ROLE OF MGNREGS IN ERADICATION OF RURAL POVERTY –META ANALYSIS

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Abstract:

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) has been one of India's most significant initiatives for rural employment generation and poverty alleviation. This study, based on secondary data collected from various national and regional sources, aims to evaluate the overall effectiveness of MGNREGA, focusing on its impact on employment, poverty reduction, and the creation of sustainable rural assets. It also examines the challenges in its implementation, including delayed wage payments, inefficiencies in work allocation, and low participation of marginalized communities in some regions. The study highlights the role of local governance institutions, such as Panchayats and Gram Sabhas, in the success and failure of the program and explores regional best practices. Despite its shortcomings, the program has demonstrated considerable potential in empowering marginalized groups, especially women and Scheduled Tribes, thereby contributing to social protection and livelihood security. The study concludes with recommendations for strengthening governance, improving accountability, and addressing critical gaps to enhance the program's effectiveness across India

Keywords: MGNREGA, Rural Employment, Poverty Alleviation, Livelihood Security

1.Introduction

The Eleventh Five Year Plan estimated that over 30 crore people in India were living below the poverty line, with poverty being a complex, multidimensional issue rooted in both national and global contexts. In India, poverty is predominantly a rural issue, deeply intertwined with factors such as caste, lifestyle, and geography, and is especially prevalent among Scheduled Castes and Tribes in rural areas. While overall poverty has declined in the past decade, reductions have been much less significant among these marginalized groups. The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) has emerged as a key source of income for rural households, offering 100 days of guaranteed work to improve their socio-economic conditions. This initiative has the potential to transform the lives of millions in rural areas, helping to repair long-neglected rural infrastructure and playing a crucial role in revitalizing the rural economy. By providing employment, MGNREGA helps break the cycle of rural poverty, with positive ripple effects on health, education, and social welfare. It is part of a broader set of rural poverty-alleviation programs, but its focus on female workforce participation holds additional promise. Increasing women's participation in the workforce is linked to lower infant mortality and higher primary school enrolment rates. Furthermore, rural employment opportunities under MGNREGA reduce urban migration, enhance the bargaining power of traditionally marginalized groups, and foster greater mobilization of the rural poor.

The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) stands as one of India's most ambitious and inclusive social welfare initiatives aimed at eradicating rural poverty through guaranteed wage employment. As of 15th July, 2025, the scheme covers a vast rural landscape, spanning 741 districts, 7,193 blocks, and 2,69,234 Gram Panchayats (GPs) across the nation. A total of 15.39 crore job cards have been issued under the scheme, registering 26.5 crore workers, of whom 12.11 crore are currently active. This scale highlights

MGNREGS as not merely a welfare program but a structural intervention into the rural labor economy. With 8.5 crore active job cards, the scheme continues to provide livelihood security to millions of households, especially those from vulnerable communities—Scheduled Castes (SCs) and Scheduled Tribes (STs) comprise 18.86% and 17.22% respectively of the active workforce, reinforcing the scheme's role in promoting social equity. By ensuring a minimum of 100 days of wage employment in a financial year to rural households, MGNREGS addresses seasonal unemployment, reduces distress migration, and contributes to asset creation in rural areas. Its potential as a poverty alleviation tool lies not only in income support but also in empowering rural communities through decentralized planning, inclusive participation, and sustainable development practices.

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), launched in 2005, is one of the largest social security schemes aimed at combating rural poverty and providing employment in India. It guarantees a minimum of 100 days of wage employment per year to rural households, primarily targeting marginalized communities and vulnerable populations such as women, Scheduled Tribes, and landless laborers. The program is central to India's efforts to achieve several Sustainable Development Goals (SDGs), particularly SDG 1: No Poverty, SDG 2: Zero Hunger, SDG 5: Gender Equality, and SDG 8: Decent Work and Economic Growth. MGNREGA's impact on rural employment, poverty alleviation, and social protection has been significant, providing not only a safety net for rural households but also creating durable assets that contribute to sustainable rural development. However, despite its successes, the scheme faces several challenges in implementation, such as delays in wage payments, low participation from marginalized groups, and inefficiencies in asset creation. This study aims to analyze the effectiveness of MGNREGA through secondary data, examining its role in achieving the SDGs, identifying its strengths and weaknesses, and providing recommendations for enhancing its impact on rural development and poverty reduction. By focusing on the alignment of MGNREGA with the global sustainable development agenda, this research contributes to understanding how large-scale social protection programs can foster inclusive and sustainable growth in rural areas, while addressing persistent socio-economic disparities.

