



An Analysis of MGNREGA Implementation in Andhra Pradesh: Performance and Financial Progress (FY2020-2025)

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Abstract

India's rural areas remain home to a significant portion of the population, underscoring the need for a robust rural economy to support national growth. Despite urban advancement, rural communities contend with persistent challenges such as illiteracy, unemployment, malnutrition, and inadequate infrastructure, which often drive young people to migrate to cities for better opportunities. Mahatma Gandhi envisioned development driven by rural progress, emphasizing the importance of empowering the rural poor. To this end, the Government of India launched the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) in 2005, aimed at providing guaranteed employment to the rural unemployed and facilitating community-based work.

This study analyzes MGNREGA's effectiveness in Andhra Pradesh over the past five fiscal years leading up to its 20th anniversary in February 2025. The findings reveal key statistics, such as the issuance of 6.98 million job cards and the engagement of 12.48 million workers, illustrating strong participation levels. The analysis also highlights fluctuations in the approved labor budget and person-days over the years, with particular attention given to the consistency of women's participation, averaging around 60%.

Further examination of works progress indicates significant improvements in project implementation, as evidenced by the decrease in gram panchayats with zero expenditures. Financial data shows fluctuations in central government funding and total expenditure, peaking at 1,097,460.71 lakhs in FY 2020-21. The study concludes that while MGNREGA plays a critical role in fostering rural development, ongoing assessment of its impact, efficient fund management, and adaptability to changing needs are essential for sustained progress in rural India.

Key Words: Rural development , MGNREGA , Employment

Introduction

India still exists in its countryside since most of its people still reside in rural areas. The rural economy has to develop if India's economy is to be robust. Rural communities still grappling with issues including illiteracy, unemployment, malnutrition, and lack of fundamental infrastructure including hospitals, schools, colleges, sanitation, etc. This has caused young people to leave villages in order to work in cities. Our villages must develop alongside cities and raise the quality of living there if inclusive development is to occur. India is poor if rural India is poor.

Mahatma Gandhi had a vision that India's development would be driven by the progress of its villages. He believed that the key to improving the Indian economy lies in empowering the rural poor. While many people in urban areas are employed, those in rural areas often remain without work.

To address this issue and promote rural development, the Government of India initiated the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA). Originally known as the National Rural Employment Guarantee Act (NREGA), this program was enacted into legislation in August 2005. It was officially launched on February 2, 2006, in Anantapur, Andhra Pradesh, and initially targeted 200 of the

country's poorest districts. MGNREGA aims to provide guaranteed employment to the unemployed, allowing them to find work within their own communities.

By offering at least 100 days of wage employment each year to rural households, MGNREGA plays a critical role in reducing poverty and supporting sustainable development in these areas.

Importance of MGNREGA :

MGNREGA has focused on a variety of work types, with the main objective of providing guaranteed employment to the unemployed within their own communities. Illiteracy and a lack of awareness are significant factors contributing to unemployment among the rural poor.

When an idle person starts working, they gain the opportunity to earn their own livelihood, which fosters a sense of self-worth and self-confidence. This boost in self-esteem can lead to character development, eventually helping them evolve into well-rounded individuals. The positive transformation of these individuals can have a ripple effect, positively influencing their surroundings and gradually leading to improvements in their social and economic conditions.

Main features of MGNREGA:

1. The program guarantees a minimum of 100 days of employment per financial year for adult members of each rural family who request unskilled manual work.
2. If the authorities fail to respond within 15 days of the request, the applicant becomes entitled to receive an unemployment allowance.
3. The registration of rural families and the distribution of employment cards are carried out by the gram panchayat.
4. Applicants must submit their work requests to the gram panchayat or district panchayat.
5. To ensure proper management of quality and utility functions, a social audit is conducted every six months under the scheme.

Objective of the Study :

As Andhra Pradesh marks 20 years of implementing MGNREGA on February 2, 2025, this research will analyze the program's effectiveness over the last five fiscal years, from FY 2020-21 to FY 2024-25.

Data Analysis :

State: ANDHRA PRADESH					
Total No. of Districts	26				
Total No. of Blocks	660				
Total No. of GPs	13,393				
I Job Card					
Total No. of JobCards issued[In Lakhs]	69.83				
Total No. of Workers[In Lakhs]	124.84				
Total No. of Active Job Cards[In Lakhs]	57.8				
Total No. of Active Workers[In Lakhs]	97.23				
(i)SC worker against active workers[%]	23.71				
(ii)ST worker against active workers[%]	9.38				
II Progress	FY 2024-2025	FY 2023-2024	FY 2022-2023	FY 2021-2022	FY 2020-2021
Approved Labour Budget[In Lakhs]	2150	2530	2300	2350	2592.93
Persondays of Central Liability so far[In Lakhs]	2275.69	2554.83	2395.27	2414.66	2585.49
% of Total LB	105.85	100.98	104.15	102.76	99.73
% as per Proportionate LB	105.85				
SC persondays % as of total persondays	21.72	22.41	23.23	23.55	22.6

