

THE ECONOMIC IMPACT OF THE MAHATMA GANDHI NATIONAL RURAL EMPLOYMENT GUARANTEE ACT: A CASE STUDY OF THE BAJJU SUB-DIVISION OF BIKANER DISTRICT IN RAJASTHAN

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Abstract. The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is a program for poverty alleviation and an employment generation which provides employment to rural unskilled labourers. It can provide a guarantee of 100 days' paid employment in a financial year to a rural unskilled labourer who demands it. The program also helps to reduce hunger in rural India. It is different from earlier wage employment programs because it provides a guarantee for work, whereas earlier programs had no such provisions. This paper analyses the employment, consumption and income effects of MGNREGA, including the resulting increase in the purchasing power of rural labourers, after its introduction in the rural area. It also examines the economic and social impact of the scheme in rural areas due to asset creation as result of employment provided by MGNREGA. Lastly, the paper examines the impact of MGNREGA on women's employment and how MGNREGA changed women's income, employment and consumption patterns, which can be argued to be indicative of female empowerment. This study concludes that MGNREGA brought positive change to the lives of people in the rural area that was examined. MGNREGA, a landmark in the history of social security legislation in India or indeed anywhere in the world, promises to be a major tool in the struggle for securing employment guarantees in rural areas. The 100-day employment scheme, which came as a bolt from the blue, raised the living standards of rural India in terms of income, employment and consumption. Overall, the study found that MGNREGA has significantly improved the social and economic well-being of its beneficiaries in rural India.

Keywords: Mahatma Gandhi National Rural Employment Act, rural development, rural asset creation, employment guarantee, women employment, women empowerment

INTRODUCTION

India has the second largest population in the world. According to the census of 2011 more than 60% of India's population lives in rural areas and they are dependent on agriculture and allied economic activities. Most of them do not earn enough money to cover the basic necessities. They face problems due to a lack of available jobs or employment in rural areas, which can lead to a vicious circle of poverty and debt. One positive intervention that can be undertaken by the State is the provision of employment for people in rural areas targeted at the creation of some durable assets. Over time, the government of India has started many poverty and hunger alleviation programs like TRYSEM, Jawahar Gram Samridhi Yojana, Jawahar Rojgar Yojana and kaam Ke Badle Anaj Yojana, etc., but they have had limited success because they have never provided guaranteed employment in rural areas, and so have not adequately addressed the problem. The GOI started MGNREGA in 2005 to provide employment for rural people by establishing a right for unskilled labourers to work for 100 days. MGNREGA

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has three main aims: to reduce hunger, to reduce poverty and to provide employment in rural areas. It also seeks to create durable assets in rural areas to improve the well-being and economic condition of rural people.

MGNREGA provides at least 100 days of unskilled manual work to every household member in rural areas in a financial year. It provides wage employment within 5 km of a worker's residence and pay according to the Minimum Wage Act 1948. If work is not provided within 15 days of someone's application he/she is entitled to unemployment allowance according to the provisions of this act. Thus, the act provides rural people with a legal entitlement to a wage for a minimum of 100 days, with or without work.

Statement of the problem

NREGA was enacted in 2005 and renamed in October 2009 on the anniversary of the birth of Mahatma Gandhi as MGNREGA. It is the biggest policy action of the Indian government on rural employment and poverty alleviation post-independence. MGNREGA provides at least 100 days of unskilled manual work to every household member in rural areas in a financial year. It provides wage employment within 5 km of a worker's residence and pay according to the Minimum Wage Act 1948. If work is not provided within 15 days of someone's application he/she is entitled to unemployment allowance according to the provisions of this act. Thus, the act provides rural people with a legal entitlement to a wage for a minimum of 100 days, with or without work.