2.Meta Analysis

Somasekhar (2014) highlights MGNREGS as India's most significant social security initiative, notably different from earlier anti-poverty programmes due to its rights-based approach that guarantees employment on demand at minimum wages. The scheme has been effective in generating employment, ensuring stable household income, curbing rural-to-urban migration, and enhancing access to food, education, and healthcare. It also contributes to rural asset creation and livelihood security. However, implementation challenges remain, calling for stronger monitoring, independent research for continuous evaluation, enhanced beneficiary participation, and robust social audits to maximize its poverty reduction potential.

Himanshu et al. (2015) analyze NREGS implementation trends in Rajasthan, noting a sharp decline in work provision since 2010 despite sustained demand for employment. Their large primary survey reveals that reduced performance is not solely due to falling demand but also factors like administrative challenges, seasonal work patterns, fund delays, low wages, and a supply-driven approach. These issues have led to a "discouraged worker syndrome," where beneficiaries hesitate to seek work. While improved rural incomes might contribute somewhat, the study suggests that administrative inefficiencies play a more significant role in the scheme's declining effectiveness.

Dey (2016) examines MGNREGS implementation in West Bengal, highlighting challenges in employment generation and durable asset creation. Despite high household registration, actual work participation is only about half, and the state struggles to provide the guaranteed 100 days of employment. Gram Panchayats (GPs), as primary implementers, face capacity constraints and heavy workloads, resulting in low-value, often unsustainable assets. Additionally, limited community involvement and a lack of meaningful participation in planning lead to projects being chosen by officials rather than villagers, diminishing local ownership. Although the West Bengal Panchayat Act has provisions for public engagement, these are rarely enforced seriously, affecting the scheme's effectiveness.

Aggarwal (2016) discusses the ongoing crisis in MGNREGA implementation in Jharkhand, where workers face curtailed entitlements, denial of work without compensation, and long wage delays forcing reliance on exploitative employment. The crisis stems from failures at multiple levels, including political leadership and local officials. To improve, Jharkhand must establish independent social audits, enforce transparency and grievance redressal, ensure timely wage payments with compensation, fill staffing vacancies, and strengthen monitoring. Aggarwal also suggests performance-linked bonuses for MGNREGA functionaries to incentivize better delivery. Effective reforms will require strong political will and active public pressure.

Reimeingam (2016) finds that MGNREGA has had a significant poverty-reducing impact among Scheduled Tribes (STs) in Sikkim since its implementation in 2006. With major works focused on land development and rural connectivity—both environmentally sustainable activities—over one-third of job cards and employment days have benefited STs, exceeding their share in the population. The scheme has helped reduce underemployment and unemployment among both main and marginal workers by increasing their work duration. Its success in Sikkim is attributed to effective implementation through strong Panchayati Raj Institutions, contributing to economic well-being by supplementing household income and improving STs' participation in the rural economy.

Sharma, Karim, and Khanuja (2017) recognize MGNREGA as a transformative initiative that has significantly influenced rural development and reshaped the employment structure in India. While the programme has made notable progress—such as reducing migration, improving rural wage levels, and stabilizing livelihoods—it also faces critical shortcomings. Chief among these is the gap between job card issuance and actual work allocation, often resulting in delayed or denied employment, for which compensation is mandated. Despite these challenges, MGNREGA has proven effective in strengthening the rural economy and enhancing the socioeconomic status of the rural poor.

Sumit Vij et al. (2017) examined data from Andhra Pradesh and Telangana, finding that MGNREGS offers significant direct and indirect benefits, especially for women. Despite a national decline in women's work participation, these states saw increased female engagement in the scheme, with women often participating more than men. The scheme also helped reduce gender wage gaps by ensuring equal pay for equal work. However, challenges remain, as most employment under MGNREGS is casual and manual, focused mainly on construction, agriculture, and allied sectors.

