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# **EMPOWERING RURAL INDIA THROUGH LAW: A SOCIO-LEGAL STUDY OF THE MAHATMA GANDHI NATIONAL RURAL EMPLOYMENT GUARANTEE ACT, 2005**

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## **Abstract**

The Mahatma Gandhi National Rural Employment Guarantee Act, 2005 (MGNREGA) is a revolutionary statute aimed at securing livelihood in rural India by legally mandating wage employment. As a pioneering effort in the realm of rights-based welfare, it distinguishes itself from earlier policy-driven initiatives by transforming employment into a statutory entitlement. This article delves into the legal structure and developmental impact of the Act, beginning with its historical emergence and examining its core provisions. It evaluates the extent to which MGNREGA has succeeded in achieving rural empowerment, improving social equity, and contributing to constitutional values. The analysis also includes a critical overview of judicial engagement with the Act and explores the operational bottlenecks that hinder its optimal implementation. Concluding with targeted reforms, the paper aims to reinforce the relevance of MGNREGA as a powerful legal mechanism for inclusive growth in contemporary India.

## **Keywords**

MGNREGA, employment guarantee, rural development, poverty alleviation, social justice, labour law, constitutional rights, public accountability, Gram Panchayat

## **1. Introduction**

In a nation where rural communities form the backbone of society, the imperative to address rural unemployment and underemployment has always been significant. For decades, the Indian State grappled with structural poverty and inequality, especially in the countryside. Against this background, the enactment of the Mahatma Gandhi National Rural Employment Guarantee Act in 2005 marked a bold and unprecedented step. It was not merely another

welfare programme; it was a deliberate legal acknowledgment of employment as a basic human right. This statute provides a minimum of one hundred days of paid manual work annually to any adult in a rural household who expresses willingness to undertake unskilled labour.<sup>1</sup> By doing so, the State assumes a direct obligation to provide livelihood security, turning social expectations into legally enforceable duties.

MGNREGA differs from earlier schemes such as the Sampoorna Grameen Rozgar Yojana or the Jawahar Rozgar Yojana, which were dependent on budgetary priorities and executive discretion. In contrast, MGNREGA creates enforceable entitlements. The statute integrates legal accountability, institutional decentralisation, and participatory planning. By making employment a right, the Act shifts the narrative from welfare delivery to rights realisation. Its vision is grounded not just in poverty alleviation, but in the empowerment of citizens through State responsibility.

The foundational philosophy of the Act is rooted in Gandhian ideals of dignity of labour, self-reliance, and rural reconstruction. It promotes democratic decentralisation by assigning core responsibilities to the Gram Panchayats, and it introduces transparency mechanisms such as social audits and real-time online data monitoring. Though celebrated as a landmark in legal reform and social inclusion, the implementation of MGNREGA has not been free of controversy. Delayed payments, corruption, poor grievance redressal, and lack of administrative capacity have led to serious questions about its functioning.

This article critically investigates these dimensions. It traces the historical background leading to the legislation, explores the structure of the Act, and assesses its relevance in today's socio-political climate. In doing so, it also reflects upon how MGNREGA stands as a constitutional response to economic disparity, and how courts have reinforced its status as a legal right.

## **2. Objectives and Methodology**

The current study is undertaken with the objective of analysing the MGNREGA framework from both a legal and developmental perspective. The goal is to understand how the Act contributes to the idea of just governance in India, and how it reshapes the welfare paradigm through a rights-based model.

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<sup>1</sup> Mahatma Gandhi National Rural Employment Guarantee Act, No. 42 of 2005, § 3, Acts of Parliament, 2005 (India)

The primary aims of this paper are fivefold: First, to examine the historical context and reasons that led to the demand for an employment guarantee law; second, to dissect the statutory scheme of the MGNREGA and identify its unique legal mechanisms; third, to evaluate its performance as a rural empowerment tool; fourth, to study the role of the judiciary in expanding or protecting employment rights under the scheme; and fifth, to identify implementation challenges and suggest feasible legal and policy reforms.

For this purpose, the research employs a doctrinal method, relying heavily on legislative texts, constitutional provisions, and case law from the Supreme Court and High Courts. Official records such as Standing Committee Reports, CAG audits, and rural development ministry publications are included as primary sources. Supplementary insights are drawn from academic literature, journal articles, and news reportage to provide a grounded and interdisciplinary viewpoint. The article follows the Bluebook 21st edition for citation of all authorities and references.

