



Financial Inclusion And Economic Security Among Rural Women: An Empirical Study

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Abstract

The study explicates the financial security of rural women by providing guaranteed wage employment and promoting economic independence. The study focusing on the role of the MGNREGA on the financial security of the rural women, focusing on income generation, household expenditure, savings and decision-making power. The findings highlight the participation helps them to increased income stability, improvement in their basic necessities and strengthened women's economic empowerment by increasing their involvement in household financial decision.

Keywords: MGNREGA, financial stability, savings, decision-making, bargaining power.

Introduction

An employment guarantee is a government program or policy that guarantees employment to its citizens. The goal of an employment guarantee is to provide job opportunities to those who are unemployed or underemployed and to ensure that everyone has access to a certain minimum level of employment and income. There are different forms of employment guarantee programs, but the most common type is a public works program, where the government hires workers to carry out infrastructure projects and other public services. These programs can also provide training and skill-building opportunities to help workers improve their employability in the long term. Employment guarantee programs can have significant benefits for both individuals and society as a whole. For individuals, having access to guaranteed employment can provide financial stability, improve skills and work experience, and reduce the negative effects of long-term unemployment. For society, employment guarantee programs can help to stimulate economic growth, reduce poverty and inequality, and improve social cohesion.

However, the effectiveness of employment guarantee programs depends on their design and implementation, and they can be expensive to maintain. Some critics argue that such programs may lead to inefficiencies and may disincentive private sector job creation. Nonetheless, employment guarantee programs remain an important policy tool in many countries around the world, especially in developing countries where unemployment and poverty rates are high. In this backdrop, the study attempt to analyze the Mahatma Gandhi National Rural Employment Guarantee Act as a guarantee for rural women to evolve their livelihood and self-esteem in the village.

Financial Stability

Financial stability refers to the state of an individual, household, company, or economy when it is able to withstand and navigate financial shocks or disruptions without significant negative consequences. It implies having a solid financial foundation and resilience to withstand unexpected events or economic

downturns. At the individual or household level, financial stability typically involves having a stable and sufficient income, managing expenses within one's means, saving and investing wisely, and avoiding excessive debt. It also encompasses having an emergency fund to cover unexpected expenses, such as medical bills or job loss, and being adequately insured against potential risks.

Overall, financial stability is essential for individuals, businesses, and economies to prosper and withstand uncertainties, enabling them to meet their financial obligations, achieve their goals, and weather economic challenges. In this context, the study aims to analyze the financial stability of rural women in the study area, specifically focusing on the impact of the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA).

Statement of the problem

Women in rural area are facing financial instability due to limited employment opportunities and dependence on their family members for their financial needs. This financial instability affects their decision makings and economic insecurity in the household. lack of financial stability affects their basic needs education, health and over overall limiting their economic development.

The MGNREGA has emerged as a important source of income for the rural women. The income earned from the scheme helps them to financial stability especially for their basic needs such as health educations, household expenses etc.

Objectives of the study

- To access the contribution of MGNREGA on the financial stability of women.
- To evaluate the influences of MGNREGA on the creditworthiness of women beneficiaries

Sample and data collection

The study was conducted in the Idukki district of Kerala. Both primary data and secondary data is used for the study. The primary data were collected from the well-structured questionnaire and secondary data were obtained from government records, journals, official records and other relevant publications related to the financial stability.

The sample for the study consists of 383 respondents selected from Idukki district. The study blocks were chosen based on the proportion of job card holders in the employment guarantee scheme. Accordingly, Kattappana block and Nedumkandam, which had a relatively higher percentage of beneficiaries, were selected for the study.

