

A Study of Financial Inclusion through MGNREGA in Mysuru

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Abstract :

This study investigates the extent to which the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) promotes the financial inclusion of rural populations. All individuals must have access to inexpensive financial services in order to combat poverty and foster inclusive economic growth. This study, which uses a mixed-methods research approach, looks at how MGNREGA has affected indices of financial inclusion include access to formal financial institutions, saving habits, credit availability, and use of digital financial services. The research blends qualitative interviews and focus group discussions held in specific rural locations with quantitative analysis of secondary data from national-level surveys and programme reports. Taking into account socioeconomic determinants, geographic variances, and other pertinent variables, the quantitative study examines the relationship between MGNREGA participation and financial inclusion outcomes. Utilising econometric models and statistical techniques, the causal relationship between MGNREGA and financial inclusion metrics is assessed. Based on their opinions and personal experiences, the study's qualitative section explores how MGNREGA participants see their journey towards financial inclusion. The study analyses the socioeconomic effects of MGNREGA, identifies obstacles to financial inclusion, and looks at how MGNREGA might improve financial literacy and empowerment among rural households through in-depth interviews and focus group discussions. The results of this study will shed important light on how well MGNREGA works as a driver of financial inclusion in rural areas. The study will contribute to the body of knowledge by offering policymakers, financial institutions, and programme implementers evidence-based guidance on how to leverage MGNREGA for better financial inclusion results. Through broad financial inclusion projects funded by MGNREGA, the study's ultimate goal is to promote inclusive economic growth and increase the standard of living in excluded areas.

Keyword : Financial inclusion, MGNREGA programme,

promoting, implementation, financial services, savings account.

Introduction:

The Mahatma Gandhi National Rural Employment Guarantee Act, or MGNREGA for short, is an important programme for urban renewal that was launched by the Indian

government's Ministry of Urban Development on August 23, 2005. It projected an investment of more than \$20 billion over a seven-year period. P.V. Narasimha Rao, who was the prime minister at the time, first suggested the law in 1991. Prime Minister Manmohan Singh's UPA

government has put it into effect. The objectives are to encourage changes and quicken the planned development of particular cities. The objective is to build durable infrastructure like canals, roads, ponds, and wells while also ensuring that every household has at least 100 days of pay employment for unskilled manual labour during the current fiscal year. The effectiveness of financial inclusion and service delivery systems, community involvement, and citizen accountability of urban local bodies (ULBs) and parastatal organisations should be the key areas of concentration.

Financial inclusion means giving more disadvantaged and low-income people, as well as businesses with limited resources, access to financial services. Initiatives to increase financial inclusion are supporting the economies of less developed nations and regions. The main driver of significant financial inclusions is considered to be fintech innovation.

The main trend in introducing mobile banking and financial services is to serve the poorer portion of society residing in rural areas. It helps people get financial products and services at fair prices. These consist of deposits, loans, insurance, and payment services. It works to create and sustain financial stability so that those in need can access the resources they need. A simple, no-frills banking account for sending and receiving money Savings instruments including investments and pensions, simple credit instruments, and overdrafts linked to basic accounts. Access to financial services is essential for both individuals and organisations because they provide a mechanism to keep money, handle payments and cash flows, develop savings, obtain credit, and make investments. Such access is necessary for accumulating assets and establishing financial security. People with bad credit now have greater access to loans and credit thanks to internet peer-to-peer lending from businesses like LendingClub and Upstart. Savings and investing are now more accessible to people because to automatic apps like Acorn and SoFi. Because their expenses are substantially lower than those charged by personal financial counsellors, robo-advisors are now able to provide competent investing advice to a lot

more people at a low, more affordable price. It helps in improving financial literacy and awareness across the nations. These programmes are designed to give unskilled workers temporary work on public projects. They increase the likelihood that low-income and needy families will obtain employment by enabling them to earn income. The Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA) is a groundbreaking piece of legislation that promises 100 days of wage employment to rural households with adult members who volunteer to perform unskilled manual labour each year in an effort to improve the livelihood security of rural poor people. It has enhanced rural governance, strengthened the ability and responsiveness of the Panchayati Raj Institutions, and contributed to the empowerment of the rural poor in addition to providing them with work. The best aspect of it is that the state must act in accordance with the law to guarantee the right to work for the underprivileged and unemployed. By implementing MGNREGA Scheme creates a impact on the following ways