The next part will address the evolution of rural employment policies in India and the events leading to the passing of the MGNREGA.

### **3. Historical Background of Rural Employment Programmes in India**

India's development story has consistently revolved around the rural economy, which supports more than 65% of its population. Post-independence, successive governments acknowledged the vulnerability of rural livelihoods and introduced various wage employment schemes to address seasonal joblessness, agricultural dependency, and chronic poverty. However, most of these initiatives were implemented through top-down administrative channels and were not legally enforceable. Their success depended heavily on political will and annual budgetary allocations, resulting in inconsistent implementation.

The earliest significant attempt to institutionalize wage employment was the Rural Manpower Programme (RMP), launched in 1960 as a pilot to provide part-time rural employment.<sup>2</sup> Though it failed to scale, it laid the conceptual foundation for future interventions. In the 1970s, the Crash Scheme for Rural Employment (CSRE) and the Pilot Intensive Rural Employment Programme (PIREP) emerged, largely as short-term drought relief measures rather than

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<sup>2</sup> Ministry of Rural Development, Govt. of India, *Historical Evolution of Employment Schemes in India*, available at <https://rural.nic.in> (last visited June 20, 2025).

sustainable rights-based frameworks.

In 1977–78, the government launched the Food for Work Programme, which sought to combine employment generation with food security by offering food grains as part of wages. Yet again, the absence of legal accountability and corruption weakened its impact. The 1980s saw the creation of more structured programmes, such as the National Rural Employment Programme (NREP) and the Rural Landless Employment Guarantee Programme (RLEGP). These were later merged into the Jawahar Rozgar Yojana (JRY) in 1989, intended to provide employment to unemployed youth and improve rural infrastructure<sup>3</sup>

Despite these well-meaning schemes, none carried the weight of a legal obligation. They remained executive initiatives, with the central and state governments having full discretion over fund flow, project selection, and monitoring. This flexibility also made them vulnerable to discontinuation, fund diversion, and elite capture at the local level. The lack of a grievance redressal mechanism and transparent public accountability processes meant that rural citizens could not challenge non-implementation or denial of benefits.

It was against this backdrop of institutional inconsistency and deepening rural distress that the demand for a legally guaranteed right to work began to gain traction in public discourse and policymaking circles.

#### **4. Legislative Genesis of MGNREGA (2004–2005)**

The conceptual shift from welfare to entitlement was driven in large part by grassroots activism. Organizations such as the Mazdoor Kisan Shakti Sangathan (MKSS) in Rajasthan played a pivotal role in the demand for employment as a legal right. Their campaign not only highlighted the inadequacy of existing schemes but also brought issues of corruption, non-payment of wages, and bureaucratic apathy into the national spotlight<sup>4</sup>

In 2001, a severe drought in Rajasthan triggered hunger deaths and mass migration. Civil society groups filed public interest litigations in the Supreme Court, notably the *PUCL v. Union*

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<sup>3</sup> Standing Committee on Rural Development, Fifteenth Lok Sabha, *Report on the Implementation of Employment Schemes in India*, 2010.

<sup>4</sup> Aruna Roy & Nikhil Dey, *The Story of MKSS and the Demand for Employment as a Right*, SEMINAR No. 589 (2008).

of *India* case, which laid the foundation for the recognition of socio-economic rights under Article 21 of the Constitution.<sup>5</sup> The Court's progressive reading of the right to life to include food, shelter, and livelihood created a legal atmosphere conducive to codifying employment as a justiciable right.

The National Common Minimum Programme (NCMP) of the United Progressive Alliance (UPA) government, formed in 2004, explicitly promised a law to guarantee wage employment. This political commitment, reinforced by judicial activism and popular mobilisation, led to the drafting of the National Rural Employment Guarantee Bill, which was introduced in the Parliament in December 2004. The bill received overwhelming support and was passed in both houses with minor amendments. On September 7, 2005, the Act received presidential assent, and the law came into force in 200 districts on February 2, 2006.<sup>6</sup> Subsequently, the scheme was expanded in phases, covering all rural districts by April 2008. In 2009, the Act was renamed as the Mahatma Gandhi National Rural Employment Guarantee Act, to symbolically align it with Gandhian ideals of rural self-sufficiency, dignity of labour, and decentralised governance.

