Working Paper No. 1095

A Short History of MGNREGA: Twenty Years in Ten Charts

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October 2025

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ISSN 1547-366X

ABSTRACT

India's Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), enacted in 2005, is an experiment of major significance. Drawing on official statistics, this paper presents a broad-brush retrospective on MGNREGA's first 20 years, focusing inter alia on employment generation, the participation of marginalized groups, real wages, administrative expenditure, and comparative experiences of different Indian states. The program is an important demonstration of the possibility of a legal job guarantee, but its practical achievements are still heavily concentrated in a few states.

INTRODUCTION

Twenty years have passed since the law known today as the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) received the unanimous assent of the Indian Parliament.[1] Despite this unanimous political support, many economists had concerns about the soundness of the law at that time. No doubt, numerous implementation hurdles emerged soon after the act came into force. Nevertheless, MGNREGA's experience so far is an important demonstration (in a large country over an extended period) of the feasibility and sustainability of an employment guarantee act.

This is a good time for collective reflection on the program's achievements, failures, and future. As a starter, we present here a broad-brush overview of major MGNREGA trends based on official statistics, mainly from the program's Management and Information System (MIS, hosted at nrega.nic.in). With rare exceptions, retrospective data for the early years of MGNREGA (before 2014–15) are no longer available on this portal. This omission, intentional or not, is a major loss of evidence for the critical period when the program was "learning by doing" so to speak. Fortunately, MGNREGA data for that period can generally be retrieved from various sources, including the early "monthly progress reports" (see Appendix). We have done our best to use sources that are fairly reliable and also in the public domain.

An important milestone in the learning period was 2011–12. For that year, official estimates of employment generation under MGNREGA are largely validated by two independent surveys: the 68th round of the National Sample Survey (NSS) and the second India Human Development Survey (IHDS-2).[2] That year also precedes a series of amendments in the Schedules of the Act—in 2013 and early 2014—that significantly altered the implementation of MGNREGA, notably in the direction of centralization and digitization. Thus, 2011–12 will be a convenient reference

[1] MGNREGA provides a legal guarantee of employment on demand to all adults in rural areas, up to 100 days of work per household per year. Employment is provided on local public works identified through participatory planning at the village level. For an introduction to MGNREGA, see Dey *et al.* (2006).

[2] See Drèze (2014) and Drèze and Somanchi (forthcoming).

year for some of the comparisons presented below. Another useful reference year is 2023–24—the latest financial year for which all relevant data are available at the time of writing.[3]

All the charts presented here are based on taking official MGNREGA data at face value. It is more than possible that the official employment figures are inflated, in the sense that they include false work days registered for the purpose of siphoning off MGNREGA funds. This issue is discussed in a separate article (Drèze and Somanchi, forthcoming).

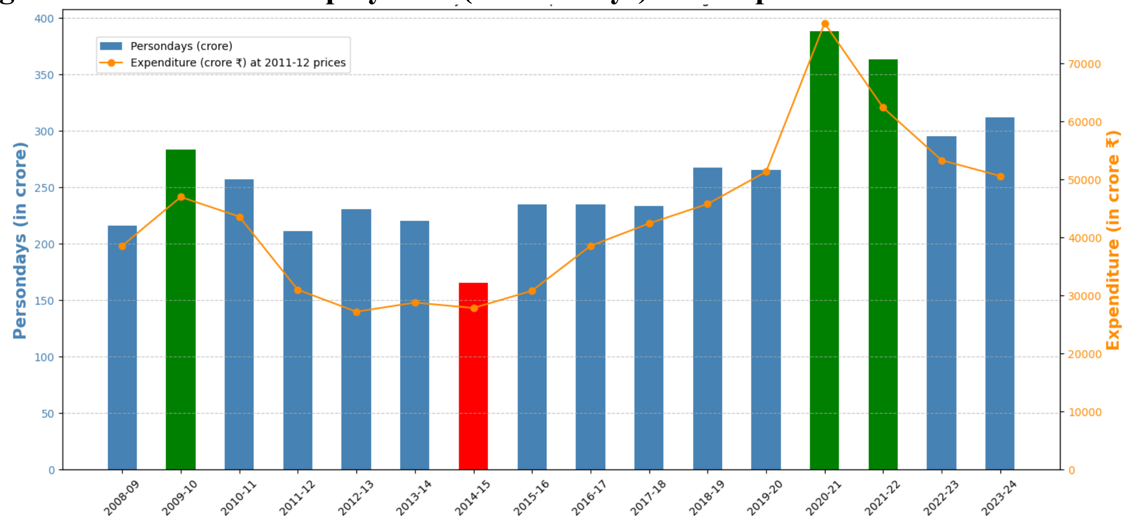
EMPLOYMENT GENERATION

Figure 1 presents annual numbers of person-days of employment generated by MGNREGA, starting from 2008–9—i.e., the first financial year after the extension of MGNREGA to the entire country.[4] In most years, MGNREGA employment generation was somewhere between 2 and 3 billion person-days. On two occasions, it shot up relative to preceding years: in 2009–10, just after the world-wide financial crisis, and in 2020–22, during the COVID-19 crisis. This illustrates an important aspect of MGNREGA: its countercyclical role. This role was particularly important during the COVID-19 crisis, when MGNREGA provided critical fallback employment for unemployed workers and returning migrants.

[3] Unless stated otherwise, all annual figures in this article refer to financial years.

[4] MGNREGA came into force in 200 districts on February 2, 2006, and in another 130 districts in 2007. On April 1, 2008, the act was extended to the entire country.

Figure 1. MGNREGA Employment (Person-days) and Expenditure



1 crore = 10 million
Sources: Employment figures are from Government of India (2013), Sheet 1, up to 2011-12; Government of India (2015) for 2012-13 and 2013-14; MGNREGA-MIS (nrega.nic.in), Report R5.1, from 2014-15 onwards. Expenditure figures (central government only) are taken from annual Union Budget documents (https://www.indiabudget.gov.in/, Revised Estimates) and deflated with the GDP Deflator (https://data.worldbank.org/indicator/NY.GDP.DEFL.ZS.AD?locations=IN).

Employment generation fell below 2 billion person-days in just one year: 2014–15, when MGNREGA person-days declined by 25 percent (to 1.7 billion person-days) compared with the previous year. This was the first year of the National Democratic Alliance (NDA) government headed by Prime Minister Narendra Modi. It is possible that the 2014–15 crash reflects the initial hostility of the NDA administration toward MGNREGA, also evident in a short-lived attempt to restrict the program to selected districts.[5] Another possible reason is the rejigging of implementation guidelines after sweeping amendments to the schedules of the act were made in January 2014 (just *before* the NDA took office), including the imposition of "electronic Muster Rolls."[6]

In 2023–24, MGNREGA generated 3.1 billion person-days of employment. This roughly corresponds to 50 days of work, on average, for 60 million households (rounded official figures).