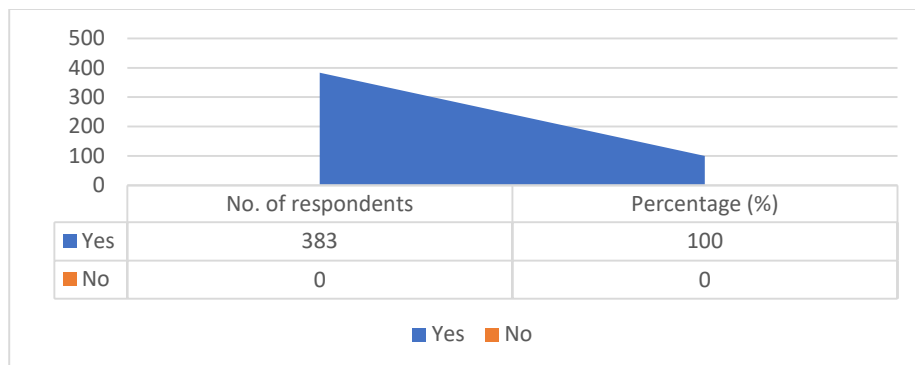
Findings

According to the study, 54 percent of the respondents worked for a duration of 81 to 100 days under MGNREGA, while 30 percent worked for a period of 50 to 80 days. Additionally, 10 percent of the respondents worked for more than 100 days, whereas only 6 percent worked for less than 50 days in the MGNREGA program. Based on these findings, the study reveals that individuals who worked a greater number of days under MGNREGA were more likely to receive additional income, which consequently contributed to the improvement of livelihood processes within their households.

The respondents' income earned from 100 days of work under MGNREGA based on this 6.1 percent of the respondents earned a wage below Rs. 5000 from MGNREGA, while 13.3 percent earned an income ranging from Rs. 5000 to Rs. 10000. Additionally, 17 percent of the respondents earned income between Rs. 11000 and Rs. 15000, while 54 percent earned an income ranging from Rs. 16000 to Rs. 20000 for 100 days of work. The remaining 10 percent of the respondents earned above Rs. 20000. Based on these findings, the study concludes that individuals earning above Rs. 10000 are more likely to depend on MGNREGA for additional income.

Furthermore, those earning Rs. 20000 indicate a higher likelihood of obtaining a greater number of working days under MGNREGA. Therefore, the study ultimately concludes that MGNREGA is an essential resource for livelihood in rural areas.

Distribution of Respondents' opinion on savings



The above graph illustrates that 100 percent of MGNREGA workers have developed a habit of saving their earnings in financial institutions, including banks, post offices, and cooperative banks. Respondents mentioned that prior to the implementation of MGNREGA; they did not have a saving habit and relied entirely on their family members for household expenses. However, with the introduction of MGNREGA, they were able to open bank accounts in their names through the job card, facilitating direct wage payments. As a result, they can now utilize their MGNREGA wages for household expenses without depending on their family members.

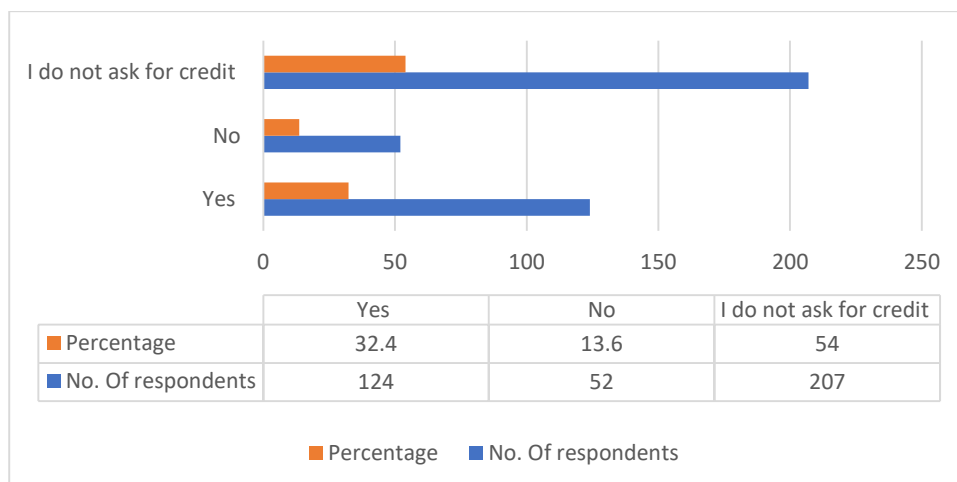
This clearly indicates that MGNREGA has played a pivotal role in encouraging rural women workers to initiate bank account ownership. Additionally, respondents indicated that they have also developed a habit of saving within their households as liquid money for emergency purposes, such as urgent visits to hospitals or purchasing groceries. It is evident that MGNREGA has had a significant impact on the savings behavior of rural women in the villages. The program has not only facilitated the creation of bank accounts but has also encouraged saving practices within households, providing financial security and flexibility for immediate household needs.