ST persondays % as of total persondays	12.62	11.36	10	10.13	10.77
Women Persondays out of Total (%)	59.98	60.56	60.52	57.81	57.24
Average days of employment provided per Household	49.12	54.89	52.27	51.66	54.41
Average Wage rate per day per person(Rs.)	255.44	245.65	211.47	216.17	228.74
Total No of HHs completed 100 Days of Wage Employment	3,70,313	6,87,396	2,59,857	4,68,576	8,62,807
Total Households Worked [In Lakhs]	46.33	46.55	45.83	46.74	47.52
Total Individuals Worked [In Lakhs]	73.97	75.43	75.99	77.37	79.52
Differently abled persons worked	75728	80580	78767	84542	88948
III Works					
Number of GPs with NIL exp	38	54	309	472	517
Total No. of Works Takenup (New+Spill Over)[In Lakhs]	12.31	14.75	13.17	11.55	15.09
Number of Ongoing Works[In Lakhs]	8.93	7.91	9.36	7.92	7.38
Number of Completed Works	3,38,559	6,84,539	3,81,029	3,62,234	7,71,047
% of NRM Exp. in MWC Blocks	47.49	53.78	72.43	69.58	0
% of Category B Works	45.78	52	51.67	46.34	43.29
% of Expenditure on Agriculture & Agriculture Allied Works	37.14	32.8	46.34	61.13	0
IV Financial Progress					
Total center Release[In Lakhs]	750936.5	724477.31	753740.27	722562.39	1036548.02
Total Availability[In Lakhs]	808265.7	901246.28	813242.01	722562.39	1036548.02
Percentage Utilization	99.34	99.2	106.04	114.85	105.88
Total Exp(Rs. in Lakhs.)	8,02,936.89	8,94,029.42	8,62,348.20	8,29,880.16	10,97,460.71
Wages(Rs. In Lakhs)	5,79,726.23	6,27,714.44	5,10,083.79	5,17,860.87	5,95,139.56
Material and skilled Wages(Rs. In Lakhs)	1,88,749.02	2,32,408.99	3,08,321.73	2,90,658.54	4,63,100.31
Material(%)	24.56	27.02	37.67	35.95	43.76
Total Adm Expenditure (Rs. in Lakhs.)	34,461.63	33,906	43,942.69	21,360.76	39,220.84
Admin Exp(%)	4.29	3.79	5.1	2.57	3.57
Average Cost Per Day Per Person(In Rs.)	366.69	298.36	281.18	333.51	368.63
% of Total Expenditure through EFMS	100	100	100	100	100
% payments generated within 15 days	100	99.99	98.35	98.79	99.14
Source - MNREGA Website					

Andhra Pradesh is divided into 26 districts following the reorganization of districts in 2022. It is further divided into 660 blocks and 13,393 gram panchayats.

The first part of the table provides details about the total number of job cards issued, active job cards, and the number of workers associated with them. A significant portion of the job cards are active, indicating strong participation in the scheme. A total of 6,983,000 job cards were issued, translating to 12,484,000 registered

workers under the program. Out of these registered workers, 9,723,000 were active. Of the active workers, 23.71% belonged to Scheduled Castes (SCs), while 9.38% were from Scheduled Tribes (STs).

The second part of the table presents progress data from FY 2020-21 to FY 2024-25. The approved labor budget (the amount allocated for the program) fluctuates annually, peaking in FY 2020-21 at 25,929.3 lakhs and dipping to 21,500 lakhs in FY 2024-25. Person-days represent the total number of workdays provided. SC person-days experienced a slight decrease after peaking in FY 2021-22, while ST person-days initially showed a downward trend in FYs 2021-22 and 2022-23, before increasing in FYs 2023-24 and 2024-25. The percentage of woman person-days remained largely consistent at around 60%, suggesting significant and sustained participation of women in the program. Average days of employment per household displayed some fluctuations, with no clear trend—these variations may be due to project differences, seasonal factors, or changes in demand for work. The total number of households that completed 100 days of wage employment showed significant variation, with the highest number in FY 2020-21 (862,807) and the lowest in FY 2022-23 (259,857), reflecting project completion rates, work demand, and available resources. The total number of households and individuals who worked remained relatively stable, indicating consistent overall participation in the scheme. The number of differently-abled persons engaged showed fluctuations without a distinct trend.