[5] See, for example, Abreu et al. (2014) and Yadav (2014). As discussed there, there were other attempts to dilute MGNREGA in 2014-15, including the imposition of state-specific caps on MGNREGA expenditure.

[6] Electronic Muster Rolls make employment conditional on prior registration of workers on digital worksite attendance sheets. Before this system was introduced, making a formal demand for work was a right but not an obligation: workers were allowed to turn up at a worksite without prior registration.

In absolute terms, these employment figures are humongous, yet MGNREGA employment is a small fraction of the total employment—perhaps 2 percent or so.[7] For specific groups or households, of course, MGNREGA is a much more important source of livelihood than this national average conveys. In 2023–24, nearly 5 million households worked on MGNREGA for a full 100 days, the effective ceiling for practical purposes.[8]

Figure 1 also presents annual estimates of central government expenditure on MGNREGA (about 90 percent of total MGNREGA expenditure) at constant prices. Real expenditure closely tracks employment, as one might expect, since real MGNREGA wages stagnated from 2009–10 onward (see below).[9] As a proportion of India's gross domestic product (GDP), central MGNREGA expenditure peaked at 0.6 percent in 2009–10 and is much lower today—between 0.3 and 0.4 percent from 2015–16 onward, except for a brief surge during the COVID-19 crisis. This is a modest financial burden for an employment program of this scale.[10]

SPATIAL DISTRIBUTION

MGNREGA generates a large amount of employment at the national level, but the distribution of employment is highly uneven. In 2011–12, five states accounted for more than half of all MGNREGA employment: Tamil Nadu, Andhra Pradesh, Uttar Pradesh, Rajasthan, and Madhya Pradesh (in descending order of person-days). In 2023–24, more than 50 percent of MGNREGA

[7] In 2023–24, India's projected adult population was around 900 million (Government of India 2020, Tables 8 and 17), with a workforce participation rate of 58 percent (Periodic Labour Force Survey 2023–24). Assuming 300 days of employment per year—conditional on workforce participation—total employment would be around 156.6 billion person-days. In the same year, MGNREGA generated 3.1 billion person-days of work or 1.98 percent of total employment.

[8] One hundred days is actually the *minimum* the government is supposed to guarantee (subject to demand) under the law, but in practice, it is treated as a maximum. Some states, however, have raised this minimum to 125 or 150 days for specific areas or communities.

[9] Deviations from this co-movement can be explained by reallocation of employment across states, changes in the shares of material and administrative expenses in total MGNREGA expenditure, lags in wage payments, and so on.

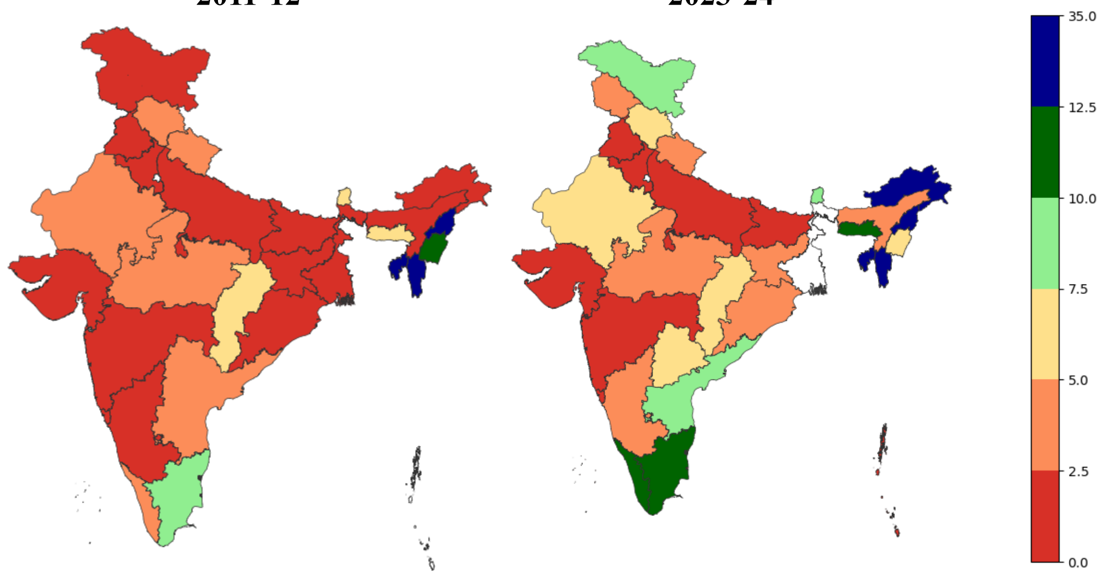
[10] In 2005, after drafting the law, the National Advisory Council estimated that it might cost 1 percent of GDP in the initial years of all-India deployment; some critics argued that it would cost a lot more.

work took place in the same five states again, except for Bihar replacing Madhya Pradesh.[11] States like Bihar and Uttar Pradesh, however, have relatively low levels of MGNREGA employment on a per capita basis, and it is their large population size that puts them in this top-five category.

A more informative way of looking at the distribution of MGNREGA employment is to divide person-days by rural population in each state. Figure 2 presents these per capita employment figures in two maps, one for each of the two reference years mentioned earlier (2011–12 and 2023–24).[12] In both years, seven major states had relatively high levels of MGNREGA employment on a per capita basis: Andhra Pradesh, Chhattisgarh, Himachal Pradesh, Kerala, Rajasthan, Tamil Nadu, and Telangana.[13] All are known for earnest implementation of MGNREGA. The highest levels of MGNREGA employment, however, are found in some of the smaller northeastern states as well as Ladakh in 2023–24.

Figure 2. Days of MGNREGA Employment Per Rural Person

2011-12 **2023-24**



Sources: Government of India (2013), Sheet 1, for MGNREGA person-days in

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[11] In the intervening period, Telangana was carved out of Andhra Pradesh.

[12] For 2011–12, we use population figures from the 2011 Census. For 2023–24, we use projected populations from the National Commission on Population (Government of India 2020).

[13] Strictly speaking, these would add up to six states in 2011–12, when Telangana was still part of undivided Andhra Pradesh.

At other end of the spectrum, MGNREGA was barely operational in several states in 2011–12, including some with a large population, such as Bihar, Gujarat, Odisha, Maharashtra, and Uttar Pradesh. By 2023–24, the program had picked up in some of these states, but MGNREGA employment levels remained very low in Gujarat and Maharashtra.[14] This is perhaps not surprising in the case of Gujarat, a relatively well-off state where the political leadership has never shown much interest in MGNREGA. Maharashtra's inertia is harder to understand, considering that this state pioneered the idea of employment guarantee with its own rural employment guarantee act in the 1970s.

