
Performance and Progress of MGNREGA in India: A Comprehensive Overview

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ABSTRACT:

The study provides a comprehensive analysis of the financial progress and employment dynamics under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) in India from its inception in 2006–07 to 2023–24. Drawing on data related to fund allocation, actual expenditure, job card issuance, work demand and provision, and key performance indicators, the paper highlights trends in the scheme's implementation and effectiveness. Notable findings include a consistent increase in budgetary outlay, peaking during economic crises like the COVID-19 pandemic, along with significant year-on-year growth in job card issuance and employment generation. The analysis reveals fluctuations in fund utilization, variations in employment achievement rates, and strong progress in the adoption of electronic fund management systems. Despite challenges such as fund disbursement delays and regional disparities, MGNREGA continues to play a pivotal role in rural livelihood security, financial inclusion, and asset creation. This paper emphasizes the scheme's scale, adaptability, and evolving importance in India's rural development landscape.

KEYWORDS:

Development, Economic Empowerment, Employment, Job Cards, Rural Household, Rural Development, MGNREGA.

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Introduction

On September 7, 2005, nine days later, the Mahatma Gandhi National Rural Employment Guarantee Act, 2005, was officially registered. On February 2, 2006, 200 districts were notified of the Act; 130 additional districts were added to the list of districts to get notice for the 2007–2008 fiscal years. Among them, notifications were sent to 113 districts on April 1, 2007, and to 17 districts in Uttar Pradesh on May 15, 2007. On April 1, 2008, announcements were made on the remaining districts under the Mahatma Gandhi NREGA. Thus, the entire nation is covered by the Mahatma Gandhi NREGA, except for places where

people live solely in cities. Low-skilled individuals can work temporary jobs on public works projects under the MGNREGA. They lend money to low-income families in periods when they are severely impacted by a lack of employment opportunities. Welfare systems that provide transfer benefits can help keep people out of poverty during recessions and other periods of low employment. The enduring assets these projects create could lead to job opportunities in a second wave once the requisite infrastructure is constructed. Ensuring that low-income rural households with individuals who volunteer for unskilled manual work receive 100 days of paid employment per fiscal year is the goal of the MGNREGA, one of the most significant pieces of legislation ever established. Thanks to this programme, more people in rural areas in India have work than at any other time in history.

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is recognized as the world's largest employment guarantee programme. Enacted in 2005 and implemented across India, MGNREGA aims to enhance livelihood security in rural areas by providing at least 100 days of guaranteed wage employment in a financial year to every rural household whose adult members are willing to undertake unskilled manual work. This landmark initiative has created more employment opportunities for the rural poor than any other program in the history of independent India. Beyond wage employment, MGNREGA holds transformative potential by contributing to the creation of durable, productive rural assets while simultaneously fostering greater transparency, accountability, and participatory governance at the grassroots level. It empowers rural citizens not only economically but also socially and politically, by strengthening the role of local institutions like Gram Panchayats in planning and implementation.

Objectives of the Study

The main objectives of the study are as follows:

- To study financial progress of MGNREGA in India
- To study the job card issued and employment generation in India
- To analyse the performance of MGNREGA in India

Methodology of the Study

The study based on secondary data. The secondary data has been collected from the various Government reports viz., Ministry of Rural Development, Government of India and Ministry of Rural Development

and Panchayat Raj, and also data retrieved from MGNREGA official website. The literature has also been gathered from published articles, books and other government reports. The data analysis is carried out by using simple statistical methods like percentage and average as these will help us to understand the development situation at the grassroots level.

Progress of MGNREGA in India:

Initially, 200 districts were notified of MGNREGA on February 2, 2006. In the 2007–2008 fiscal year, an additional 130 districts were notified; 113 districts were notified on April 1, 2007, and 17 districts in UP were notified on May 15, 2007. As of April 1, 2008, the MGNREGA has been extended to 34 states and union territories, 614 districts, 6, 096 blocks, and 2. 65 lakhs gramme panchayats. Thus, MGNREGA extends across the whole nation, except for areas where the population is entirely concentrated in cities. Uttar Pradesh has the most districts (71), followed by Madhya Pradesh (50), Bihar (38), Maharashtra (33), and Rajasthan (33).

Financial Progress for MGNREGA in India

The financial progress of MGNREGA in India reflects the government's continued commitment to rural employment and poverty alleviation. Since its inception in 2005, MGNREGA has seen a steady increase in budgetary allocations, with expenditure peaking during times of economic distress, such as the COVID–19 pandemic. In recent years, the total expenditure under the scheme has consistently crossed ₹1 lakh crore annually, demonstrating its scale and importance. These funds are primarily spent on wage payments to rural workers and the creation of durable community assets. However, while financial outlays have been substantial, concerns have been raised about delays in fund disbursement, declining allocations in recent budgets, and regional disparities in fund utilization. Despite these challenges, MGNREGA remains one of the most significant instruments for ensuring livelihood security, promoting inclusive growth, and enabling financial inclusion across rural India.