The third part of the table addresses works progress. The number of gram panchayats with zero expenditures decreased significantly from FY 2020-21 (517) to FY 2024-25 (38), suggesting improvements in project implementation across more gram panchayats during the analysis period. The total number of works initiated displays variability, likely due to changes in planned projects and the carryover of initiatives from previous fiscal years. The number of ongoing works fluctuates but does not show a distinct pattern, with 893,000 works ongoing. The number of completed works exhibited significant fluctuations, reflecting the progress in executing individual projects, with a total of 338,559 works completed in FY 2024-25. The percentage of expenditure on natural resource management in Mission Water Conservation Blocks was highly variable, including 0% in FY 2020-21, potentially due to data reporting issues or changes in project scope, peaking at 72.43% in FY 2022-23. Category B works, which focus on individual assets for vulnerable groups, aim to improve land productivity, livelihoods, and develop fallow lands while creating infrastructure for livestock and fisheries. The percentage of Category B works showed an increasing trend until FY 2023-24, with a dip in FY 2024-25. The percentage of expenditure on agriculture and allied works demonstrated significant fluctuations, including 0% in FY 2020-21, possibly due to data reporting issues, indicating variations in the types of projects implemented over the years.

The fourth part of the table presents financial progress data, detailing the total central government funds released, the total available funds, the percentage utilization of these funds, and the overall expenditure broken down into wages, materials, and administrative costs. A comparison of the "Total Availability" and "Total Expenditure" columns illustrates how effectively available funds were utilized. The total central release and total availability of funds showed fluctuations in the central government's funding and the total resources allocated to the program. Total expenditure peaked in FY 2020-21 at 1,097,460.71 lakhs. The total expenditure, including wages and skilled materials, experienced considerable year-to-year variations. The breakdown of expenditure provides insights into the proportion spent on wages compared to materials and administration; a higher percentage spent on wages indicates that more funds are reaching the workers. Total administrative expenditure showed fluctuations, suggesting variations in administrative overhead. The average cost per day per person illustrates significant year-to-year fluctuations, potentially reflecting variations in wage rates, material costs, and administrative expenses. Lastly, the percentage of payments made through the Electronic Fund Management System (EFMS) remained consistently high, indicating efficient financial management.

Conclusion

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) has been instrumental in addressing the developmental challenges faced by rural communities in India, particularly in Andhra Pradesh, where it has been in operation for nearly 20 years. This research highlights the significance of MGNREGA as a vital instrument for promoting social equity, economic empowerment, and sustainable development in rural areas.

As evidenced by the data, MGNREGA effectively meets its objective of providing guaranteed employment, with a total of 6.98 million job cards issued. This facilitates the active participation of 12.48 million workers, with a notable percentage (23.71%) from Scheduled Castes and 9.38% from Scheduled Tribes. Such inclusivity underscores the program's potential to uplift marginalized communities and enhance their livelihoods. Furthermore, the consistent participation of women, averaging around 60%, reflects a

progressive shift towards gender equality in employment opportunities, thereby empowering women and fostering social change.

However, the analysis also reveals fluctuations in various metrics, such as the approved labor budget and person-days worked. The approved labor budget experienced peaks and dips, with the highest allocation in FY 2020-21, while SC and ST person-days showed varying trends. These variations may be attributed to numerous factors, including project implementation challenges, seasonal demands for work, and the evolving economic landscape. The significant drop in the number of households completing 100 days of wage employment from a peak of 862,807 in FY 2020-21 to only 259,857 in FY 2022-23 indicates that while the program is successful in providing employment, there is still room for improvement in ensuring sustained engagement and project completion.

Another notable finding is the reduction in the number of gram panchayats with no expenditures, decreasing from 517 in FY 2020-21 to just 38 in FY 2024-25. This decline suggests a marked improvement in project implementation and utilization of available resources. However, ongoing assessments are essential to track these improvements consistently and address the underlying causes of variability in project execution.

Financially, MGNREGA demonstrates important trends in government funding and expenditure. Total expenditures peaked in FY 2020-21, illustrating the program's substantial financial backing when it was most needed. Nevertheless, the considerable year-to-year variations in expenditures highlight the importance of effective financial management and continuous evaluation of resource allocation. The high percentage of payments made through the Electronic Fund Management System (EFMS) indicates that the financial management of MGNREGA is efficient, contributing to timely wage disbursements to workers.

In conclusion, MGNREGA serves as a cornerstone for rural development in India, tackling issues of unemployment and poverty while enhancing the overall quality of life for rural households. It underscores the vital link between rural empowerment and national growth, aligning with Mahatma Gandhi's vision of rural development as integral to the country's progress. Going forward, it is imperative to sustain this momentum through targeted policy interventions, regular assessments, and community engagement. Continued investment in rural infrastructure, education, and awareness campaigns is essential to ensure that the benefits of MGNREGA extend beyond employment to create lasting changes in the socio-economic landscape of rural India. By refining the implementation of MGNREGA and addressing the challenges identified, there exists significant potential for further uplifting rural communities and, by extension, strengthening India's economy as a whole.

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