MGNREGA AND BASELINE POVERTY

As the preceding section illustrates, high levels of per capita MGNREGA employment can be found in poor states (e.g., Chhattisgarh) as well as in relatively well-off states (e.g., Tamil Nadu), just as low levels of employment can be found in poor as well as better-off states (e.g., Bihar and Gujarat respectively). Sometimes, it is argued that there is an overarching problem of "reverse targeting" across states, in the sense that MGNREGA funds are disproportionately spent in well-off states. In fact, the Ministry of Rural Development recently formed a committee to look into this matter, among others, possibly hoping that the committee would recommend capping MGNREGA expenditure in states that are better off. The committee's report is not in the public domain (despite repeated requests for it under the Right to Information Act), but according to some media reports, it did oblige the Ministry's hope to some extent.[15]

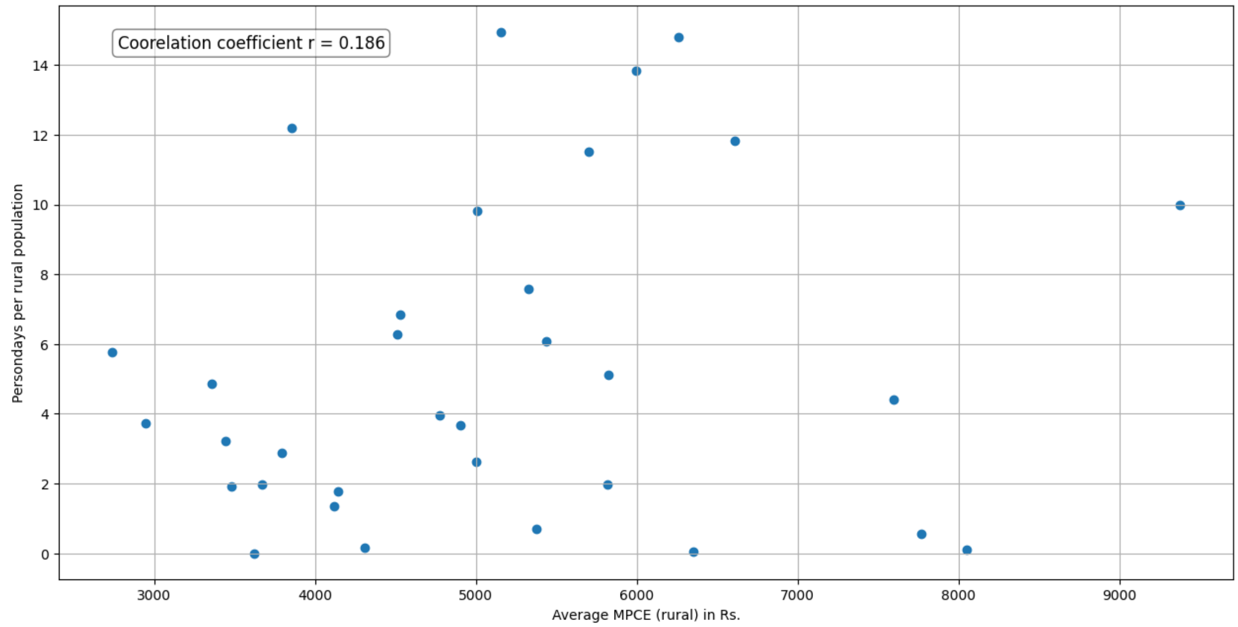
The fact of the matter is that there is no evidence of reverse targeting across states. The point is illustrated in Figure 3, with 2023–24 as the reference year. In this chart, we plot per capita MGNREGA employment against NSS estimates of monthly per capita expenditure (MPCE) in

[14] In 2023–24, MGNREGA was also at a standstill in West Bengal, but the reason for this was the discontinuation of MGNREGA funding for West Bengal by the central government (see note 25 below). In the preceding years, West Bengal had relatively high levels of MGNREGA employment.

[15] See e.g., Angad (2024). One of the recommendations quoted there is as follows: "Special policy interventions will be required to examine alternatives for MGNREGS in states with high to middle wealth index but currently having high use of MGNREGS."

rural areas, in the absence of poverty estimates for that year. There is no significant correlation between the two.[16] For 2009–10 and 2011–12, rural poverty estimates are available, but once again, they have no particular association with MGNREGA employment per capita.

Figure 3. Average MPCE and MGNREGA Employment Per Person (Pural, 2023–24)



Note: This graph excludes one outlier (Mizoram), where MGNREGA employment per rural person was above 35 days in 2023-24.
Sources: MGNREGA-MIS (nrega.nic.in), Report R7.1.2, for person-days; Government of India (2020) for projected population; National Statistics Office (2025), Statement 7 for MPCE estimates.

Of course, one might still wish for a strong *positive* correlation across states between baseline poverty and MGNREGA employment. It would certainly be useful if poor states like Bihar and Jharkhand accounted for a larger share of MGNREGA employment and expenditure. It is hard to tell whether state capacity or political will is the main stumbling block—quite likely, both are lacking. The fact remains that capping MGNREGA expenditure in better-off states is unlikely to help. Further, it would go against the fundamental principle of "work on demand," and drive MGNREGA into a slippery slope of state-specific expenditure caps.

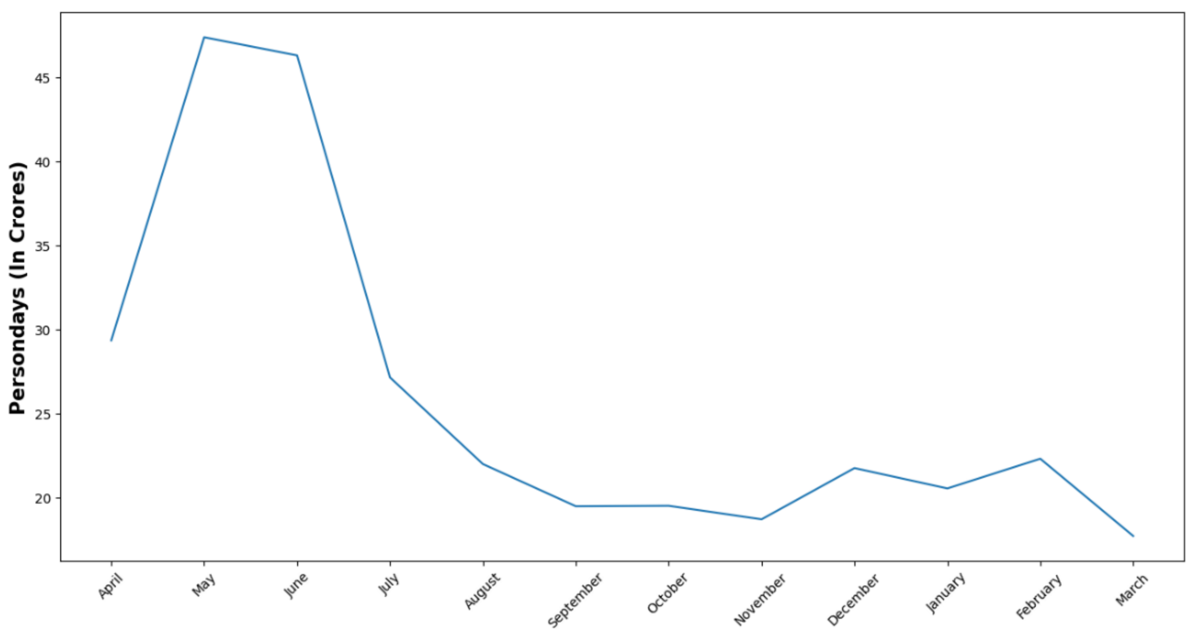
[16] The same point applies if observations (i.e., states) are "weighed" by rural population.