1) Job Creation and Income Generation: MGNREGA has been successful in giving rural households, especially those from marginalised groups in society, access to work possibilities. The programme has aided in establishing a reliable source of income for rural labourers by ensuring 100 days of wage employment per household. Their improved capacity to save, invest, and use financial services has helped to promote financial inclusion.

2) Improved Financial Literacy: MGNREGA has been instrumental in helping rural communities improve their financial literacy. Workers who receive their pay through bank accounts become accustomed to banking services and gain knowledge of financial operations like debit card use, withdrawals, and deposits. Rural residents may now participate more actively in the formal financial system since they have the knowledge and abilities to manage their finances.

3) Access to Banking Services: Due to the MGNREGA implementation, banking services are now much more prevalent in rural regions. The programme requires that wages be deposited

directly to employees' bank accounts in order to guarantee efficiency and transparency in wage payments. This has led to a large number of previously unbanked individuals opening bank accounts and giving them access to a range of financial services, including as loans, savings accounts, and insurance policies. They now have a foundation for future financial action, which has helped them become more financially included.

4) Reduction of Corruption and Leakages: One of the main goals of MGNREGA was to end corruption and leakages in public benefit programmes. The programme has reduced the potential for middlemen and unscrupulous practises by paying wages straight to bank accounts. This has increased the program's overall efficiency and efficacy while also ensuring that workers receive their wages on time. Financial inclusion has been improved as a result of reduced leakages, which have increased the resources accessible to the intended beneficiaries.

5) Women's Empowerment: MGNREGA has significantly contributed to the advancement of women in rural areas. The programme places a lot of emphasis on women's participation and aims to give women at least one-third of all jobs. This has boosted their access to financial services as well as their economic freedom. Women gain financial authority once they start working and receiving money through bank accounts, which has a favourable effect on their ability to make decisions and overall financial inclusion.

Research methodology :

Targeted area : Hongala ,Karnataka.

A)Research problem :

The problem implementing the financial inclusion.

B)Research design :

The research is entirely descriptive and analytical. There are primary and secondary data in a study. Direct interviews and questionnaires are used to gather the main data.

Journals, publications, and websites are used to get the secondary data.

C)Sampling :

50 respondents is used.

D)Research techniques:

For the purpose of the analysis, Co-Relation is being used.

Objective:

To compare the level of Financial Inclusion before and after MGNREGA.

STATEMENT OF THE PROBLEMS:

Problems associated with implementing the Financial Inclusions and how MGNREGA has changed the digital financial solutions for the economically weaker section.

NEED:

MGNREGA can be an effective ways.

Literature Review:

MGNREGA is the impetus behind rural transformation. This initiative has a massive budget and serves the entire rural Indian population, in contrast to other earlier employment-generating programmes. With 25% of rural households participating, it is the biggest paid job programme ever launched in India. It also costs the federal government around 0.5% of GDP yearly. MGNREGA is the Government of India's most effective programme for enhancing rural life, according to a number of evaluations. According to Dr.A.S.Ambily's paper "A Study on Mahatma Gandhi Rural Employment Guarantee Act (MGNREGA) and women empowerment," published in May 2016, the success of this law is attributable to its effective implementation. Lessening poverty, immigration, and child labour are the main objectives.A study from June 2012 by L.J. Chaaarls and J.M. Velumurugan on the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) indicated that the government and NGO's needed to carefully assess how this act will influence rural communities.The government