What sets MGNREGA apart from its predecessors is its statutory character. It imposes a legal obligation on the government to provide employment within 15 days of application, failing which the applicant is entitled to an unemployment allowance. This accountability mechanism, combined with decentralized planning and mandated transparency tools like social audits, transformed the State's role from a welfare provider to a rights enforcer.

The legislative debates on MGNREGA reveal that the Act was not merely a response to poverty but also an attempt to strengthen democracy at the grassroots. As noted in the Parliamentary Standing Committee Report, the law was designed to give rural citizens a sense of ownership and voice by involving Gram Panchayats in work planning and execution.<sup>7</sup> The statutory design also includes provisions to empower women, protect vulnerable communities, and build durable rural assets, thereby combining economic relief with long-term development goals.

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<sup>5</sup> People's Union for Civil Liberties v. Union of India, W.P. (C) No. 196/2001 (India).

<sup>6</sup> Press Information Bureau, *Launch of National Rural Employment Guarantee Scheme*, Ministry of Rural Development, Govt. of India (Feb. 2, 2006), available at <https://pib.gov.in>

<sup>7</sup> Parliamentary Standing Committee on Rural Development, *National Rural Employment Guarantee Bill, 2004 – Observations and Recommendations*, Report No. 11, 2005.

The coming into force of MGNREGA also coincided with broader legal and policy developments. The 73rd Constitutional Amendment had already strengthened Panchayati Raj Institutions (PRIs) as legitimate units of local self-governance. MGNREGA capitalized on this structure by making PRIs central to planning, monitoring, and grievance redressal. This synergy between constitutional devolution and statutory guarantee gave the Act its unique institutional character.

Moreover, international developments such as the adoption of the Millennium Development Goals (MDGs), particularly Goal 1 – eradicating extreme poverty and hunger – aligned with MGNREGA’s objectives. In later years, the Act would also align with Sustainable Development Goals (SDG 1 & 8), reinforcing its relevance in the global development discourse.

Thus, MGNREGA did not emerge in isolation; it was a cumulative product of national struggles, judicial interpretations, political will, and international norms. Its legislative journey marks a turning point in Indian welfare policy—an inflection where poverty alleviation became a matter of enforceable public obligation rather than administrative generosity.

## 5. Legal and Constitutional Framework of MGNREGA

The legitimacy of MGNREGA as a rights-based legal entitlement rests upon its alignment with the Indian Constitution, especially the doctrine of socio-economic justice enshrined in both enforceable rights and directive obligations. While the Act itself is a parliamentary statute, its foundational logic flows from the right to life with dignity under Article 21, the Directive Principles of State Policy, and the constitutional commitment to decentralised governance.

The Indian judiciary has consistently interpreted the right to life expansively. In the landmark case of *Olga Tellis v. Bombay Municipal Corporation*, the Supreme Court held that the right to life includes the right to livelihood, which is integral to human existence<sup>8</sup> Later decisions such as *Francis Coralie Mullin v. Administrator, Union Territory of Delhi* reiterated that dignity, not mere animal existence, is the benchmark for constitutional protection under Article 21.<sup>9</sup> MGNREGA, by providing guaranteed wage employment, clearly advances this dignitarian vision of life and liberty.

<sup>8</sup> *Olga Tellis v. Bombay Mun. Corp.*, (1985) 3 S.C.C. 545 (India)

<sup>9</sup> *Francis Coralie Mullin v. Administrator, Union Territory of Delhi*, (1981) 1 S.C.C. 608 (India).

Moreover, Article 41 of the Constitution directs the State to secure the right to work, education, and public assistance in cases of unemployment. Similarly, Article 39(a) promotes policies that ensure the right to an adequate means of livelihood. While these articles are not enforceable in courts, they serve as guiding principles in the formulation of public policies and legislative measures. MGNREGA stands as a statutory attempt to realise these goals by transforming them into enforceable legal guarantees.