It is important to note that *within states*, MGNREGA employment is relatively well-targeted, as one might expect. Anyone who has visited MGNREGA worksites would realize that most workers there come from poor households. This is also clear from a number of studies.[17]

SEASONAL PATTERNS

An important aspect of the countercyclical role of MGNREGA is that employment generation is largely concentrated in slack agricultural seasons. This point is illustrated in Figure 4, for 2023–24. In this, as in other years, MGNREGA employment peaked from April to June. In large parts of India, these are the dry summer months, when there is little to do in the fields. These three months accounted for more than 40 percent of MGNREGA person-days in 2023–24.

Figure 4. Month-wise Person-days of MGNREGA Employment, 2023-24



Source: MGNREGA-MIS (nrega.nic.in), Report R5.4.

Surprisingly perhaps, a fair amount of 2023-24 MGNREGA work also happened in July (monsoon season in the bulk of India). It is possible that some of this work actually happened in

[17] See, for example, Liu and Barrett (2013).

the summer, and ended up being post-dated for one reason or another.[18] During the rest of the year, MGNREGA employment hovered around 200 million person-days per month.

Such is the picture for 2023–24, but the national distribution of MGNREGA employment over the year is quite similar in other years as well. At the state level, there are significant variations, partly reflecting local patterns of agricultural activity.

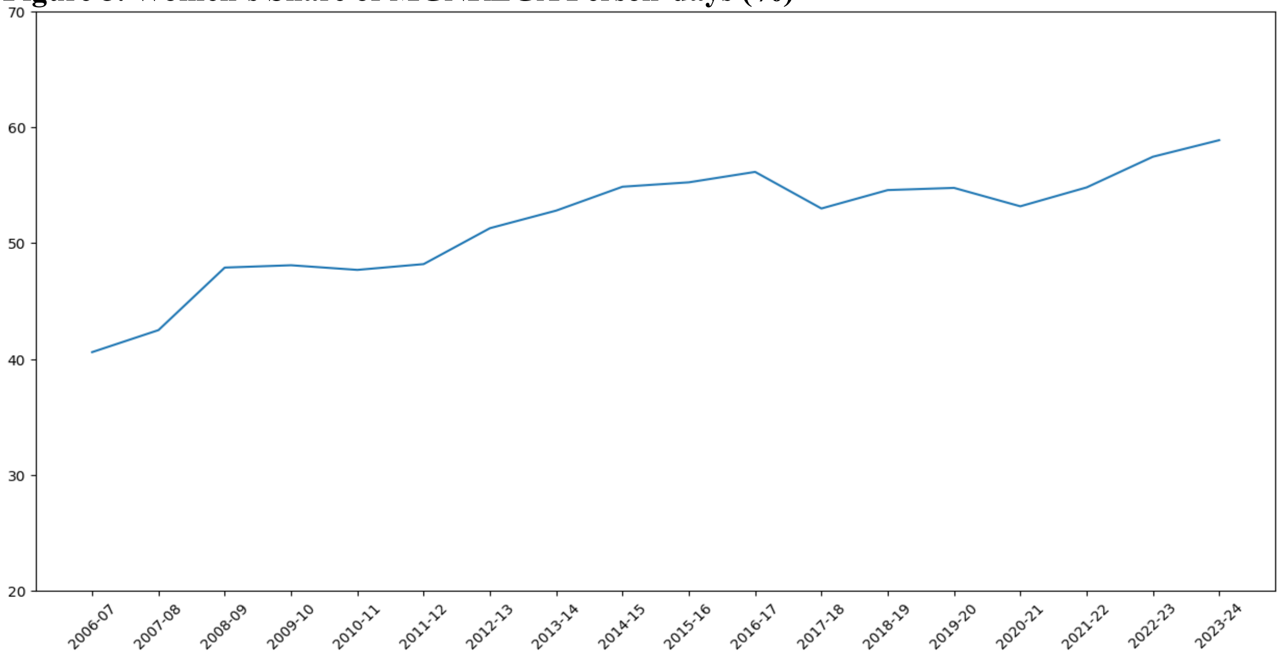
WOMEN'S PARTICIPATION

From its inception, MGNREGA has attracted rural women in large numbers. There are various reasons for this: MGNREGA is a rare opportunity for rural women to earn their own income, work is available close to the home, the work environment is relatively safe, and women are paid the same as men. Some women also consider *sarkari kaam* (government work) as relatively dignified (Khera and Nayak 2009). The act prescribes that "priority shall be given to women" in the allocation of work "in such a way that at least one-third of the beneficiaries shall be women," but in most states, no special measures were required to meet this "quota"—it was met on its own.

Women's share of MGNREGA person-days—already close to 50 percent at the national level when the program was extended to the whole country in 2008–9—has been increasing over time (Figure 5). Today, it is close to 60 percent, and still rising. This may look like a positive trend, but it must be seen in the light of the stagnation of real MGNREGA wages, discussed below. When MGNREGA wages are substantially below market wages, as is the case today in large parts of the country, participation tilts toward those who have relatively little access to the labor market, including women and elderly persons.

[18] In some states, there is (or at least, there used to be) a practice of post-dating MGNREGA work to hide delays in wage payments.