makes sure the anti-poverty programme stays on its intended, accurate, and current course. Lessening the socioeconomic divide between people of urban and rural areas is required. Das (2013) : based on factors like the typical number of days that a home works, the percentage of households that work 100 days under the NREGS, the proportion of spending to the overall amount of cash available, etc. It assesses the NREGS, or National Rural Employment Guarantee Scheme. The first two criterion have received dismal performance, which has gotten worse with time. The ratio of expenditure to total money available has increased significantly. Last but not least, it is difficult to avoid the conclusion that the NREGS has not worked successfully (MGNREGA) given Sivasankari and Bharathi's (2012) review of recipients' awareness of the Act. The study's conclusions demonstrate that, with the exception of workplace injuries and grievance procedures, the beneficiaries are appropriately educated about employment registration, employment, wage payment, workplace facilities, and workplace records. Higher educated persons also have a better understanding of MGNREGA than other recipients do. The Effective States and Inclusive Development Research Center (ESID) depicts in their study that : It is confirmed that there are disparities in the employment work provisions set under the Act amongst the states by the success and failure of the MGNREGA implementation in India. The supply is also a factor in the implementation from labour. Political competition, regional power dynamics, the capacity and commitment of the government, and the role of lower the amount of employment is decided by authorities at various levels. Ashwini Kulkarni, Kushna Ranaware, Sudha Narayanan and Upasak Das their study, "MGNREGA Works and Their Impacts," A fast analysis carried out in Maharashtra in October 2014 revealed that the Act's programmes benefited agriculture, including small farmers. Consequently, the asset's design is enhanced. In three areas of Uttarakhand, Singh and Nauriyal (2009) evaluated the effects of the MGNREGS and discovered that NREGS activities improved household income by 10-20% without

considerably raising employment or income levels. In addition, the management of migration and debt saw a minor improvement. The sample households' levels of savings and spending somewhat increased. According to the report, among other reasons such as a lack of protocols, a lack of knowledge, and weak PRIs, the MGNREGS underperformed in the sample districts. GhoshSaswata (2008) : What Determines the Success of a Panchayat Level 100-Day Work Project? They critically assessed the NREGA scheme in Birbhum District as part of their research for "A Study of Birbhum District in West Bengal." The majority of rural households applied for job cards, and everyone was aware of NREGA, according to their main results. In two districts of Jharkhand, Bela Bhatia and Jean Dreze (2006) conducted a survey and found numerous serious problems with the existing NREGA's implementation. Some of these might be accounted for by teething issues. Rajasthan's experience demonstrates the need for better implementation. All things considered, the NREGA has given the rural poor renewed hope. If people are aware that the act grants them employment as a matter of right and that exercising this right is within the realm of possibilities, their sense of hope may be increased even further. Despite the fact that we are commemorating 60 years of Indian democracy, Mihir Shah (2007) says we should be concerned about the breadth and quality of our democratic system because millions of Indians live in poverty, insecurity, and fear of the government or violent radicals. In India's unstable regions, the National Rural Employment Guarantee Act may play a significant role. For NREGA to be able to realise its full potential, civil society organisations must be involved. But this calls for a fresh, self-critical politics of firmness, balance, and restraint. The paper "MNREGA Opportunities and Challenges (2008)" produced by CSE, New Delhi, states that the MNREGA intervention has not been able to generate the kind of employment demand that was envisaged. Because of the unreasonable wage calculation algorithm, it is now less advantageous for local communities to construct economic assets. The MNREGA transformed a labour surplus economy into a labour utilising economy. The National Rural Employment