Respondents' opinion on increased savings after joining MGNREGA

A majority (81.5%) of the women respondents stated that their savings have increased because of joining MGNREGA, primarily due to the correlation between the number of working days and their wages. This relationship is explained, which highlight the number of working days and corresponding wages received from MGNREGA. Conversely, 18.5% of women workers reported that their savings have not increased, citing the low number of working days and inadequate wages provided by MGNREGA.

In light of these findings, MGNREGA has had a significant impact on the savings of rural women, primarily through the provision of a greater number of working days and higher wages, enabling them to improve their livelihoods. The majority of rural women now rely solely on MGNREGA for their income, as indicated by the aforementioned results. Furthermore, the study also captured the reasons for their dependence on MGNREGA through focus group discussions.

Respondents' opinions on credit provided by shopkeepers



The results regarding the respondents' opinions on credit indicate that women workers of MGNREGA have the ability to access credit from shopkeepers when they do not have sufficient income to purchase essential items such as vegetables, lentils, salt, etc. Among the respondents, 32.4 percent reported accessing provisional items through credit. However, 13.6 percent of MGNREGA women workers stated that they are unable to access credit from shopkeepers. Conversely, those who are able to access credit at shops have a reliable income to repay the debts, and shopkeepers trust them due to their higher number of working days and wages through MGNREGA. During interviews, respondents mentioned that MGNREGA serves as a source for credit, and shopkeepers believe that they can repay the debts through MGNREGA wages.

On the other hand, 54 percent of respondents stated that they do not need to ask for credit, as they have sufficient savings and income. This indicates that MGNREGA empowers rural women to become financially independent. It is evident that MGNREGA safeguards the self-dignity of rural women by providing a 100-day employment wage. Therefore, the results suggest that MGNREGA has instilled trust in the credit system, enabling women workers to achieve financial independence.

MGNREGA has established trust in credit access for women workers and has facilitated their financial independence. It has empowered rural women by providing a reliable source of income through the 100-day employment wage, thereby preserving their self-dignity.

Respondents' opinions on credit worthiness

The results of respondents' opinions on creditworthiness. Among the 383 respondents, 236 (61.7%) stated that their creditworthiness had improved after joining MGNREGA. During the interviews, respondents mentioned that MGNREGA had made them more deserving of creditworthiness. The wages received from MGNREGA enabled them to make small repayments towards self-help group (SHG) loans and repay money borrowed from lenders. On the other hand, 112 (29.2%) respondents expressed that their creditworthiness had not improved significantly due to the limited amount received from MGNREGA. In the interviews, they remarked that the wages from MGNREGA were insufficient to meet their future needs, but they did provide some additional income to manage their households. Additionally, 9.1 percent of respondents stated that there had been no changes in their creditworthiness after joining MGNREGA, indicating that they had low wages and a limited number of working days. Consequently, the results indicate that MGNREGA has had an impact on the creditworthiness of rural women, enabling them to borrow money from SHGs, moneylenders, and other sources. While a majority of respondents observed improvements in their creditworthiness, some expressed limitations due to the modest amount received from MGNREGA. Nonetheless, MGNREGA has played a role in enhancing their access to credit and improving their overall financial standing.

Respondents’ opinion on bargaining power in the job market

Among the respondents, 82.8 percent stated that their bargaining power had improved due to the wages received from MGNREGA. Currently, the state and central governments provide a wage of Rs. 311 for a hundred days of employment under MGNREGA. Women workers are now able to use this wage as a reference point to negotiate their daily wages in the job market. On the other hand, 17.2 percent of respondents expressed the opinion that their bargaining power had not improved due to MGNREGA.