Figure 5. Women's Share of MGNREGA Person-days (%)

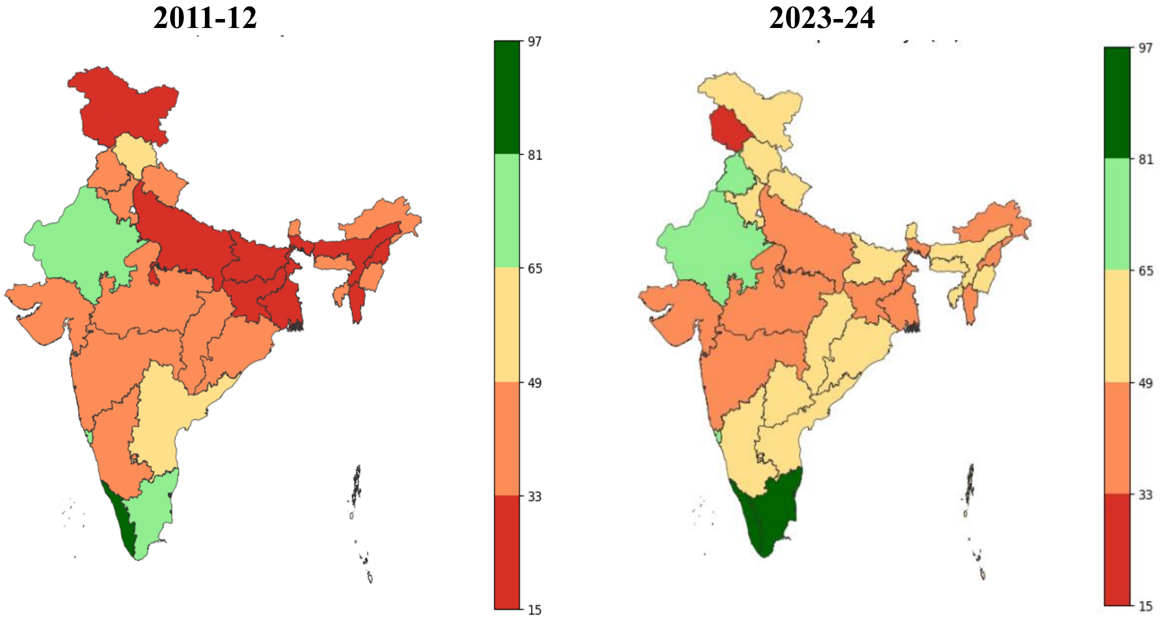


Sources: Government of India (2013), Sheet 8, up to 2011-12; Government of India (2025) for 2012-13 onwards

As with employment levels, women's share of MGNREGA employment varies widely between different states—see Figure 6 (two maps, for 2011–12 and 2023–24 respectively). In several states, mainly in north India, women's share remained below the prescribed minimum of one third for quite a few years after the inception of the program. In 2011–12, this minimum norm was yet to be met in Bihar, Jharkhand, Uttar Pradesh, West Bengal, Jammu-and-Kashmir, and several northeastern states. By 2023–24 (in fact, before that), women's share of MGNREGA work had risen above one third in all states except Jammu-and-Kashmir.[19]

[19] Strictly speaking, "Jammu and Kashmir" was a Union Territory at that time.

Figure 6. Women's Share of MGNREGA Person-days, 2011-12 and 2023-24 (%)

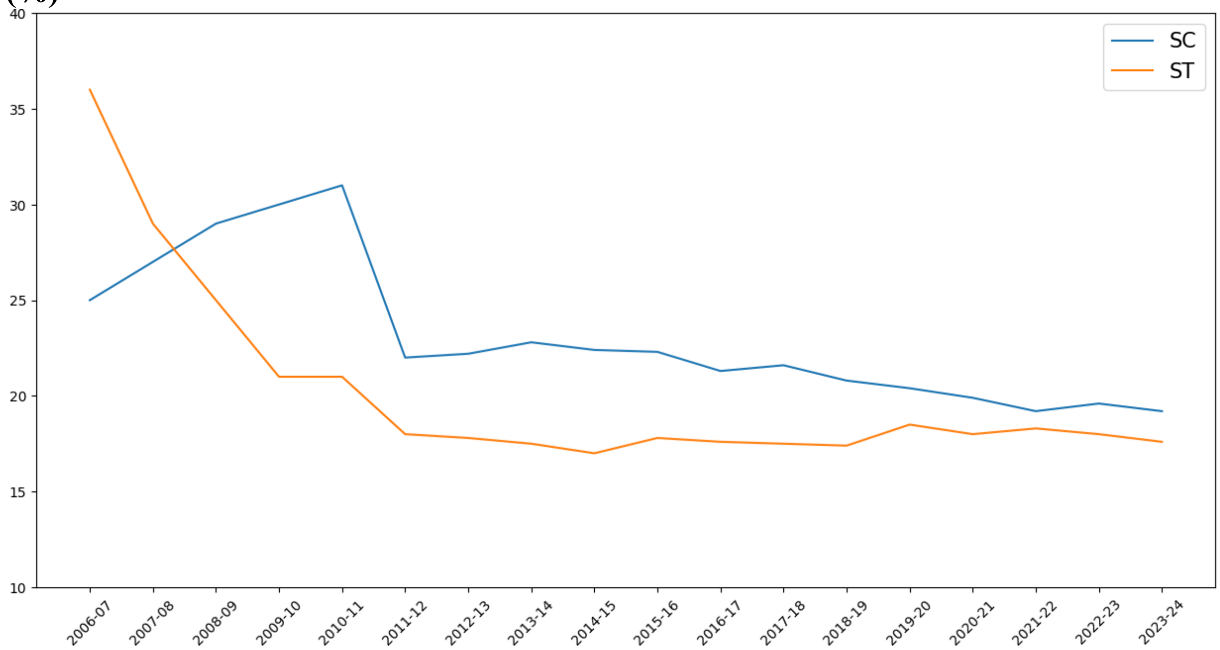


Sources: Government of India (2013), Sheet 8, for 2011-12 and MGNREGA-MIS (nrega.nic.in), Report R5.5, for 2023-24.

PARTICIPATION OF MARGINALIZED GROUPS

Scheduled Castes (SCs) and Scheduled Tribes (STs) accounted for 16.6 percent and 8.6 percent of India's population in 2011, respectively (census figures). Their respective shares of MGNREGA person-days have been higher all along—see Figure 7. Unlike women's share of MGNREGA work, however, these shares do not follow a simple pattern over time.

Figure 7. Shares of Scheduled Castes and Scheduled Tribes in MGNREGA Person-days (%)



Sources: Government of India (2013), Sheets 9 and 10, up to 2011-12; Government of India (2025) for 2012-13 onwards.

Between 2006–7 and 2010–11, the share of STs decreased steadily while that of SCs increased. There is no puzzle here. This was the period when MGNREGA gradually expanded to the whole of India (as mentioned earlier, the act was extended to the whole country on April 1, 2008, but some states took a little longer to implement it vigorously). Many of the 200 districts where the act initially came into force on February 2, 2006 were districts with a large ST population. As the program expanded, the share of STs in MGNREGA employment declined, and that of SCs increased. What is puzzling is that both declined between 2010–11 and 2011–12—sharply in the case of SCs. We are not aware of any plausible explanation for this. After 2011–12, the share of STs roughly maintained itself, but that of SCs declined a little more (from 2013–14 onwards).