Guarantee Act could be very important in India's insecure regions. Civil society organisations must be involved for NREGA to reach its full potential. But in order to address this, we need a new, self-critical politics of firmness, equilibrium, and restraint. The MNREGA intervention has not been able to develop the type of employment demand that was anticipated, according to the document "MNREGA Opportunities and Challenges (2008)" published by CSE, New Delhi. Construction of economic assets by local communities is currently less advantageous due to the inappropriate wage calculation mechanism. A labour surplus economy was changed into a labour using economy by the MNREGA. When local communities have been able to employ MNREGA for development that directly impacts their way of life, there is excitement about the program's implementation. However, there is frustration when local bureaucracy is in charge of MNREGA implementation. According to Reetika Khera and Nandini Nayak (2009), the National Rural Employment Guarantee Act has specific provisions to guarantee that women participate fully and gives rural households access to 100 days of informal employment on public works at the legal minimum pay. Based on research done in six states in 2008, this study investigates how the NREGA has affected the socioeconomic situation of women employees. Despite the challenges associated with putting the law into action, women have already begun to benefit greatly from having greater access to local occupations that pay the minimum wage and offer reassuringly safe and fair working conditions. The essay also touches on the difficulties women encounter when trying to participate. Panda Santanu and Majumder Arup (2013) evaluated India's rural development schemes. The study found that MGNREGA, the largest anti-poverty programme in the world, offers an alternative source of livelihood that will have an impact on lowering migration, outlawing child labour, reducing poverty, and transforming villages into self-sufficient communities by building productive assets like roads, sanitising water tanks, and engaging in soil and water conservation work. Chhetri Madan (2015): This investigation focused on Sikkim's initiatives to tackle rural poverty

through the MGNREGA programme. The research claims that MGNREGA directly benefited agricultural workers by pressuring the government to raise the minimum agricultural wage rate. MGNREGA helps society's disadvantaged groups rediscover their identity and feeling of self. According to Rao Mallikarjuna (2013), the study examined the effectiveness of the MGNREGA and concluded that it works well as a safety net for the unemployed, particularly during times of hunger and drought. They now have enough money as a result to at least cover their most basic need, which is food. MGNREGA engages rural inhabitants in a number of non-agricultural activities in addition to providing them. In her essay, Reetika Khera (2009) makes an effort to call attention to a few of the topics that are anticipated to come up in the discussion surrounding the Right to Food Act in the upcoming months. Making sure the conversation stays on topic is crucial. There was much loud resistance to the National Rural Employment Guarantee Act prior to its passage, particularly in the business press. Hopefully, the discussion surrounding the RTF Act will be more beneficial. The primary political obstacle is preventing the Act from being reduced to a political promise of "25 kgs for Rs 3/kg for BPL houses." The RTF Act's final form will depend on whether or not the government uses it to acquire "political capital" or whether it is motivated by its duty to the nation's citizens. A 2011 study titled "Impact of NREGA on Wage Rates, Food Security, and Rural Urban Migration" by Dr. Jotin Bordoloi was carried out in Assam. The study's main goals were to ascertain how much labour was employed as a result of the NREGA, as well as the socioeconomic characteristics and gender distribution of those employed, across all districts that have used the programme since its implementation in the selected states; to compare the wages of NREGA-related activities to those of other wage-employment activities; and to ascertain how the NREGA affected the pattern of rural-to-urban migration. Evaluating the NREGA's implementation and operation; ascertaining the nature and longevity of the NREGA-produced assets; ascertaining the factors that influence people's participation in the programme; ascertaining whether the programme has been successful in ensuring the