In addition, the Act embodies the spirit of Article 40, which mandates the organization of village Panchayats as units of self-government. MGNREGA assigns primary responsibility for implementation to the Gram Panchayat, thus strengthening the constitutional vision of grassroots democracy<sup>10</sup>

Notably, the jurisprudence evolved in *PUCL v. Union of India* further elevated the status of employment and food security as justiciable rights. In this case, the Court recognised the link between livelihood, food, and dignity and issued continuous mandamus orders to the government to operationalise various food and employment schemes, many of which became precursors to MGNREGA's legal design.<sup>11</sup>

MGNREGA's institutional model also derives strength from the 73rd Constitutional Amendment Act, 1992, which constitutionalised Panchayati Raj Institutions (PRIs) and empowered them with planning and execution responsibilities. The Act, therefore, reinforces a broader constitutional narrative where development is not merely top-down but community-driven, participatory, and locally accountable.

## 6. Key Provisions and Rights-Based Structure of the Act

MGNREGA distinguishes itself from previous rural employment schemes not only by the volume of its operations but also through its legal design. The Act transforms the notion of employment from a policy objective into a legal entitlement, backed by statutory obligations and enforceable mechanisms. Below is an in-depth review of its most significant provisions.

### 6.1 Legal Right to Employment

Section 3(1) of the Act provides that any adult member of a rural household may apply for

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<sup>10</sup> INDIA CONST. art. 40.

<sup>11</sup> *People's Union for Civil Liberties v. Union of India*, W.P. (C) No. 196 of 2001 (India)

employment, and such employment must be provided within 15 days of the application. If the State fails to do so, the applicant is entitled to a daily unemployment allowance as compensation under Section 7. This makes the State legally accountable for job delivery and shifts the burden of action to the administration.<sup>12</sup>

## 6.2 Job Card and Application Process

The entry point to the scheme is the issuance of a Job Card under Section 4. This card contains details of all adult household members and their entitlement to work. Any household may apply for it through the Gram Panchayat, which is bound to verify and issue the card within 15 days of application. This universal registration mechanism is meant to promote inclusivity and ensure that the right to employment is open to all eligible persons.

## 6.3 Minimum Wages and Timely Payments

Section 6 of the Act mandates that wages paid under MGNREGA shall not be less than the minimum wage notified for agricultural labourers in the respective states. Further, wages must be disbursed within 15 days of the completion of work, failing which the State becomes liable for payment of compensation. In many cases, courts have reaffirmed that delayed wage payments amount to a violation of statutory and constitutional rights.<sup>13</sup>

## 6.4 Nature of Permissible Works

Schedule I of the Act specifies the kinds of work permissible under MGNREGA. These include water conservation, drought proofing, afforestation, irrigation canals, land development, and rural connectivity. A 60:40 labour-to-material cost ratio must be maintained to maximise labour intensity. In 2015, the permissible list was expanded to include construction of individual assets for vulnerable sections, including SCs/STs, women-headed households, and disabled persons.<sup>14</sup>

## 6.5 Role of Gram Panchayats

Section 13 of the Act places the Gram Panchayat at the centre of the implementation process. Panchayats are responsible for receiving applications, issuing job cards, allocating employment, and maintaining records. The Act mandates the preparation of an Annual Work

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<sup>12</sup> MGNREGA, § 3(1), § 7, Acts of Parliament, 2005 (India).

<sup>13</sup> Laxmi Narayan Pandey v. Union of India, AIR 1984 SC 469 (India).

<sup>14</sup> Ministry of Rural Development, *Permissible Works List under MGNREGA*, Notification dated Dec. 30, 2014.

Plan, which is approved by the Gram Sabha and implemented by the Panchayat. This decentralisation enhances transparency and empowers local democracy.

### **6.6 Transparency and Social Audits**

To ensure accountability, the Act mandates Social Audits under Section 17. These audits are participatory processes conducted by the Gram Sabha to scrutinise records, works, and expenditures. States such as Andhra Pradesh and Telangana have institutionalised independent social audit units, which have helped uncover misuse and enhance public vigilance.<sup>15</sup>

Further, the government introduced the NREGAssoft portal, which displays real-time information on work demand, job cards, wage payments, and asset creation. The use of Information and Communication Technology (ICT) tools in MGNREGA is considered a global best practice in governance transparency.