Despite this decline, the combined share of SCs and STs in MGNREGA work in 2023–24 (37 percent) was still much higher than their combined population share (around 25 percent). The decline over time may have something to do with the changing distribution of MGNREGA between states. It does call for scrutiny in any case. Indeed, this decline occurred in a period when MGNREGA wages were going down relative to market wages. In these circumstances, one might have expected the share of SCs and STs in MGNREGA employment to rise rather than to decline.

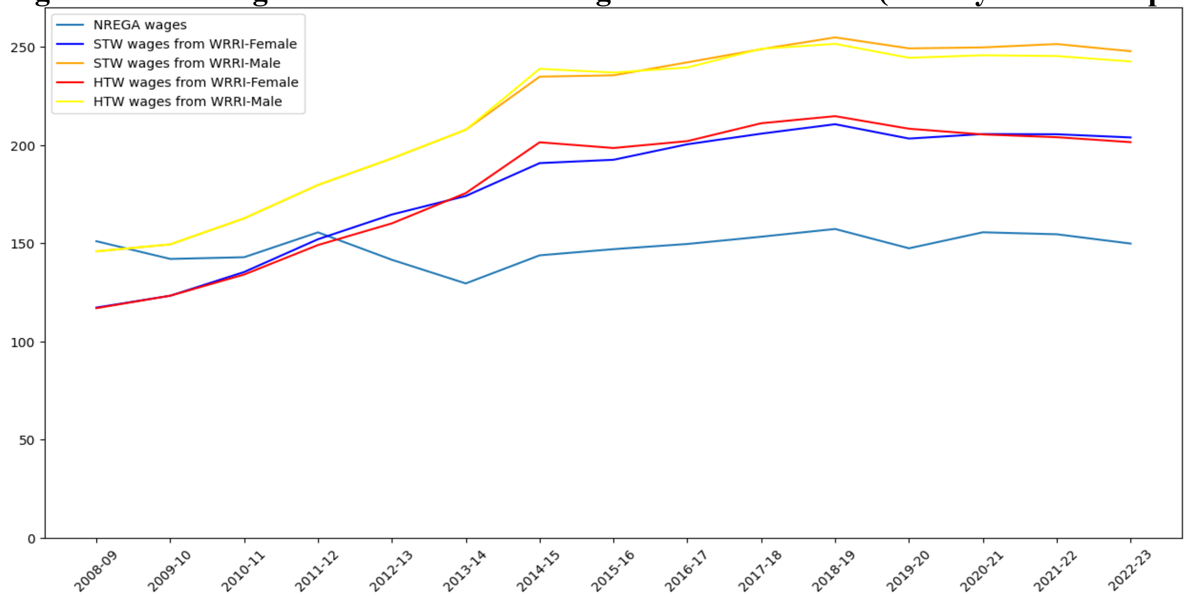
REAL WAGES

In the initial scheme of things, MGNREGA workers were entitled to the minimum wage applicable to agricultural laborers in the relevant state, under Section 6(2) of the act. MGNREGA wages were often higher than market wages, significantly so in some states. In 2009, the central government changed gear and activated Section 6(1) of the act, which empowers it to set MGNREGA wage rates. A uniform norm of Rs 100 per day was introduced, with top-ups in a few states where the minimum wage for agricultural laborers was higher than that. From then on, the central government raised MGNREGA wages every year to the extent of price increases, state-wise (based on the Consumer Price Index for Agricultural Labourers [CPI-AL])—no more, no less. In other words, MGNREGA wages were frozen in real terms.[20]

Meanwhile, a new development took place in the labor market: after a prolonged period of very sluggish growth, real agricultural wages started rising steadily around 2007 (soon after MGNREGA came into force), until 2014 or so. After that, sluggish growth—if not stagnation—returned. These, at any rate, are the patterns that emerge from the Wage Rates in Rural India (WRRI) data collected by the Labour Bureau. They are illustrated in Figure 8.

[20] For further details, see Central Employment Guarantee Council (2010). This transition actually happened in three distinct steps: activation of Section 6(1), introduction of the Rs 100 norm, and indexation. The first two happened in 2009, the third in 2010 or perhaps 2011.

Figure 8. Real Wages of MGNREGA and Agricultural Workers (Rs./day at 2014-15 prices)



Note: STW = Sowing, Transplanting, Weeding; HTW = Harvesting, Threshing, Winnowing.
Sources: MGNREGA wages: Government of India (2013), Sheets 1 and 15, up to 2011-12; Government of India (2015, 2025) for 2012-13 and 2013-14; MGNREGA-MIS (nrega.nic.in), Report R7.1.2 from 2014-15 onwards; for years prior to 2014-15, average MGNREGA wages were calculated by dividing total wage expenditure by total person-days. Agricultural wages are from the Wage Rates in Rural India series (compiled by Arindam Das, Joint-Director of the Foundation for Agrarian Studies). All money wages are deflated with the Consumer Price Index for Agricultural Labourers.

In this chart, all India MGNREGA wages are taken from the MIS, either directly, or—when direct information is not available—by dividing total wage expenditure by the number of person-days of MGNREGA employment (both methods produce very similar results in years where direct information is available). Gender-specific agricultural wages are calculated as an unweighted average over three occupations, separately for early activities (sowing, transplanting, and weeding) and harvest-time activities (harvesting, threshing, and winnowing).[21] They turn out to be much the same for both sets of activities. All money wages are converted into real wages at 2014–15 prices using the CPI-AL.

A clear pattern emerges: average MGNREGA wages were initially a little higher than agricultural wages, but then fell behind as they were frozen in real terms while market wages

[21] These annual averages were kindly supplied by Arindam Das, Joint Director of the Foundation for Agrarian Studies.