Original provision of MGNREGA

- i. At least one adult member of every rural household is entitled to guaranteed employment for 100 days in the form of manual work.
- ii. Productive work shall be considered under this program and a list of preferred work and permissible work shall be prepared by the state council. The identification of work shall be based on the economic and social needs of rural areas, its impact on rural livelihoods, and its contribution to the creation of durable assets in rural areas.
- iii. The aim of this program is to provide and upgrade skills for rural unskilled workers.
- iv. Wages shall be provided in cash, in kind or both, as the state council deems fit.
- v. Wage employment shall be provided within 5 km of an applicant's residence, and if it is not provided

within the said distance, he/she shall be entitled to a daily allowance and travel allowance according to the rules of the act.

- vi. If 20 or more female workers are employed there shall be provision of crèches and one female worker shall be deputized for the care of children below six years of age. She shall receive a full wage according to the rules of the act.
- vii. A portion of 5% of the wage may be deducted for contributions to social security schemes such as health insurance, accident insurance, maternity benefits and survivor benefits (National Rural Employment Guarantee Act, 2005). MGNREGA is the largest social security and employment program in the world. The government of India has had many poverty alleviation programs and many of them have succeeded, but problems remain. However, at present the government is struggling to reduce poverty and provide paid employment to rural people.

MGNREGA is a combination of many schemes and policies such as Sampoorna Grameen RojgarYojana, the Food for Work program, Jawahar Rojgar Yojana, Right to Work, etc. This act also reserves one third of employment for women and provides equal wages for equal work in equal conditions, thus bringing equal opportunities for women in rural areas and equality in the rural society. MGNREGA is a fully Central Government-sponsored scheme which is implemented by the State Government and Gram Panchayats (GPs). Gram Panchayats are the main implementing authority of MGNREGA and the involvement of middle men and contractors is forbidden. GPs work as a safeguard to promote MGNREGA's effective management and its implementation. MGNREGA provides an alternative opportunity and source of income in rural areas with an impact on poverty. MGNREGA increases the purchasing power of beneficiaries and helps to increase their expenditure. It improves village economies through the creation of durable assets in rural areas such as road connectivity, water and soil conservation, and the cleaning of traditional water tanks. For these reasons, MGNREGA has been considered one of largest poverty alleviation programs in the world. However, the success of MGNREGA depends upon effective and proper implementation.

There are eight types of works listed in NREGA: (i) Water conservation and harvesting. (ii) Drought proofing and afforestation. (iii) Irrigation canal. (iv) Special

provision to provide land irrigation facilities to Scheduled Caste (SC), Scheduled Tribe (ST). (v) Renovation and construction of traditional water tanks and bodies. (vi) Land development work. (vii) Flood control work. (viii) Rural connectivity for all-weather access. MGNREGA is intended to promote economic growth and development. This study examines the implementation procedures of MGNREGA and its economic impact on rural areas and households.

Objectives and research questions

MGNREGA is one of the largest centrally sponsored poverty alleviation schemes in India. This scheme has successfully increased income and expenditures, self-targeting, economic security, asset creation and women’s empowerment. How all these components are impacted by MGNREGA is the central theme of this study. The objective of the study is to determine the impact of MGNREGA on the socio-economic and rural condition of people. It aims to investigate: (a) the creation of durable assets and infrastructure in rural areas through MGNREGA; (b) the impact of MGNREGA wages on the income and expenditure of MGNREGA beneficiaries; and (c) how MGNREGA can be linked to the empowerment of women in rural areas in terms of employment, income and consumption.

Drawing its data from a primary survey, this paper examines MGNREGA through the following research questions: (a) whether rural people are aware about MGNREGA work, (b) whether this act is appropriately implemented, (c) whether this scheme provides 100 days of guaranteed wage employment to eligible household of rural area, and (d) whether it is successful in improving the purchasing power and expenditure levels of rural households.