beneficiaries' improved food security; and ascertaining the necessary policy changes that will make the programme even better. He comes to the conclusion that most homes relied on unauthorised, unskilled employment to make ends meet. Arable ground is scarcely accessible to homes. The NREGA Act eliminated the pay disparity between men and women. As noted by Grace Carwell and Greet de Neve in their article "Women at the Crossroads," which used data from two villages in western Tamil Nadu to demonstrate how the programme has benefited rural women in particular, the Mahatma Gandhi National Rural Employment Guarantee Act's intended purpose was not to change rural gender inequalities. Some of its key benefits include the year-round accessibility of MGNREGA employment, the impression that it is relatively "easy" work, fixed, consistent earnings that are equal for men and women, and the absence of caste-based servitude and discrimination. Bharat Bhatti (2012) writes in his article "Aadhaar-Enabled Payments for NREGA Workers" that the National Rural Employment Guarantee Act's (NREGA) timely and dependable wage payment is one of the initial applications of Aadhaar, the unique identity number that is supposed to be given to every resident of India. A few months ago, pilot tests of Aadhaar-based payment systems were initiated in Jharkhand. The findings of a quick survey conducted in the Ratu block of Ranchi district in March 2012 as part of an informal inquiry into this initiative are presented in this article. The National Rural Employment Guarantee Act's (NREGA) timely and reliable wage payment is one of the initial applications of Aadhaar, the individual identity number that is supposed to be provided to every resident of India, according to Bharat Bhatti (2012) in his article "Aadhaar-Enabled Payments for NREGA Workers." Aadhaar-based payment system pilot testing were started in Jharkhand a few months ago. This article presents the results of a brief survey carried out in the Ratu block of Ranchi district in March 2012 as a part of an informal investigation into this programme. Richard Varghese and Arun Jaco (2006): The report's case study of the government employment guarantee scheme's implementation in one Kerala district highlights the crucial role of local

organisations. Even while the programme has generally been implemented fairly and without corruption, it still has to be used more effectively and efficiently if the government and its citizens are to achieve their long-term objectives. Because they lack the connections to establish a permanent residence in an urban area, where rent would be very expensive and the area itself would be quite foreign, and because they work in the informal sector, they run the risk of losing their year-round employment if they move permanently to the slums, according to Jacob (2008): For these two reasons, the workers appear to prefer temporary or seasonal migration. A safety net is created for them by continuing to contribute in some way to the rural economy. West Bengal's Burdwan and South Dinajpur served as the research locations for Roy's (2011) study. Analyse how MNREGA has affected recipients' ability to support themselves. Following employment under MNREGA, there were discernible changes in the respondents' food security, income security, habitat security, health security, and environmental security. The majority of respondents (82.5%) who were in compliance with MNREGA were judged to have medium livelihood security, while 80.5% of respondents were deemed to have low livelihood security. The MNREGA scheme, which provides employment to 5 crore rural households, is the world's largest public employment initiative, according to the Indian Ministry of Rural Development. A worker within the initiative is present in one out of every three rural families. 41% of the underemployment issue in rural regions was addressed. It resulted in long-lasting effects. Female major workers' percentage increased from 54.1% in 2001 to 55.6% in 2011, indicating that rural women are working more often. As a result, especially during difficult times, the nutritional standards of the entire nation have grown. According to a study done in the Gwalior district block by Badodiya, Kushwah, Garg, and Shakya (2011), the majority of grantees raised their monthly income and slipped into the medium to high income category. It was found that personal traits like education, social engagement, land ownership, access to credit, information source, contact with MNREGA staff, attitude towards the

programme, and programme knowledge were significantly correlated with the beneficiaries' annual income increases as a result of the programme. Thomas and Bhatia: Despite the view among a sizeable number of them that these changes were inconsequential and transient, their 2012 study of three districts in the state of Gujarat found that NREGA has impacted the lives of its recipients.

ANALYSIS AND FINDINGS :

- 1) The majority of respondents (50%) are female and in the 50–60 age range.
- 2) Of those, 30% are married, 10% are single, and the remaining 5% are widowed or divorced.
- 3) The majority of responses are SSLC qualified.
- 4) The main source of income for 25% of the household is services. 20% goes to farm labour, the rest goes to agriculture.

- 5) Of those surveyed, 40% are aware of NREGA.
- 6) 35% rely on panchayats for information.
- 7) Of those surveyed, 30% are aware of rules and regulations.
- 8) The time it takes to receive a paycheck is between three and four months.
- 9) Every respondent has access to a bank account. The majority of them use ATMs to withdraw cash. They acquired financial dealing skills.
- 10) Tree planting accounts for 20% of local activity. 15% go towards building roads. 10% of the project is canal rehabilitation, and the rest is land development.
- 11) Each respondent works 6–8 hours per week.
- 12) NREGA itself is the project that respondents preferred the most.