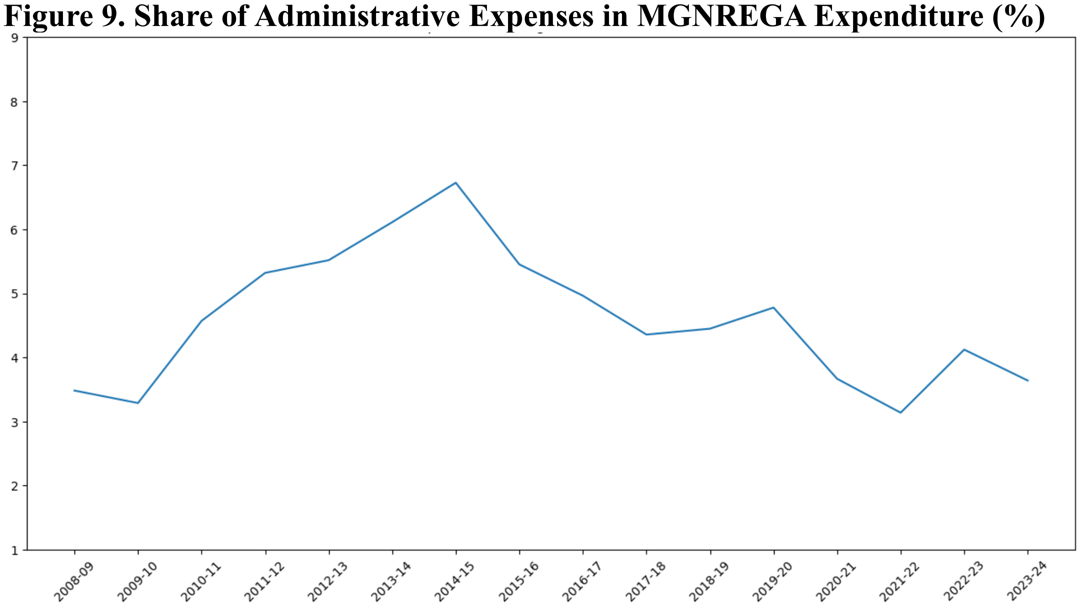
started rising steadily. By 2014–15, MGNREGA wages were barely two thirds of male agricultural wages, and the gap persisted from then on.[22]

Stagnant real wages, along with chronic payment problems (mainly delayed wage payments but also diverted, rejected, or blocked payments), have reduced the attractiveness of MGNREGA for many rural workers. There are two possible reasons why this is not reflected in falling employment levels. One is that there was a large unmet demand for MGNREGA work in the first place. Another is that a growing proportion of MGNREGA person-days are fabricated. Unfortunately, official statistics shed no light on this.

ADMINISTRATIVE EXPENDITURE

Figure 9 draws attention to a trend that has, as yet, gone relatively unnoticed: the sharp decline, from 2014–15 onward, in the share of administrative costs in MGNREGA expenditure.

Figure 9. Share of Administrative Expenses in MGNREGA Expenditure (%)



Sources: Government of India (2013), Sheet 15, up to 2011-12; from 2012-13, figures were calculated by dividing total administrative expenditure (from Government of India, 2025) by total MGNREGA expenditure (from Government of India, 2015, and MGNREGA-MIS, Report 7.1.1).

[22] In many states, MGNREGA wages have also fallen behind minimum agricultural wages (Tamang 2025). The legality of paying less than that to MGNREGA workers has been strongly contested (Central Employment Guarantee Council 2010).

Under MGNREGA, it is the responsibility of the central government to make an allowance for administrative expenses and to pay for them. The allowance was initially set at a maximum of 6 percent of total MGNREGA expenditure in the relevant state, a norm that applies to this day (Government of India 2024). Actual administrative expenses rose steadily until 2014–15, to 6 percent or so, but declined sharply after that, all the way down to the initial levels of 3–4 percent.

Low administrative expenses may seem to be a good thing, but this is deceptive. Administrative expenses play a critical role in the implementation of MGNREGA, because they pay for a huge support structure: *gram rozgar sevaks* (village employment helpers), program officers, computer operators, junior engineers, and other staff—not only their salaries but also the facilities they require. Social audits are also funded by administrative expenses. The 6 percent norm is a very modest allowance for this critical support structure. Incidentally, this machinery has some intrinsic value: it is a critical resource for *gram panchayats* (village councils) and even block offices, and makes an important contribution to skill formation. Seen in this light, the sharp decline in the share of administrative expenses from 2014–15 onward is a matter of concern. Quite likely, it contributed to the deterioration of MGNREGA implementation standards in that period.

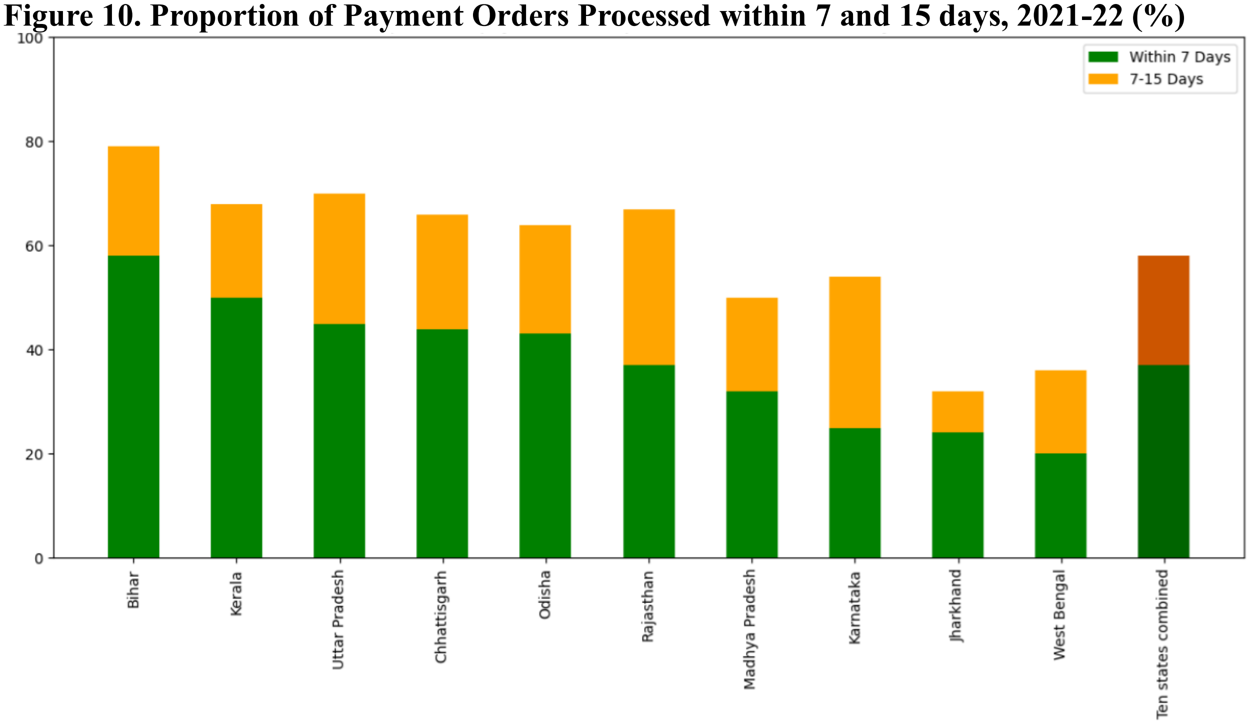
WAGE PAYMENTS

Our last chart relates to a critical issue on which MGNREGA's MIS is rather uninformative and even misleading—delays in wage payments. Under the act, workers are entitled to payment within 14 days. Twenty years down the line, however, this remains an elusive right.