Data source and research methodology

The field survey was carried out in the Bajju Sub-Division of Bikaner District in Rajasthan between March 2017 and February 2018. As per the census of 2011, the area and population of Bajju are 4,350 Sq/Km and 2.3 Lakh respectively. The Sub-Division is bound by Ganganagar District in north, Jaisalmer District in south, Kolayat Sub-Division on the East and the international border with Pakistan in the west. The population is not homogeneous and consists of Hindus, Muslims, Sikhs and ‘Pak Visthapith’ (migrated from Pakistan).

- (a) **Study area:** The primary survey was carried out in the selected Gram Panchayat (GPs) of Bajju Sub-Division of Bikaner District in Rajasthan. Bikaner District is administratively divided into 9 sub-divisions. There are 22 Gram Panchayats in Bajju sub-division.
- (b) **Study population:** the population for the study was aged 18 to 59 and resided in the selected Gram Panchayat. Only beneficiaries of this act were included.
- (c) **Sample size and sampling:** A total of 125 people of working age group were surveyed for this study, including both male and female workers. Beneficiaries of the scheme include marginal farmers and landless labourers. Most of the people working in the MGNREGA program are either illiterate or less educated. They work in MGNREGA to support their families. The average family size of these workers is five members. Five Gram Panchayats (GPs) were selected at random from 28 GPs with a sizeable rural population.

There are 22 Gram Panchayats (GPs) in the Bajju Sub-Division of Bikaner District. Out of 28 GPs, five (a sample of 17 %) were selected as the area for the



Fig. 1. Geographical area of Bajju Sub-Division
Source: State Remote Sensing Application Centre, Department of Science and Technology, Jodhpur.

Table 1. Selected Gram Panchayats

Gram Panchayat selected	No of willage selected and nature of work	No of women workers selected	Total no of workers selected
Bangarsar	2 Road Construction	10	25
Beekampur	2 Renovation of traditional Water Tank	10	25
Gajjewala	2 Road Construction and Community Infrastructures	10	25
Barsalpur	2 Tree Plantation and Road Construction	10	25
Gokal	2 Irrigation and Water Supply	10	25
Total number of Workers selected From 5 Gram Panchayats		Sample size N = 125	

Source: compiled from field survey.

survey. In selecting the sample of GPs, area, demography, location and specific features were kept in mind to ensure that all the GPs were fairly represented. Primary data were collected through questionnaires and secondary data were derived from various Government Reports, Research Papers and Studies. Systematic statistical methods, i.e. simple average, were used to analyze data so that certain relationships could be derived.

LITERATURE REVIEW

MGNREGA was enacted in 2005 (as NREGA) to provide guaranteed employment in the rural sector. Many studies have been conducted by Non-Government Organizations and researchers, as well as by the government, on the performance of MGNREGA.

Dey et al. (2006) concluded that NREGA is a totally unique scheme targeting the reduction of hunger and poverty alleviation. It is totally different from employment schemes like TRYSEM, the employment insurance scheme and Jawahar Rojgar Yojana (JRY) because none of these provided the guarantee of employment that MGNREGA provides.

Bhatia and Dreze (2006) conducted a survey in two districts of Jharkhand in order to examine how the scheme was being implemented. They highlighted that there were serious flaws in its implementation, which were assigned as problems associated with starting a new scheme. However, they insisted that the scheme has, at least in its initial phase, acted as a beacon of hope for the rural poor and is therefore necessary. They cited the example of Rajasthan, and stated that as the experience in Rajasthan shows, there is scope for better implementation.

Chakraborty (2007) presents a budgetary appraisal of NREGA. The study observed that the existing institutional arrangement in poorer states is not good enough to implement NREGA in an effective manner. The paper suggests that the devolution of responsibilities and strict

Table 2. Employment generated during the year 2022–2023 in Rajasthan District Bikaner Block/ Sub-division Bajju