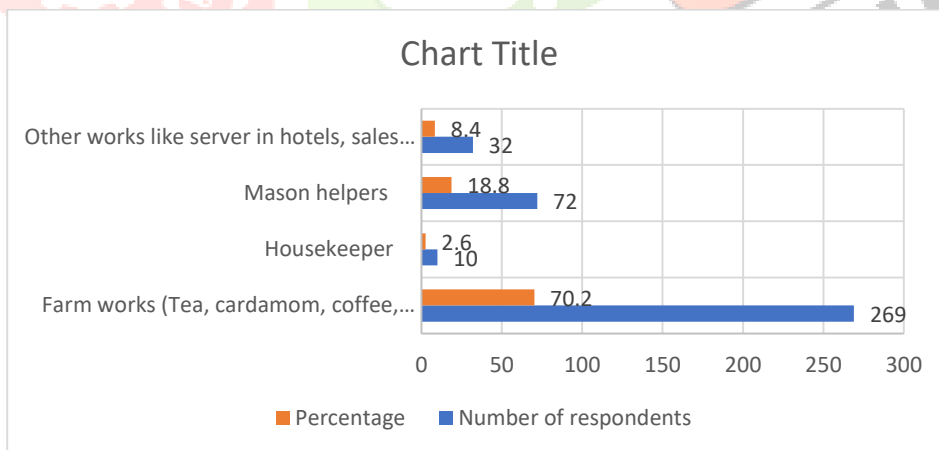
Therefore, the results clearly indicate that MGNREGA has had a significant impact on the bargaining power of women workers in the job market. The provision of MGNREGA wages has empowered them to negotiate better terms for their employment, thereby enhancing their bargaining power and improving their economic position.

Distribution of respondent’s wages in the labour market due to bargaining power

Among the 383 respondents, 317 shared their opinions on the improvement of bargaining power due to MGNREGA, while 66 respondents stated that MGNREGA had not improved their bargaining power. The table above only considers the responses of the 317 respondents regarding wages in the labor market influenced by their bargaining power. Of these respondents, 5.6 percent of women workers reported receiving wages below Rs. 300 in other jobs, whereas they were receiving Rs. 311 for a hundred days under MGNREGA. They attributed the lower wages in the labor market to factors outlined in Table No. 12. Furthermore, 82.6 percent of respondents stated that they were now earning between Rs. 300 and Rs. 500 as daily wages in the labor market, thanks to the impact of MGNREGA wages. Additionally, 11.8 percent of respondents reported earning between Rs. 500 and Rs. 1000 as daily wages in the labor market, and they attributed their higher wages to the bargaining power created by MGNREGA.

Therefore, the study's results demonstrate that MGNREGA has had an impact on the labor market by influencing the demand for labor and the bargaining power of rural women in the villages. Through their improved bargaining power, MGNREGA women workers have been able to create a demand for higher wages in the labor market, leading to better earning opportunities for themselves.

Types of unskilled jobs held by the respondents in the labour market



The figure presents the various types of unskilled jobs available in the labor market, as reported by the respondents. The study compiled a list of unskilled jobs based on the respondents' answers, considering that there are numerous unskilled job opportunities in the labor market. The results from the table indicate that a majority of the women respondents (70%) prefer engaging in farm work, such as laboring on tea, cardamom, coffee, and pepper estates in the villages when MGNREGA work is unavailable. Given that agriculture is the primary occupation in the study area, particularly tea and coffee cultivation, rural women in this region tend to opt for farm work as unskilled laborers.

Furthermore, 29.8 percent of the respondents are engaged in other types of jobs, such as housekeeping, assisting masons, serving in hotels, and working as salespersons in textile shops. Therefore, it can be concluded that rural women workers seek alternative sources of income through engaging in various occupations during periods when MGNREGA work is not available in the villages. They utilize the opportunities provided by different unskilled jobs to support their livelihoods and supplement their income.

Conclusion

The study that the MGNREGA has played a significant role in the improving financial stability of rural women. By providing a guaranteed wage employment, enhanced women's access to regular income, helps them for their contribution in the family and thereby increase in their decision making in their family. The income earned help them to contribute the household expense, educations, health and at the same time savings leading to greater economic security for them. The women were actively participating in the decision-making process and they were engaged in the community actives also.

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