Majumdar (2022) highlights the irregular and seasonal nature of rural employment, which often pushes marginal workers—especially women—between unpaid domestic work and paid labor. The economic vulnerability of rural families also leads to child labor, underscoring the need for stronger state support and protection. He argues that improving rural livelihoods

requires good governance and a multi-dimensional strategy, with decentralized planning through Panchayati Raj institutions and Gram Sabhas playing a key role. Active participation of these local bodies is essential to ensure that rural poverty alleviation programmes like MGNREGA effectively reach and benefit the intended population.

Meena (2021) observes a consistent rise in the number of job cards issued under MGNREGA, reflecting steady rural registration. Although participation has slightly declined—possibly due to improved rural labor market conditions—the scheme has increased demand for casual labor and offered flexibility in employment and workdays. A key limitation is the uniform wage payment system, with no differentiation by job type. Nevertheless, MGNREGA plays a vital role in reducing rural poverty by enhancing social dignity, increasing purchasing power, and weakening the exploitative hold of moneylenders and landlords on rural households.

Satyanarayana (2022) explores how MGNREGS serves as a social protection mechanism for marginalized groups in backward regions, focusing on Andhra Pradesh's Rayalaseema area. Despite high poverty and unemployment, less than half the households rely solely on MGNREGS for employment, with upper-caste households less dependent on it. The scheme primarily benefits marginalized communities like BCs and SCs by providing supplementary employment that significantly boosts rural household incomes and livelihood security. MGNREGS thus plays a crucial role in welfare transfer and social protection in economically lagging rural areas.

Pankaj and Bhattacharya (2022) analyze the impact of income-generating assets created under MGNREGA on rural livelihoods, based on a primary survey across six districts in Uttar Pradesh, Rajasthan, and Tamil Nadu. Their findings show that land development and irrigation works led to increased crop acreage, higher yields, and greater crop diversification, resulting in higher household incomes and improved food security. Additionally, promotion of livestock and fisheries assets enhanced access to nutritious protein sources and supported agricultural productivity, contributing to overall rural development.

Bhavna Khari (2023) emphasizes the role of Self-Help Groups (SHGs) in enhancing women's participation in MGNREGA and improving their economic conditions. Despite this progress, challenges remain, including inadequate job card access for women-headed households and poor worksite facilities, particularly for childcare. Khari stresses the need for greater involvement of women in Gram Sabhas and planning processes to strengthen their role in decision-making. Overall, MGNREGA has positively influenced women's status within their households by offering paid employment, though further support is needed to make participation more equitable and effective.

Madanna (2025) confirms that MGNREGA has significantly boosted rural employment and contributed to a reduction in poverty levels among rural households. The scheme also supports rural infrastructure development and empowers marginalized communities by improving household incomes. However, persistent issues such as inadequate funding and weak implementation hinder its full potential. The study recommends enhancing the implementation framework, increasing financial allocations, and ensuring greater transparency and accountability. Overall, it underscores MGNREGA's critical role in promoting rural employment and poverty alleviation in India.

Kindo and Jha (2025) emphasize that MGNREGA is India's only guaranteed wage employment programme, and notably the first to provide large-scale employment to rural women. While acknowledging its role in poverty alleviation, employment generation, and reducing migration—particularly in Ranchi district—the authors suggest key reforms to

enhance its impact. These include increasing wages, extending workdays to 200 for BPL and landless families, appointing a brand ambassador to boost awareness and participation, and selectively allowing contractors and machinery. They argue that with such changes, MGNREGA could serve as a powerful tool for inclusive growth, combining social protection with rural development and democratic governance.