Panchayat	No of Registered workers		Employment Demanded		Employment Offered		Employment Provided		
	Household	Persons	Household	Persons	Household	Persons	Household	Persons	Total Person days
Bangarsar	1 552	3 273	829	1 303	829	1 303	692	1 052	20 663
Beekampur	770	1 635	415	746	415	746	330	574	13 914
Barsalpur	957	1 845	459	811	459	811	387	689	20 413
Gajjewala	1 033	1 957	358	572	357	571	285	438	8 077
Gokul	1 313	2 434	935	1 651	935	1 651	829	1 444	38 547

Source: Department of Rural Development, Ministry of Rural Development, Government of India. Accessible at: https://mnregaweb2.nic.in/Netnrega/citizen_html/demregister.aspx?lflag=eng&state_code=27&state_name=RAJASTHAN&district_code=2703&dcode=2703&page=B&Block_code=2703009&Block_name=BAJJU+KHALSA&district_name=BIKANER&fin_year=2022-2023&Digest=iVneR20vTf5uaLshKiQqlA

accountability norms would accelerate capacity building at the level of the panchayat and that the scheme can effectively function as a demand-driven one.

The Institute of Applied Manpower Research (IAMR) (2007) conducted a survey of 20 districts to evaluate MGNREGA. This study generated important findings, such as that about 86% of households reported that MGNREGA was the only Government scheme from which they had benefitted. It also highlighted the importance of job cards in successfully applying for work under the scheme. Since the gram sabha managed this process, many migrants were excluded from this scheme because they didn't have job cards.

A study on MGNREGA by Pankaj (2008) examined the impact of this act in Bihar and Jharkhand. It concluded that irrigation, water conservation and harvesting and rural connectivity were examples of major work undertaken in Jharkhand and Bihar states through this scheme. This study concluded that MGNREGA significantly contribute to the creation of rural assets and infrastructure in these states due to the nature of the work undertaken under MGNREGA.

Khera (2008) studied NREGA in Pati block in Orissa state and concluded that its implementation increased the ability of residents to claim their rights. This is due to high engagement with this scheme and effective planning, implementation and monitoring. One immediate aim of MGNREGA is to provide social security to poor people by providing them with employment, but it is also expected that this scheme contributes to empowering women, activating Gram Sabhas and developing rural areas. MGNREGA contributes to village development as well as changing the balance of power in villages.

Mathur (2008) stated that if MGNREGA is implemented honestly, it could act as a big agent of socio-economic up-lift by providing employment and secure livelihoods to the poorest of the poor in rural India.

Joshi and Singh (2008) evaluate MGNREGA in Rajasthan. They observe that outmigration from the state of Rajasthan has decreased, although it has not entirely stopped. The scheme's benefits in the state included causing an increase in the purchasing power of households, leading to a reduction in debt (albeit a marginal one), increasing agricultural production and thereby farm income.

Rao's (2008) work calls MGNREGA a "lifeline for the vulnerable sections", and argues that the significance of the scheme lies in the multiple levels on which it operates. It creates a social safety net for the vulnerable by

providing a fallback source of employment when jobs are scarce or inadequate. It adds a dimension of equality to the process of growth. It creates a rights-based framework for wage employment programs by conferring legal entitlements and the right to demand employment among workers and makes the government accountable for providing employment in a time-bound manner. By prioritizing natural resource management and emphasizing the creation of durable assets, it holds the potential to become a growth engine for the sustainable development of an agriculture-based economy. Although not confined to BPL families, the scheme can be accessed by all vulnerable and marginal households.

Chandrasekhar and Ghosh (2009) concluded that MGNREGA is a scheme of social inclusion as there is a high participation rate of SC/ST: 52% (2009–10) and one third of the work is reserved for women. Dey and Bedi (2010) studied the implementation and performance of NREGS between 2006 and 2009 in Birbhum District, West Bengal. Their study concludes that more jobs should be provided under this scheme to make this an effective 'employer of last resort'. It reports that there is universal awareness about the NREGA and job cards are available for those who have applied in the selected area. It also states that NREGA-related information is well-maintained and accessible. There were long delays in wage payments noted in the first year of this program which were later reduced to a maximum delay of 20 days.