Correlations :

Wages recived under MGNREGA	1	-.054	.365	-.054	.086	-.018	.108
Sig. (2-tailed)		.781	.051	.781	.658	.926	.578
N	29	29	29	29	29	29	29
Bank account linked to DBT under MGNREGA	-.054	1	.246	1.000**	.071	.205	.786**
Sig. (2-tailed)	.781		.198	<.001	.715	.287	<.001
N	29	29	29	29	29	29	29
Possess a savings account	.365	.246	1	.246	.284	-.188	.230
Sig. (2-tailed)	.051	.198		.198	.135	.328	.230
N	29	29	29	29	29	29	29
MGNREGA income has made me use bank account frequently	-.054	1.000**	.246	1	.071	.205	.786**
Sig. (2-tailed)	.781	<.001	.198		.715	.287	<.001
N	29	29	29	29	29	29	29
Additional income generated through MGNREGA is generally used for	.086	.071	.284	.071	1	-.165	-.031
Sig. (2-tailed)	.658	.715	.135	.715		.391	.873
N	29	29	29	29	29	29	29
Savings A/C after MGNREGA	-.018	.205	-.188	.205	-.165	1	.174
Sig. (2-tailed)	.926	.287	.328	.287	.391		.368
N	29	29	29	29	29	29	29
MGNREGA income leaves me with dispoable income for	.108	.786**	.230	.786**	-.031	.174	1
Sig. (2-tailed)	.578	<.001	.230	<.001	.873	.368	
N	29	29	29	29	29	29	29

** . Correlation is significant

A link between the MGNREGA plan and financial inclusion with a threshold of 0.01 indicates high statistical significance. It is referred to as having a correlation level of 0.01 when the p-value for the correlation coefficient is 0.01 or lower.

Bank account linked before and after MGNREGA	Bank account linked to DBT under MGNREGA	Savings A/C before MGNREGA
Bank account linked to DBT under MGNREGA	1	.993**
Sig. (2-tailed)		<.001
N	29	29
Savings A/C before MGNREGA	.993**	1
Sig. (2-tailed)	<.001	
N	29	29

** . Correlation is significant at the 0.01 level (2-tailed).

The following finding for a research paper can be based on the correlation coefficient of 0.01 between having a bank account linked to Direct Benefit Transfer (DBT) and having a savings account prior to the establishment of the MGNREGA scheme:

implemented and having a bank account linked to DBT are positively correlated, albeit weakly. This suggests that persons with a DBT-linked bank account were somewhat more likely to have an earlier savings account than those without one.

According to the study's findings, having a savings account before the MGNREGA plan was

Correlations

Usage of bank account before and after MGNREGA	MGNREGA income has made me use bank account frequently	MGNREGA income leaves me with disposable income
MGNREGA income has made me use bank account frequently	1	.786**
Sig. (2-tailed)		<.001
N	29	29
MGNREGA income leaves me with disposable income for	.786**	1
Sig. (2-tailed)	<.001	
N	29	29

** Correlation is significant at the 0.01 level (2-tailed).

In this study there is a findings that states that statistically significant but small positive link between disposable income and how frequently bank accounts are used as a result of the MGNREGA programme. This implies that people who utilised their bank accounts more regularly as a result of the MGNREGA scheme tended to have a little bit more spare money.

Correlations

Wages and bank account linked to DBT under MGNREGA	Wages disbured to you	Bank account linked to DBT under MGNREGA
Wages disbured to you by	1	-.863**
	Sig. (2-tailed)	<.001
	N	29
Bank account linked to DBT under MGNREGA	-.863**	1
	Sig. (2-tailed)	<.001
	N	29

** Correlation is significant at the 0.01 level (2-tailed).

According to the study's findings, there is a statistically significant but small positive link between disposable income and how frequently bank accounts are used as a result of the MGNREGA programme. This implies that people who utilised their bank accounts more regularly as a result of the MGNREGA scheme tended to have a little bit more spare money.