META – ANALYSIS

Year	Author(s)	Key Findings	Challenges / Recommendations
2014	Somasekhar	MGNREGS positively impacts employment and poverty reduction; guarantees work and wages.	Need better monitoring, social audits, and beneficiary participation.
2015	Himanshu et al.	Decline in work provision despite demand; administrative issues and discouraged workers reduce scheme effectiveness.	Address fund flow, wages, seasonality; combat discouraged worker syndrome.
2016	Aggarwal	Crisis in implementation: work denial, wage delays, curtailed entitlements; political and administrative accountability needed.	Independent audits, grievance redressal, filling vacancies, performance incentives.
2016	Debatra Kumar Dey	High registration but low participation; creation of low-value assets; weak community involvement.	Strengthen Gram Panchayat capacity and local participation.
2016	Marchang Reimeingam	MGNREGS reduces unemployment among STs; improves rural incomes; effective Panchayati Raj support.	Sustain strong local governance for success.
2017	Disha Sharma et al.	MGNREGS is flagship for rural development; reduces migration, increases rural wages; work allocation still inadequate.	Improve timely work allocation and government accountability.
2017	Sumit Vij et al.	Encouraging women's participation and gender wage equality; work mainly manual in agriculture and construction.	Diversify work types, address casual nature of employment.
2021	Garima Meena	Increase in job cards and flexible workdays; improves social respect and reduces moneylender dependence.	Wage payment lacks differentiation by category.
2022	Sujit Majumdar	Decentralized planning via Panchayats/Gram Sabhas enhances governance and sustainability of rural poverty alleviation.	Strengthen local institutions and participatory governance.
2022	Pankaj & Bhattacharya	Asset creation (land, irrigation, livestock) under MGNREGS boosts income, crop yields, nutrition, and food security.	Promote diversified asset creation for livelihood improvement.
2022	Satyanarayana T.	MGNREGS vital social protection for marginalized groups; significant wage income contribution.	Prioritize backward regions; enhance livelihood security.
2023	Bhavna Khari	SHGs increase women's MGNREGA participation and economic status; need childcare facilities and easier job card access.	Improve women-friendly facilities and participation in decision-making.
2024	Geetanjoy Sahu & Aaishwarya	Odisha's 200 workdays + higher wages reduce poverty and migration; integration with other schemes ensures sustainability.	Replicate Odisha model in other distressed regions.
2025	Madanna	MGNREGS positively impacts employment and poverty; funding and implementation issues remain.	Increase funding, strengthen transparency and accountability.
2025	Tanuja Kindo & Rekha Jha	MGNREGS empowers rural women; calls for wage increase, more guaranteed workdays,	Raise wages, guarantee 200 days for vulnerable groups, promote

Year	Author(s)	Key Findings	Challenges / Recommendations
		program ambassadors to boost participation.	awareness.

4. Conclusion

The meta-analysis of studies from 2014 to 2025 clearly indicates that MGNREGA has been a pivotal social security program in India, significantly contributing to rural employment generation, poverty alleviation, and livelihood security, especially among marginalized and vulnerable groups like Scheduled Tribes, women, and backward regions. The scheme has demonstrated its strength in guaranteeing wage employment, improving rural incomes, and reducing migration by providing stable work opportunities at statutory wages. However, despite its positive impacts, persistent challenges remain across various states and regions. These include administrative inefficiencies, delayed wage payments, inadequate work allocation, and limited quality asset creation. There is also a clear need to enhance women's participation, provide better childcare facilities, and ensure greater community involvement in planning and implementation. Funding constraints and lack of transparency further impede optimal program delivery. Strengthening local governance institutions like Panchayats and Gram Sabhas, establishing independent monitoring and social audit mechanisms, and promoting accountability are critical to improving the scheme's effectiveness.

To strengthen the MGNREGA scheme, it is crucial to increase funding and ensure timely wage payments, while enhancing transparency and accountability through independent monitoring bodies. Local governance bodies like Panchayats and Gram Sabhas should be provided with greater resources and training to improve implementation quality and community participation. The wage payment system needs to be streamlined, with digital payments and tiered wage structures to address inefficiencies. Emphasis should be placed on creating durable rural assets, moving away from short-term projects, and ensuring that marginalized groups, especially women and Scheduled Tribes, are better included in the decision-making and work processes. Incentives for timely project completion and stronger coordination with other development schemes would help optimize outcomes. Lastly, a system of continuous evaluation, feedback, and social audits should be instituted to ensure the program remains effective, adaptable, and responsive to the needs of rural populations across different regions. In summary, while MGNREGA has substantially empowered rural households and transformed rural economies, sustained political will, improved funding, and inclusive governance are essential to address its implementation gaps and maximize its potential for inclusive and sustainable rural development.

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