### **6.7 Grievance Redressal Mechanisms**

Section 23 mandates that all grievances must be addressed within seven days, and independent Ombudsmen are to be appointed in every district to hear complaints. However, in practice, the grievance redressal system suffers from under-staffing, lack of awareness, and poor enforcement.

### **6.8 Women's Participation and Social Equity**

MGNREGA is among the few statutes that explicitly promote gender parity. Section 6 requires that at least one-third of the workers engaged must be women. In reality, more than 50% of total person-days under MGNREGA are consistently generated by female workers. The Act also mandates crèche, shade, and drinking water facilities at worksites, making it more inclusive of the needs of working women and caregivers.<sup>16</sup>

Furthermore, MGNREGA targets inclusion of Scheduled Castes, Scheduled Tribes, and other marginalised groups through priority asset creation, reservation in work allocation, and social mapping. This aligns with India's constitutional mandate of equality before law and affirmative action for the disadvantaged under Articles 15 and 4. *People's Union for Civil Liberties v. Union of India*, (2001) 5 SCC 1.6 of the Constitution.

<sup>15</sup> National Institute of Rural Development, *Impact Assessment of Social Audits in Andhra Pradesh*, 2018.

<sup>16</sup> Ministry of Rural Development, *MGNREGA Annual Report 2022–23*, available at <https://nrega.nic.in>

## 7. Judicial responses to MGNREGA

The Indian judiciary has played a pivotal role in strengthening the enforcement of the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA). Although the Act itself confers clear entitlements, numerous individuals have turned to courts when these guarantees were not upheld, especially in cases involving wage delays or denial of employment.

A foundational moment in this trajectory arose from a Public Interest Litigation filed during a famine in Rajasthan. In this case, the Supreme Court interpreted Article 21 of the Constitution to encompass the right to food and livelihood, thereby laying the groundwork for enforceable employment rights under future legislation.<sup>17</sup>

Even after MGNREGA's enactment, the judiciary has ensured that government authorities fulfill their obligations under the law. When workers were denied employment within the prescribed 15-day period or faced wage delays, courts held that such failures violated both the Act and constitutional guarantees. In one influential case, the Court instructed the government to disburse pending payments without delay and emphasized that bureaucratic inaction undermines the legislation's core purpose.<sup>18</sup>

In another judgment, the judiciary clarified that unemployment allowance was not discretionary; it constituted mandatory compensation when the state failed to provide employment on time. These decisions confirmed that MGNREGA is a justiciable legal right, not a welfare policy to be implemented at the state's convenience. The Court's interventions transformed the law into an instrument of accountability.

## 8. Implementation challenges and field realities

Despite its legal authority, MGNREGA faces numerous implementation hurdles. A recurring and serious concern is the delay in wage payments. Though the Act mandates that wages be paid within fifteen days, delays of several weeks are common, especially in states with weak administrative systems.<sup>19</sup> Such delays discourage workers from participating and erode public trust in the scheme.

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<sup>17</sup> People's Union for Civil Liberties v. Union of India, (2001) 5 SCC 1.

<sup>18</sup> Swaraj Abhiyan v. Union of India, (2016) 7 SCC 498.

<sup>19</sup> Accountability Initiative, *Wage Payment Delays under MGNREGA*, Centre for Policy Research (2021).

Corruption, though somewhat reduced with digital systems, persists in several regions. Instances of fake job cards, ghost beneficiaries, and diversion of funds have been reported. The introduction of Aadhaar-based payment systems aimed to eliminate such malpractice, but this has brought unintended exclusion errors. Workers have been marked absent due to biometric mismatches or poor internet connectivity, leaving many without wages despite having completed their tasks.<sup>20</sup>

Grievance redress mechanisms under the Act are another weak point. Although district-level complaint systems exist on paper, they are often poorly staffed, lack proper training, and remain inactive in many states, denying rural labourers timely remedies.