Table-1: Financial Progress for MGNREGA in India

Particulars	2023-24	2022-23	2021-22	2020-21	2019-20
Total Center Release (In Lakhs)	80955. 1	88290. 4	96812. 3	109811	71020. 4
Total Availability (In Lakhs)	94153. 3	104431	107968	118888	75510. 3

Percentage of Utilization	99166. 3	101120	106490	111720	68266
Total Expenses (In Lakhs)	105. 32	96. 83	98. 63	93. 97	90. 41
Wages (In Lakhs)	71007	65266	75091. 6	78016. 9	48847. 9
Material and Skilled wages (in Lakhs)	24708. 9	31686. 3	28041. 4	29557. 9	16192. 2
Materials (%)	25. 81	32. 68	27. 19	27. 48	24. 9
Total Adm Expenditure (in lakhs)	3450. 38	4168. 08	3356. 94	4144. 77	3225. 88
Admin Expenses (%)	3. 48	4. 12	3. 15	3. 71	4. 73
Average Cost per day per person (in Rs)	331. 38	292. 31	269. 79	266. 19	235. 28
Percentage of Total Expenditure through EFMS	99. 93	99. 76	99. 41	99. 37	99. 56
Percentage of Payments Generated within 15 days	98. 68	92. 5	96. 54	96. 18	93. 76

Source: <http://nrega.nic.in>.

The above table presents the financial progress of the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) in India for the years 2019–20 to 2023–24. It includes various key indicators such as total center release, total availability, percentage of utilization, total expenses, wages, material and skilled wages, administrative expenditure, average cost per day per person, percentage of total expenditure through the Electronic Fund Management System (EFMS), and the percentage of payments generated within 15 days. The data shows fluctuations in total center release and total availability over the years, with a peak in 2020–21 and a subsequent decline. The percentage of utilization also varies, with the highest recorded in 2020–21. Wages constitute a significant portion of expenses, followed by material and skilled wages. Administrative expenses as a percentage of total expenditure fluctuate but generally remain relatively low. The table also indicates the average cost per day per person, which fluctuates over the years. Additionally, it highlights the high percentage of payments generated within 15 days, reflecting timely disbursement of funds under MGNREGA. Overall, the table provides insights into the financial management and implementation of MGNREGA in India.

Financial Outlay for MGNREGA in India

The financial outlay for the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) in India represents one of the largest allocations for rural development in the country's budget. It includes funding for wage payments, material costs, and administrative expenses, with the central government bearing the majority of the financial responsibility and states contributing a smaller share. Over the years, the budgetary allocation for MGNREGA has seen significant variations, influenced by rural distress, economic conditions, and policy priorities. During times of crisis—such as the COVID-19 pandemic—the outlay was substantially increased to provide immediate livelihood support to rural households. The financial outlay also reflects the government's commitment to inclusive growth, environmental sustainability, and poverty alleviation, as it supports various green and productive assets through labour-intensive work. Efficient utilization of these funds, along with timely disbursal, is critical for the program's success in meeting its employment and developmental goals.

Graph No-1: Financial Outlay for MGNREGA in India



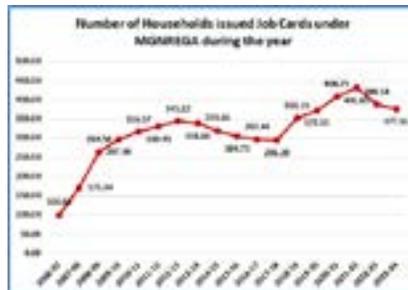
The graph illustrates the financial outlay for the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) in India over a span of eighteen years. The data showcases a significant increase in funding over the years, reflecting the government's commitment to rural development and employment generation. In 2006-07, the allocated amount was 11,300 crores, which witnessed a doubling in 2007-08, reaching 22,400 crores. Subsequently, there was a substantial surge in 2008-09, with

the outlay reaching 30, 000 crores, marking a staggering increase of 265. 49%. The trend continued with fluctuations in percentage increases, indicating varying government priorities and economic conditions. Notable spikes occurred in 2017–18 and 2018–19, with allocations of 48, 000 crores and 67, 714 crores, respectively, representing percentage increases of 424. 78% and 599. 24%. The highest allocation recorded was in 2020–21, with 1, 11, 535 crores, demonstrating a substantial boost in funding for rural employment initiatives. However, in 2021–22 and 2022–23, there were slight declines in the outlay, indicating potential shifts in policy focus or budgetary constraints.

