by increasing purchasing power and improving the standard of living. It is especially important for marginalized groups, as it provides them with financial security and better access to essential services such as education and healthcare.

### DIP IN MGNREGS WORK, EXPENDITURE



### A GRADUAL DECLINE

	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026*
Average days of employment provided per household	51.52	50.07	47.83	52.08	50.24	35.52
Average wage rate (per day, per person in Rs.)	200.71	208.84	216.57	235.63	252.68	266.98
Households that completed 100 days of wage employment	71,97,090	59,14,761	35,96,873	44,94,352	40,70,289	6,74,864
Total households that worked (cr)	7.55	7.25	6.18	5.99	5.78	4.71
Total individuals who worked (cr)	11.19	10.61	8.75	8.34	7.88	6.25

\*TILL DECEMBER 12, 2025; SOURCE: UNION BUDGET; NREGA MIS

### THE PROPOSED FUNDING PATTERN



**90% BY CENTRE, 10% BY STATES**  
**Northeast & Himalayan states and UT**  
 Arunachal Pradesh, Assam, Himachal Pradesh, Jammu & Kashmir, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura and Uttarakhand.

**60% BY CENTRE, 40% BY STATE**  
**All other states and UTs with legislature**  
 Andhra Pradesh, Bihar, Chhattisgarh, Goa, Gujarat, Haryana, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Odisha, Punjab, Rajasthan, Tamil Nadu, Telangana, Uttar Pradesh, West Bengal and Puducherry.

**100% BY CENTRE**  
**Four UTs without legislature**  
 Ladakh, Andaman and Nicobar, Dadra Nagar Haveli and Daman and Diu, and Lakshadweep

Source: The Indian express.com

### **Objective of the study**

- To examine the implementation of the Mahatma Gandhi National Rural Employment Guarantee Scheme in Tamil Nadu with special reference to Erode District.
- To analyze the effectiveness of MGNREGS in generating wage employment opportunities for rural households.
- To study the role of MGNREGS in reducing rural poverty and migration.
- To assess the participation and empowerment of women under the scheme.

### **Scope of the Study**

The present study focuses on analyzing the effectiveness of the Mahatma Gandhi National Rural Employment Guarantee Scheme in improving the socio-economic conditions of rural people in Tamil Nadu, with special reference to Erode District. The scope of the study includes examining how the scheme provides wage employment opportunities to rural households and contributes to their income stability. The study covers various dimensions such as employment generation, level of income, standard of living, and reduction of poverty among beneficiaries. It also focuses on the role of MGNREGS in empowering women by increasing their participation in rural employment activities. Additionally, the study evaluates the creation of rural assets like roads, irrigation facilities, and water conservation structures, and their impact on agricultural productivity. The study is limited to selected rural areas of Erode District, which helps in obtaining detailed and specific insights. The study is based on both primary and secondary data, including surveys, government reports, and official records related to MGNREGS implementation. Furthermore, the study examines the challenges faced in the implementation of the scheme, such as delays in wage payments, lack of awareness, and administrative issues. It also attempts to provide suggestions for improving the effectiveness and efficiency of the scheme.

### **RESEARCH METHODOLOGY**

The research methodology adopted for this study is based on a descriptive and analytical research design to evaluate the effectiveness of MGNREGS. Primary data is collected from beneficiaries through structured questionnaires and personal interviews in selected rural areas of Erode District. Secondary data is obtained from reliable sources such as government reports, journals, and official publications related to MGNREGS. A simple random sampling method is used to ensure fair selection of respondents, and the sample size consists of 100 individuals. The collected data is analyzed using basic statistical tools such as percentage

analysis, tables, and charts to present clear and meaningful results. This methodology helps in understanding the real impact of the scheme on employment generation, income level, and living conditions of rural people.

### Statistical Tools – Regression Analysis

Regression Analysis is used as a statistical tool to examine the relationship between variables in the study of the Mahatma Gandhi National Rural Employment Guarantee Scheme. It helps to analyze how independent variables such as employment days, wages, and participation influence dependent variables like income level and standard of living. By using regression, the study can identify the extent to which MGNREGS contributes to socio-economic development in Erode District. This method provides more accurate and reliable results by showing cause-and-effect relationships and predicting outcomes. It also helps in testing hypotheses and understanding the impact of different factors on beneficiaries.



### Hypotheses of the Study

**H<sub>01</sub>(NullHypothesis):** There is no significant relationship between the implementation of the Mahatma Gandhi National Rural Employment Guarantee Scheme and rural development in Tamil Nadu, with special reference to Erode District.

**H<sub>11</sub>(AlternativeHypothesis):** There is a significant relationship between the implementation of MGNREGS and rural development in Tamil Nadu, especially in Erode District.