Further, administrative capacity at the grassroots remains inadequate. Gram Panchayats, which are responsible for implementing at least 50% of the works, frequently lack trained personnel, computers, and infrastructure. In several regions, local officials are burdened with multiple schemes, which diverts attention away from MGNREGA project planning and monitoring.<sup>21</sup>

Though the scheme has improved social inclusion over the years, many gaps persist. Women constitute more than 50% of total workers under the program. Yet, basic facilities like shade, water, and childcare are absent in many worksites. Similarly, Scheduled Castes and Scheduled Tribes continue to face delays in job card distribution and sometimes encounter discrimination in work assignments.<sup>22</sup>

The COVID-19 pandemic further exposed the structural weaknesses in implementation. As migrant workers returned to their villages in large numbers, MGNREGA became their only source of income. However, job cards were issued late, and funds were exhausted in many states, leaving many unemployed despite legal entitlements.<sup>23</sup>

Additionally, funding uncertainties affect the program's reliability. Although MGNREGA guarantees work on demand, it depends on central budget allocations. Recent years have seen

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<sup>20</sup> Reetika Khera, "Exclusion by Design: Aadhaar and Welfare," *53 Econ. & Pol. Weekly* 5 (2018).

<sup>21</sup> Yamini Aiyar & Salimah Samji, "Improving the Effectiveness of NREGS Implementation," *43 India Policy Forum* 9 (2015).

<sup>22</sup> Sonia Bhalotra & Arnab Mukherji, "Women's Work and Employment Guarantee in India," *50 Feminist Econ.* 98 (2019).

<sup>23</sup> Ministry of Rural Development, *MGNREGA Status Report 2020–21*, Government of India.

budget cuts or delayed fund releases, leading states to ration work and limit registration.<sup>24</sup> This undermines the central promise of guaranteed employment.

Finally, the quality and durability of assets created under the scheme are often questionable. Many projects are temporary in nature or poorly supervised. Inadequate technical input and weak maintenance protocols result in assets that provide limited long-term value to the community.<sup>25</sup>

## 9. Gender and social inclusion in MGNREGA

One of the most progressive aspects of MGNREGA has been the high participation rate of women, who consistently account for more than half of the workdays generated. For many rural women, this is their first opportunity to earn an independent income, leading to increased confidence, autonomy, and influence within their households.<sup>26</sup>

However, equity in access and experience is not guaranteed. Several worksites lack essential amenities such as drinking water, rest areas, and childcare—conditions necessary to support female participation. Moreover, in regions with patriarchal norms, women's ability to join public workforces is still restricted. In many cases, women are assigned less physically demanding but lower-paying tasks, and they too face wage delays.

Participation from Scheduled Castes and Scheduled Tribes also remains significant. However, these communities often encounter barriers like long distances to worksites, low literacy levels, and administrative neglect. In tribal-dominated areas, communication barriers and lack of awareness about entitlements continue to limit full participation.<sup>27</sup>

Some states offer successful models of inclusion. In Kerala and Tamil Nadu, Self-Help Groups and women's collectives have been integrated into the monitoring and planning processes. These groups help track attendance, follow up on wage delays, and ensure accountability at the village level.<sup>28</sup> Such participatory models improve outcomes but remain exceptions rather than widely adopted practices.

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<sup>24</sup> PRS Legislative Research, *MGNREGA Budget Trends*, (2023).

<sup>25</sup> Comptroller and Auditor General of India, *Performance Audit of MGNREGA*, Report No. 6 of 2013.

<sup>26</sup> Ministry of Rural Development, *Annual Report 2022–23*, Government of India.

<sup>27</sup> Tribal Affairs Committee, *Barriers to MGNREGA Access in Tribal Regions*, NITI Aayog (2021).

<sup>28</sup> Kudumbashree, *Community-Led Monitoring of MGNREGA in Kerala*, Govt. of Kerala Report (2022).

## 10. Recent amendments and emerging trends (2020–2024)

In the last four years, MGNREGA has undergone significant operational and policy shifts. The COVID-19 pandemic was a major turning point, revealing the scheme's resilience as well as its constraints. States like Rajasthan, Chhattisgarh, and Bihar experienced a surge in work demand, leading the Union Government to temporarily enhance fund allocations.<sup>29</sup>

However, this emergency expansion was not sustained in the following years. Even as rural distress persisted, budget allocations were trimmed and fund releases delayed. Consequently, many districts experienced wage arrears and a dip in community confidence.<sup>30</sup>