Number of Households Issued Job Cards under MGNREGA during the Year in India

The number of households issued job cards under MGNREGA during a given year in India reflects the extent of rural participation and the demand for wage employment under the scheme. A job card serves as an essential document that enables rural households to avail guaranteed 100 days of unskilled manual work annually. The year-wise data on job card issuance shows the government's effort to expand the scheme's coverage, particularly among vulnerable and marginalized communities such as Scheduled Castes (SCs), Scheduled Tribes (STs), and women. Trends in job card issuance often correlate with socio-economic conditions, migration patterns, and agricultural cycles—typically rising in years marked by droughts, economic downturns, or natural disasters. A consistent increase in the number of households receiving job cards indicates growing awareness, improved outreach, and stronger implementation mechanisms, while also underlining the continuing need for livelihood support in rural India.

Graph No-2: Number of Households issued Job Cards under MGNREGA during the year.



Source: <http://nrega.nic.in>.

The above graph shows the annual total of household work cards issued under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) from 2006–04 to 2023–24. The first column shows the percentage rise from the previous year, the total number of job cards issued that year, the year after the serial number, and the total number of cards issued. According to the statistics, the number of people receiving employment cards has been steadily rising over the years, which means that more and more people are taking advantage of the MGNREGA programme. The programme experienced a substantial expansion from 2006–07 to 2023–24, with the number of families issued job cards increasing from 3, 78, 50, 390 to 14, 27, 38, 000. The percentage increase also demonstrates the varying rates of growth over time, with some years experiencing substantial spikes. However, there may have been fluctuations in issuance due to factors such as changes in policy, economic conditions, and local demand for employment opportunities. Overall, the table reflects the evolving landscape of rural employment and the government's efforts to address it through MGNREGA.

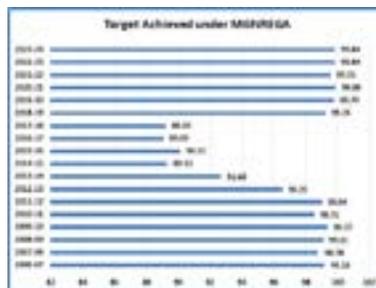
No. Of Households Demanded and Provided Employment under MGNREGA in India

The number of households that demanded and were provided employment under MGNREGA in India serves as a key indicator of the scheme's responsiveness to rural livelihood needs. Demand for work reflects the economic conditions and employment scarcity in rural areas, while the number of households actually provided work indicates the efficiency and capacity of the implementation system. In several years, especially during economic slowdowns or agrarian distress, the demand for work has surged, prompting increased governmental support. The ratio of households provided employment to those demanding it—known as the achievement rate—varies across states and years. A high achievement rate suggests effective delivery and resource allocation, while a gap between demand and provision indicates administrative or funding constraints. Monitoring this data helps assess the performance of MGNREGA in fulfilling its mandate of providing guaranteed wage employment and informs necessary policy adjustments to ensure timely and adequate job provision.

Table No-1: Number of Households Demanded and Provided Employment under MGNREGA.

Sl. No.	Year	No. Of HH Demanded Employment	No. Of HH Provided Employment	Target Achievement (%)
1	2006-07	2, 11, 88, 894	2, 10, 16, 099	99. 18
2	2007-08	3, 43, 26, 563	3, 39, 09, 132	98. 78
3	2008-09	4, 55, 18, 907	4, 51, 15, 358	99. 11
4	2009-10	5, 28, 64, 607	5, 25, 30, 453	99. 37
5	2010-11	5, 57, 63, 244	5, 49, 54, 225	98. 55
6	2011-12	5, 03, 48, 382	4, 98, 62, 772	99. 04
7	2012-13	4, 55, 87, 431	4, 40, 16, 614	96. 55
8	2013-14	4, 51, 91, 544	4, 18, 82, 535	92. 68
9	2014-15	3, 99, 00, 339	3, 56, 38, 682	89. 32
10	2015-16	4, 65, 54, 914	4, 19, 60, 513	90. 13
11	2016-17	5, 01, 52, 517	4, 46, 78, 443	89. 09
12	2017-18	5, 00, 61, 702	4, 46, 71, 456	89. 23
13	2018-19	5, 87, 33, 661	5, 82, 89, 695	99. 24
14	2019-20	6, 16, 18, 056	6, 14, 86, 054	99. 79
15	2020-21	8, 54, 10, 542	8, 53, 14, 772	99. 89
16	2021-22	8, 05, 17, 562	8, 01, 55, 281	99. 55
17	2022-23	6, 90, 38, 910	6, 89, 26, 598	99. 84
18	2023-24	6, 47, 14, 454	6, 46, 10, 575	99. 84

Source: <http://nrega.nic.in>.