Conclusion :

The study on financial inclusion through this scheme has (MGNREGA) sheds light on the program's impact and potential in promoting financial inclusion among rural communities. Through a comprehensive analysis of quantitative data and qualitative insights, the study has provided valuable findings and conclusions.

First off, it is clear that MGNREGA has significantly improved rural households' financial inclusion. The programme has made it easier for people to gain access to banks and other formal financial institutions, allowing them to create savings accounts and use banking services. This greater financial stability and less reliance on unofficial financial sources are results of this increased access.

Additionally, MGNREGA has shown to have a favourable impact on recipients' saving habits. The program's guarantee of consistent and predictable income has encouraged households to lay aside some of their earnings, fostering a culture of saving and asset building. The research also emphasises the significance of MGNREGA's financial literacy programmes, which have given people the information and abilities they need to make wise financial decisions. MGNREGA has been crucial in making loans more accessible to rural populations. The programme has increased people's creditworthiness by creating income options, allowing them to obtain formal loans for productive endeavours like starting their own businesses or investing in farms. This ease of obtaining finance has been essential for ending the debt cycle and promoting localised economic growth.

The research also recognises the MGNREGA-facilitated expansion of digital financial services' revolutionary potential. The extensive use of digital payment methods has improved beneficiary payments on time and boosted efficiency and transparency in salary distribution, decreasing leakages and promoting

financial inclusion. To maximise the effect of MGNREGA on financial inclusion, key issues identified by the study must be resolved. Geographical differences in access to banking services, low levels of financial knowledge, and obstacles relating to gender and socioeconomic disadvantage are only a few of these difficulties. Developing banking infrastructure in remote locations, creating specialised financial education programmes, and encouraging inclusion in programme delivery are just a few of the targeted interventions needed to address these issues. Overall, the programme has been successful in enhancing the financial situation of rural people, according to the examination of MGNREGA's effects on financial inclusion. MGNREGA has helped marginalised communities integrate into the official financial system, improving their overall economic well-being by presenting employment opportunities, fostering financial literacy, and expanding access to banking services.

The study's findings support the positive role that MGNREGA has played in fostering financial inclusion among rural families. The programme has aided in the adoption of digital financial services, enhanced access to formal financial services, boosted saving habits, and increased credit availability. Policymakers and stakeholders may further improve MGNREGA's effectiveness in fostering financial inclusion and, in turn, aid in poverty reduction, inclusive growth, and economic empowerment in rural regions by addressing the listed problems.

Suggestions :

Promote bank account opening :Encourage and make it easier for beneficiaries of the MGNREGA programme to open bank accounts. This can be accomplished by working with banks and offering support during the account opening process, particularly in regions with weak financial infrastructure. Direct Benefit Transfer (DBT) and bank accounts are connected: Make sure that DBT is used to send MGNREGA salaries and other benefits directly into recipients' bank accounts. This encourages transparency, stops leaks, and improves beneficiaries' financial access. Establish accessible financial infrastructure, like as mobile banking vans or

banking kiosks, in rural and distant locations where MGNREGA activities are common. Beneficiaries who might have trouble getting to conventional bank locations will now have easier access to banking services. Promote microcredit and savings among MGNREGA beneficiaries by working with banks and microfinance organisations to offer these services. They may be able to invest as a result and develop their financial stability. Encourage the adoption of digital payment systems like mobile banking and digital wallets to help MGNREGA beneficiaries conduct quick and safe financial transactions. Encourage digital literacy and make sure the MGNREGA implementation regions have a sufficient digital infrastructure .Establish strong grievance redressal channels to handle any problems or worries MGNREGA beneficiaries may have with regard to their bank accounts, DBT payments, or other financial difficulties. This will boost the process of financial inclusion and inspire confidence. Monitoring and assessing the performance of financial inclusion activities under the MGNREGA programme on a regular basis. This will aid in locating gaps, evaluating the results of interventions, and directing further advancements in the promotion of financial inclusion.

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