Dasgupta and Sudarshan (2011), with the help of data from the 2004–05 NSSO survey and NREGA official sites, concluded that: (i) women's participation has increased through NREGA; (ii) state-wise women's participation in the program is also increasing and is positively correlated with women's participation in MGNREGA from all recorded work schemes; (iii) women's participation in MGNREGA is negatively correlated with their participation in other agricultural labour market. This implies that there is a wage gap with other agricultural labour market, where women face discrimination, thus women are attracted toward MGNREGA work rather than the private agricultural labour market. MGNREGA gives bargaining power to women and this act brings equality in the rural labour market in terms of wages, reducing gender disparities in the rural labour market.

Chaurashia (2011) stated that MGNREGA empowered women. It changed the direction and position of women within society, and led women to find

employment beyond domestic work. It has the potential to empower women by providing equal opportunities for paid work, and since one third of all work is reserved only for women, it promotes gender equality in society.

Basu (2011) examined the impact of MGNREGA on seasonal employment in rural areas. This study concluded that MGNREGA impacts the rural agrarian economy by targeting involuntary unemployment and provides employment to disguised unemployed people.

This study also asserted that there had been an impact of MGNREGA on agricultural wages and that it had played a major role in wage hikes in rural areas.

Das (2012) discusses the impact of MGNREGA on women's work participation. He explains that there are various factors which encourage women's participation in the labour force, such as the nature of the work, the minimum skills required, the working hours, the availability of work locally, a reduction in the migration of male family members, and a substantial increase in wage rates. The participation of women varies across the country, with states like Kerala (90.26), Pondicherry (80.36), Tamil Nadu (76.78) and Rajasthan (68.06) registering the highest participation in 2010–11. On the other hand, Bihar, Punjab, Bengal and most of the north-eastern states show less participation of women. In spite of this, the participation of women at the national level has increased significantly from 46.41% in 2010–11 to 48.81% in 2011–12, which exceeded the stipulated 33% share of women's participation in the scheme.

Pant and Mishra (2014) stated that MGNREGA helps to promote transparency, accountability and the participation of local organizations because it mandates the monthly updating of accounts. Public vigilance and social audits are two main accountability and transparency keys to its implementation. Social audits are mandatory in MGNREGA. The Ministry of Rural Development (MRD), in a report of 2006–07, concluded that 54% of the work was in the area of water conservation followed by 10% providing irrigation for land owned by SC, STs and other beneficiaries, 11% for land development, 21% for rural connectivity and 4% for other work. An annual report of MRD from 2008–09 stated that out of the total funds allocated to MGNREGA, 67% was given to workers in the form of wages. The program had a high rate of participation from different groups, like 54% for SC/STs and 48% for female workers. Moreover, this program strengthened rural natural wages, of which 15% were for land development, 46% for water

conservation, 20% for irrigation work and 18% for rural connectivity and 1% for others.

Sharma (2014), in her work "Rural Development Scheme through the years", concludes that sustainable development interventions in rural areas largely depend on successful and effective implementation. She points out there is a need for convergence of all development interventions at the grassroots level so as to enhance the necessary infrastructure in backward regions, ensure capacity building and upgrade skills.

Dev (2015), in his work "Rural Employment – Women on the Move", states that in various states like Madhya Pradesh, Tripura and Jharkhand, field evidence suggests that MGNREGA is providing more and better job opportunities to female workers, which has resulted in higher workforce participation of women.

Sabanna (2016), in his work "Women Empowerment through MGNREGA in Karnataka", points out that the centrality of women has been marked in almost all policies since the 11th Five-year Plan. The plan recognises explicitly that women are not just equal citizens but agents of economic and social growth. According to the United Nations Report (2013), the MGNREGA in India and the Expanded Public Works Programme (EPWP) in South Africa are examples of important safety nets for women.