Graph No-3: Target Achieved under MGNREGA

From 2006–07 until 2023–24, the MGNREGA monitored the number of families who requested and got work. The years are displayed in rows, and the columns represent the year, the number of households that requested employment, the number of households that were hired, and the percentage of target achievement. According to the data, both the number of households demanding employment and those providing employment have steadily increased over time. However, the target achievement percentage varies, with some years reaching close to 100% and others falling short. Notably, both demand and employment have increased significantly in recent years, with the largest figures recorded in 2020–21 and 2021–22. Despite volatility, the MGNREGA programme has been effective in delivering work opportunities to rural households over the years.

Funds Available and Actual Expenditure under MGNREGA in India

The comparison between funds available and actual expenditure under MGNREGA in India provides critical insights into the financial efficiency and implementation strength of the program. Funds available include the opening balance, central and state releases, and any additional allocations during the year, while actual expenditure reflects the money spent on wages, materials, and administrative costs. A high utilization rate indicates effective planning and execution of works, whereas underutilization may point to delays in project approvals, administrative bottlenecks, or reduced demand. Conversely, overspending in some cases may reflect unanticipated demand or delays in fund releases that push expenses into the next financial cycle. Tracking this data helps evaluate fiscal discipline, fund flow efficiency, and the program's capacity to deliver guaranteed employment. Ensuring timely release and optimal utilization of funds is essential to maintaining the credibility and sustainability of MGNREGA as a rights-based employment guarantee scheme.

Table No. 2: Funds Available and Actual Expenditure under MGNREGA.

Sr.	Year	Funds Available (Rs. In Crores)	Actual Expenditure (Rs. In Crores)	% Of Utilization (Rs. In Crores)
1	2006-07	12, 074	8, 823	73. 1
2	2007-08	19, 279	15, 859	82. 26
3	2008-09	36, 300	27, 251	75. 07

4	2009-10	45, 682	37, 910	82. 99
5	2010-11	52, 649	39, 377	74. 79
6	2011-12	41, 545	38, 035	91. 55
7	2012-13	45, 863	39, 778	86. 73
8	2013-14	38, 151	38, 605	101. 19
9	2014-15	37, 588	36, 025	95. 84
10	2015-16	43, 381	44, 003	101. 43
11	2016-17	57, 387	58, 063	101. 18
12	2017-18	68, 152	64, 280	94. 32
13	2018-19	70, 833	67, 720	95. 61
14	2019-20	73, 752	68, 018	92. 23
15	2020-21	1, 17, 863	1, 11, 544	94. 64
16	2021-22	1, 09, 188	1, 06, 735	97. 75
17	2022-23	1, 04, 369	1, 01, 122	96. 89
18	2023-24	94, 150	99, 664	105. 86

Source: <http://nrega.nic.in>.

Graph No-4: Percentage of Utilization under MGNREGA



The above table provides data on the funds available and actual expenditure under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) for the years 2006-07 to 2023-24. The funds available are presented in crores of rupees, and so is the actual

expenditure, along with the percentage of utilization. The figures indicate the financial resources allocated to MGNREGA and how effectively they were utilized. Over the years, there has been a fluctuation in both funds available and actual expenditure, with some years showing higher utilization percentages than others. Notably, in some years like 2011–12, 2013–14, and 2015–16, the utilization percentage exceeded 100%, indicating that more funds were spent than initially allocated. Conversely, in other years, such as 2014–15 and 2019–20, the utilization percentage was lower, suggesting that funds were underutilized. Overall, the table offers insight into the financial management of MGNREGA over the years and highlights trends in funding and expenditure.

Conclusion

The financial and operational performance of MGNREGA from 2006–07 to 2023–24 reflects the Indian government's sustained efforts to address rural unemployment and poverty. The scheme has witnessed a remarkable rise in budgetary allocations, with expenditure frequently surpassing ₹1 lakh crore in recent years. The issuance of job cards has grown steadily, indicating increasing public reliance on the program. Employment data shows rising demand and generally high achievement rates, especially during years of economic stress. While some years recorded over 100% fund utilization, others fell short, highlighting inconsistent financial execution. The efficiency of fund disbursement has improved through systems like EFMS, and administrative expenses have remained stable. Despite fluctuations in allocations and implementation challenges, MGNREGA has remained a cornerstone of rural development, offering both economic security and infrastructural growth in India's villages.

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Conflict of interest:

The Authors have no conflict of interest to declare that they are relevant to the content of this article.

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