Digital governance tools have been increasingly embedded into the program. Mobile-based attendance tracking and Aadhaar-enabled payments have become standard. While these methods improve transparency and reduce leakages, they have also created exclusion problems in areas with poor internet access. Reports show that workers have been denied wages due to authentication failures or glitches in mobile applications.<sup>31</sup>

Some states have started converging MGNREGA projects with agriculture, water conservation, and livestock initiatives to improve asset quality and enhance livelihoods. While convergence has the potential to generate lasting rural infrastructure, it must be approached cautiously so as not to dilute the core guarantee of unskilled manual employment on demand.<sup>32</sup>

Nonetheless, certain states offer encouraging models. Andhra Pradesh and Kerala have implemented strong community-led audits, decentralised planning, and regular staff training.<sup>33</sup> These practices have improved transparency and ensured that the dual objectives of employment and rural development are met. Their experience suggests that political will, administrative clarity, and bottom-up accountability are key to achieving the full potential of MGNREGA.

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<sup>29</sup> Ministry of Finance, *COVID-19 Economic Relief Package Documents*, 2020.

<sup>30</sup> PRS Legislative Research, *Analysis of Budget Allocation vs. Demand in MGNREGA*, 2023.

<sup>31</sup> Jean Drèze, "Technology and the Right to Work," *Indian Express*, Apr. 12, 2023.

<sup>32</sup> Ministry of Rural Development, *Convergence Guidelines for MGNREGA with Other Schemes*, 2022.

<sup>33</sup> Centre for Policy Research, *State-Level Case Studies on MGNREGA Implementation*, 2023.

## 11. Conclusion and Recommendations

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is one of the most significant legislative interventions aimed at rural livelihood enhancement in India. Since its enactment in 2005, it has been a cornerstone of employment generation, social security, and grassroots development. By recognizing employment as a legal right, the Act broke away from traditional welfare models and empowered rural citizens to claim guaranteed work and wages.

Over the years, MGNREGA has created millions of person-days of work, built critical rural infrastructure, and improved income security for the poorest households. Its role has been especially crucial in empowering women and socially disadvantaged communities, such as Scheduled Castes and Scheduled Tribes. During the COVID-19 pandemic, the scheme emerged as a vital support system for migrant workers and rural populations, further underscoring its relevance.

Yet, the Act faces serious implementation challenges that weaken its transformative potential. Delays in wage payments, budget shortfalls, exclusion caused by digital systems, weak grievance redress mechanisms, and limited planning capacity at the grassroots level continue to impede progress. Even as demand for work remains high in rural areas, fund constraints and administrative inefficiencies restrict the delivery of entitlements.

To overcome these bottlenecks and ensure that MGNREGA continues to meet its objectives, the following reforms are recommended:

### 1. Streamline wage payments

Simplify the payment systems and introduce alternate options where Aadhaar-based verification fails. Timely disbursement of wages will restore confidence in the scheme and ensure sustained participation.

### 2. Guarantee consistent funding

Treat MGNREGA as a statutory right with a fixed share of annual budgetary allocation. States should be allowed greater financial autonomy to ensure uninterrupted implementation.

### 3. Institutionalise social audits

Make community-led audits legally enforceable and ensure that findings are acted upon. Proper training and independent monitoring can strengthen accountability.

**4. Expand convergence with development priorities**

Use MGNREGA to support water conservation, organic farming, agroforestry, and climate-resilient agriculture. Aligning it with long-term development goals can increase the utility of the assets created.

**5. Enhance gender equity**

Design worksites with adequate shade, drinking water, rest areas, and childcare. More women should be involved in supervisory and technical roles, and their participation must be supported through inclusive planning.

**6. Strengthen local governance capacity**

Invest in capacity building of Panchayat-level functionaries and ensure they have the resources to plan, execute, and monitor projects effectively.

**7. Encourage judicial vigilance**

The courts have played a crucial role in enforcing the right to work under MGNREGA. Continued judicial monitoring can ensure that legal entitlements are not reduced to bureaucratic formalities.

In conclusion, MGNREGA is not merely an employment program—it is a powerful vehicle for social justice, economic equity, and rural empowerment. With strong political commitment, responsive governance, and sustained financial support, it can evolve to meet the emerging needs of rural India. As the country grapples with issues of joblessness, climate change, and inequality, revitalising MGNREGA can serve as a beacon for inclusive development and democratic accountability.

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