This review of the literature shows that the existing scholarship has addressed the impact of MGNREGA on rural-urban migration, appraisals of the MGNREGA program, women's empowerment through MGNREGA in various states and districts of the country, MGNREGA and its impact on rural wages, the evaluation of MGNREGA in Rajasthan, and capital formation through MGNREGA. It seems that limited work has been done on the impact of MGNREGA on households which have benefitted from it in Bajju sub-division in particular. This study will try to bridge this gap, or rather, contribute towards the understanding of MGNREGA as a platform which generates multi-dimensional impacts on the socio-economic parameters of households, and by extension on society.

Observation based analysis and discussion

As already mentioned, this paper is based on both primary observation and secondary data. Based on the data collected from worksites for primary observation, an 'Observation schedule' was prepared and the responses of MGNREGA workers were recorded. The

Table 3. Responses obtained from MGNREGA beneficiaries (%)

Question/Variables	Yes	No
Are you aware about MGNREGA scheme of the Government?	78	22
Do you have job card?	100	0
Did you face any problems in getting the job card?	0	100
Do you have an account in bank/post office relating to MGNREGA?	100	0
Are you involved in MGNREGA planning?	75	25
How much wages do you get under the MGNREGA scheme?	Rs 199	
Did you get work against demand?	81	19
If yes, after how much days of written/verbal application did you get work?	Within 15 days	
Did you get 100 days of guaranteed wage employment under MGNREGA?	40	60
Do you feel an increase in your income and expenditures due to MGNREGA?	71	29
Has MGNREGA improved the condition of women in your household?	84	16
Has MGNREGA eased the problem of unemployment?	89	11
Do you get the unemployment Allowance?	0	100
Has MGNREGA augmented common infrastructure and assets in your village?	78	22
Does MGNREGA need to improvements?	100	0
Is there delay in receiving wage?	91	11
Facilities of crèches / drinking water?	83	17

Source: compiled from field survey.

respondents were contacted on the worksites of selected villages. 60% of the respondents were men and 40% were women. Their responses and observations are discussed below.

Awareness and implementation

This study revealed that all the respondents knew about the MGNREGA scheme. 78% of respondents had detailed knowledge of MGNREGA. They said that MGNREGA is a social and economic act by which 100 days of wage employment are provided to rural people and that many facilities, like drinking water and crèches, were provided on MGNREGA worksites. On the other hand, 22% of respondents did not have much knowledge of the MGNREGA scheme because of poor literacy. **Workers Involvement:** 75% of village people were involved in MGNREGA planning and had guaranteed employment. On the other hand, 25% of respondents

were not involved in MGNREGA planning, thus there is a need for universal participation of village people in MGNREGA planning. **Unemployment Allowance:** if employment is not provided within 15 days of an application, the government must pay unemployment allowance according to the rules of the act, but in selected areas no-one is aware of unemployment allowance and people did not receive it because of a lack of information and awareness. In some areas worksites lack proper facilities, such as drinking water and crèches.

Process and procedure

Job Card Availability: Based on the survey conducted at the worksite, it was found that all respondents have job cards and no one faced any problem getting job cards. Nobody who did not have a job card was interviewed during the survey. **Wages and Works:** All the beneficiaries of MGNREGA said that they get wages at Rs.

235 rupees per day under this act. They reported that when they wanted work they demanded it verbally and not by a written request to Rojgar Sewak. They also said that they got work within fifteen days.

100 Days of Employment: It was found that eligible workers in the selected areas got one hundred days unskilled manual employment at a statutory rate of Rs 235 per day, the minimum wage for MGNREGA in a financial year.