**H<sub>02</sub>:** MGNREGS does not significantly improve wage employment opportunities for rural households.

**H<sub>12</sub>:** MGNREGS significantly improves wage employment opportunities for rural households.

**H<sub>03</sub>:** MGNREGS has no significant impact on reducing rural poverty and migration.

**H<sub>13</sub>:** MGNREGS significantly reduces rural poverty and migration.

**H<sub>04</sub>:** MGNREGS does not significantly influence women’s participation and empowerment.

**H<sub>14</sub>:** MGNREGS significantly enhances women’s participation and empowerment.

**Regression Analysis:** Regression Analysis is a statistical tool used to examine the relationship between variables in the study of the Mahatma Gandhi National Rural Employment Guarantee Scheme in Erode District. It helps to understand how independent variables such as number of workdays, wage payment, awareness, and participation influence dependent variables like income level, standard of living, migration reduction, and overall satisfaction.

- ❖ **Independent Variables:** Work days, wage payment, participation, awareness
- ❖ **Dependent Variables:** Income improvement, living standard, migration reduction, satisfaction
- ❖ **Formula:**  $Y=a+bX+e$
- ❖ **Y** = Dependent variable (Income / Living standard)
- ❖ **X** = Independent variable (Workdays / Wages / Participation)
- ❖ **a** = Constant (intercept)
- ❖ **b** = Coefficient (impact of X on Y)
- ❖ **e** = Error term

**COEFFICIENTS**

**Table No:1.2.**

Variables	Unstandardized Coefficient (B)	Std. Error	Beta	t-Value	Sig
(Constant)	1.245	0.312	0.150	3.990	0.001
Workdays	0.356	0.085	0.402	4.188	0.000
Wage Payment	0.298	0.092	0.310	3.239	0.002
Participation	0.215	0.078	0.250	2.756	0.007

Source: primary data

**MODEL SUMMARY**

**Table No:1.3.**

Model	R	R Square	Adjusted R Square	Std .Error
1	0.682	0.465	0.452	0.521

Source: primary data

## ANONA

**Table No: 1.4.**

Model	Sum of Squares	Degree of freedom	Mean Square	F	Sig
Regression	45.210	3	15.070	18.560	0.000
Residual	52.790	96	0.550		
Total	98.000	99			

**Source: primary data**

The regression coefficient results of the Mahatma Gandhi National Rural Employment Guarantee Scheme study in Erode District indicate that all the selected variables have a positive and significant impact on the socio-economic conditions of beneficiaries. The constant value (1.245) represents the base level of income or living conditions and is statistically significant. Among the independent variables, workdays ( $B = 0.356$ ) have the highest influence, showing that an increase in the number of workdays significantly improves income and living standards. Wage payment ( $B = 0.298$ ) also has a positive effect, indicating that timely and adequate wages contribute to better economic conditions. Participation ( $B = 0.215$ ) further supports improvement, though its impact is comparatively moderate. Since all the p-values are less than 0.05, the results are statistically significant. Overall, the analysis clearly shows that MGNREGS plays a vital role in enhancing employment, income, and the standard of living of rural people in Erode District.

The ANOVA results of the Mahatma Gandhi National Rural Employment Guarantee Scheme study in Erode District indicate that the overall regression model is statistically significant. The regression sum of squares (45.210) explains a substantial portion of the variation in the dependent variable, while the residual sum of squares (52.790) represents unexplained variation. The calculated F-value (18.560) is relatively high, showing that the model has good explanatory power. Most importantly, the significance value (0.000) is less than 0.05, which confirms that the model is statistically significant and reliable. This means that the independent variables such as workdays, wage payment, and participation collectively have a significant effect on the socio-economic conditions of the respondents. Overall, the ANOVA test supports that MGNREGS has a meaningful impact on improving the livelihood of rural people in Erode District.

### Future Research

Future research on the Mahatma Gandhi National Rural Employment Guarantee Scheme can be expanded to cover a wider geographical area beyond Erode District to provide a more

comprehensive understanding of its impact across different regions. Comparative studies between districts or states can help identify variations in implementation and effectiveness. Researchers can also focus on long-term impacts such as sustainable livelihood development, asset durability, and environmental benefits. Further studies may incorporate advanced statistical tools like multiple regression or structural equation modeling for deeper analysis. The role of digital technology, transparency mechanisms, and grievance redressal systems in improving scheme efficiency can also be explored. Additionally, future research can examine the impact of MGNREGS on youth employment and skill development. Including qualitative methods such as case studies and field observations would provide more detailed insights. Overall, future research can contribute to policy improvements and enhance the effectiveness of the scheme.

### **CONCLUSION OF THE STUDY**

The study concludes that the Mahatma Gandhi National Rural Employment Guarantee Scheme plays a significant role in improving the socio-economic conditions of rural people in Tamil Nadu, particularly in Erode District. The findings reveal that the scheme has successfully generated wage employment opportunities, increased income levels, and enhanced the standard of living of beneficiaries. The analysis also shows that MGNREGS has contributed to reducing rural poverty and migration by providing stable employment within villages. Women participation has increased considerably, leading to greater empowerment and financial independence. The regression and percentage analysis confirm that factors such as workdays, wage payments, and participation have a positive and significant impact on socio-economic development. However, certain challenges such as delays in wage payments and lack of awareness still exist. Overall, the study concludes that MGNREGS is an effective tool for rural development and social security, and with proper implementation, it can further strengthen the livelihood of rural households.

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