Economic impact

Financial inclusion: It was found that all the eligible workers and respondents had bank or post office accounts related to MGNREGA, thus MGNREGA has acted as an alternative mode of financial inclusion. **Effects on income and expenditure:** MGNREGA has positive impacts on rural households. 71% of workers/respondents reported that their income had increased due to MGNREGA, leading to increases in their purchasing power and expenditure. Their increased income creates demand due to their increased propensity to consume, thereby making MGNREGA a demand-inducing scheme. MGNREGA can therefore be considered as a scheme that promotes economic growth and development in rural areas. The respondents reported that they could fulfill their basic needs and live a normal life due to MGNREGA paid employment. On the other hand, 29% of respondents answered that they could not consider this a major life-changing scheme, because MGNREGA is only partially successful in increasing income, purchasing power and the expenditure of rural households.

MGNREGA Eases Unemployment: MGNREGA has solved the problem of unemployment in rural areas by providing 100 days of guaranteed paid employment to rural households. It is considered to make a substantial contribution in rural areas.

Female empowerment

MGNREGA has improved the condition of rural women and empowered them so that they can live on their own. They can survive more easily and fulfil their basic needs. They have been able to provide a better education for their children due to the equal opportunities available through MGNREGA wage employment. Thus, MGNREGA has created positive change in lives of female workers in rural areas and minimized the gender disparity in the rural labour market.

Creation of assets and infrastructure

During the field survey it was noted (during participant observation) that permanent and temporary durable assets were created in chosen villages, such as soil conservation, tree plantation, the construction and renovation of traditional water tanks, road connectivity and community infrastructure. Rural areas developed due to the creation of these common assets, and it can therefore be concluded that MGNREGA helped in the overall development of rural areas.

Need for improvements

It was found that all respondents desired improvements to this scheme and no-one was fully satisfied with its present structure. It has many drawbacks, such as a lack of transparency and accountability, as well as uneven treatment of people on the basis of social and political realities. Most of the respondents under observation were taking advantage of MGNREGA. It was also found that MGNREGA is a demand-inducing program because it increases its beneficiaries' purchasing power, their quality of life goes up in terms of health improvement and access to good education, and their demand for commodities increases. Thus it can be said that MGNREGA helps the economic development of rural areas. The increasing participation of marginalized sections of society in MGNREGA shows that it can be a tool of inclusive growth if and when it is implemented honestly.

Findings

This study found that MGNREGA has a positive impact on both rural people and rural areas. Many permanent and durable assets are created in the affected villages, such as soil conservation, land development, tree plantation, construction and renovation of traditional water tanks, road connectivity and community infrastructure. MGNREGA not only helps provide guaranteed wage employment to rural people, but it also helps develop Gram Panchayats through the creation of common assets in villages. The MGNREGA program is comparable to a lifeline for the rural poor and marginal farmers, because it helps them to earn additional income in hard times and improve their living standards. MGNREGA supplements their income and consumption levels. The propensity to consume was noted to increase due to the increasing purchasing power of beneficiaries, thereby leading them towards a better standard of living.

This study also found that rural women are empowered through MGNREGA in terms of incomes, employment and consumption and feel equal to men. This act did not discriminate according to gender in terms of wages, which boosts women's confidence. In the field survey, most of the female respondents reported that they are able to fulfil their basic needs and improve living standard using their own wages due to MGNREGA. This act drastically changed the life of female workers in rural areas for the better.

CONCLUSION

This study has looked at various aspect of the MGNREGS program in rural India. After a detailed analysis, MGNREGS was revealed to have had a positive impact on the level of incomes, consumption and employment in rural areas. Rural women are empowered through MGNREGA as it ensures they have employment and are equally paid, giving women a moral boost both socially and economically. Generally, when the income of beneficiaries increased due to MGNREGA paid employment, it had a profound impact on their consumption patterns. Multiplier effects are a well-established fact of economics, and MGNREGA spending clearly has a multiplier effect. The increased incomes of poor households due to MGNREGA further increased their purchasing power, creating demand for several commodities as they move towards higher consumption levels. Productions of these commodities will create further demand for raw materials and workers and so on, thus creating a growth spiral. This study found that most families were spending their additional income on food and the basic necessities of life. This shows that increased income due to MGNREGA is spent largely on improving quality of life and on human development.

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