The MGNREGA wage payment process happens in two "stages," before and after the generation of a Fund Transfer Order (FTO). The first stage is the responsibility of the state government, but the second stage is now centralized—payments are made directly by the central government to workers' accounts. According to the MGNREGA rules, each stage should be completed within seven days. In 2016–17, however, the first stage took more than 15 days for almost half of all wage payments, according to a study of wage payments in 10 states.[23] Afterward, first-stage delays declined steadily and, according to the MIS, they are rare today. Second-stage delays, however, continue, partly because MGNREGA funds tend to run out before the end of the financial year, leading to the temporary discontinuation of wage payments.

Second-stage delays are not reported in the MIS. Worse, the Ministry of Rural Development routinely misleads the public with claims of timely payment based on first-stage data.[24] A recent study, however, presents estimates of second-stage delays based on an independent analysis of more than 31 million wage payments across 10 states in 2021–22 (Bheemarasetti et al. 2025). The main findings are displayed in Figure 10. Clearly, timely payment is the exception more than the rule: only 37 percent of payments were made within 7 days of FTO generation, as prescribed. Nearly half (42 percent) were delayed beyond 15 days after FTO generation.

Figure 10. Proportion of Payment Orders Processed within 7 and 15 days, 2021-22 (%)



Source: Bheemarasetti et al. (2025), based on a random sample of more than 31 million payments in these states (all payments in one randomly-selected Block of each District).

[23] Inferred from Narayanan, Dhorajiwala, and Golani (2019), Tables 4 and 5.

[24] Just to cite one recent example, on December 3, 2024, in response to a question about the "average duration of [wage-payment] delays", the Ministry answered that 99 percent of FTOs are generated within 15 days, artfully omitting any mention of FTO processing delays.

The proportion of wage payments delayed beyond 15 days after FTO generation varied widely across states, from 21 percent in Bihar to 64 percent in West Bengal. There is no obvious reason for these contrasts. One possibility is that they reflect different abilities (on the part of state governments) to meet reporting requirements or other conditionalities set by the central government. Sometimes, there is a hint of political favoritism. Note, for instance, that the ruling parties in Bihar and West Bengal in 2021–22 were allies and opponents, respectively, of the Bharatiya Janata Party (the leading party at the Centre).[25] However, there is no clear sign of systematic favoritism.

Another important insight from the same study is that Aadhaar-based payments are not faster than account-based payments. Aadhaar-based payments are routed by the Aadhaar Payment Bridge System (APBS), a futuristic if not byzantine payment system that treats a person's Aadhaar number as their financial address and automatically sends money to that person's latest Aadhaar-linked account.[26] This finding is important because the APBS has caused considerable hassles to MGNREGA workers.[27] One of the main justifications for promoting it (and even making it mandatory from January 2024 onwards) was that it would reduce delays in wage payments. In fact, this has not happened.

CONCLUDING REMARKS

Here ends our short history of MGNREGA. If we take official statistics at face value, MGNREGA has an impressive record. The program generates a huge amount of fallback employment for disadvantaged groups, especially in times of crisis. It has shown much resilience

[25] The BJP was actually part of the ruling coalition in Bihar at that time. In West Bengal, the Trinamool Congress (a fierce opponent of the BJP for many years) was in office in 2021–22. In March 2022, the central government took the unprecedented step of discontinuing MGNREGA funds for West Bengal altogether, on grounds of alleged "non-compliance of directives of Central Government." The fund freeze continues to this day and the allegations are yet to be made public. Even in Parliament, the Ministry of Rural Development was unable to provide any details (see Government of India 2023).

[26] Aadhaar is India's unique identity number, linked to biometrics.

[27] See Dhorajiwala et al. (2019), for example.

over 20 years despite economic contingencies, changes in government and attempted cuts. The picture is all the more encouraging if we read it together with the rich literature on MGNREGA's wide-ranging benefits.[28]

MGNREGA's achievements, however, are heavily concentrated in a few states. In many other states, the basic principle of work on demand is yet to become a reality, and MGNREGA is little more than a large—but still top-down—public-works program. These states, unfortunately, include many of India's poorest.

Further, it is important to note that the official picture is incomplete, and possibly even misleading in some respects. Official statistics, for instance, tell us very little about the unmet demand for MGNREGA work, delays in wage payments, or failures of grievance redressal.[29] More importantly, it is no secret that MGNREGA's official employment figures are inflated. Indeed, it is principally by inflating "muster rolls" (worksite attendance sheets) that corrupt middlemen siphon off MGNREGA funds.

This is one reason why official statistics need to be validated from independent sources such as household surveys. In this respect, there is a gaping hole. The last year for which official MGNREGA statistics have been validated from independent surveys is 2011–12. After that, we are in the dark, though some useful information is available from the Periodic Labour Force Surveys.[30]

Validated or not, official statistics need to be supplemented with further evidence, since they leave out a lot. There are many other useful sources—from case studies and household surveys to social audits. But here again, a few states (such as Andhra Pradesh, Telangana, and Tamil Nadu)

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[28] A useful guide to this literature is available at jobguarantee.org in the form of an extensive annotated bibliography.

[29] Another black hole is the productive value of MGNREGA works. We know that some types of MGNREGA work are very productive; see Ranaware et al. (2015), Bhaskar et al. (2016), and Drèze and Nair (2023), among others. But we also know that there are many "symbolic" worksites where little productive work happens. Little information is available on the overall productive value of MGNREGA works.

[30] For further discussion, see Drèze and Somanchi (forthcoming).

have received far more attention than others.[31] On both counts (validation and supplementation), we need much more information on the ground realities of MGNREGA.

MGNREGA has shown the viability and sustainability of a rural employment guarantee *act* in a poor country. What is yet to be demonstrated is the feasibility of employment guarantee itself—not the same thing, considering that ground realities often depart from the intention of the act. The experience so far is an important step toward a practical realization of the right to work on demand, but there is still a long way to go.

[31] The academic literature on MGNREGA has been heavily influenced by studies focused on Andhra Pradesh and Telangana, where some useful surveys have been conducted (e.g., the Young Lives Study) aside from randomized controlled trials (Muralidharan et al., 2023). For many other states, little material is available.

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APPENDIX: DATA CLARIFICATIONS

MGNREGA has an extensive Monitoring and Information System (MIS). All records, down to individual wage payments, are proactively displayed on the MIS (hosted at nrega.nic.in). Most of the figures we have used in this paper are official figures from the MIS.

The MIS, however, was not fully in place until 2011-12 or so. For earlier years, it is not a reliable source, due to incomplete coverage.

Before the MIS displaced them, "monthly progress reports" (MPRs) were the main source of official statistics on MGNREGA. These reports are no longer displayed on the MGNREGA portal. However, a very useful compilation of MPR data up to 2011-12 is available in Government of India (2013). We downloaded this spreadsheet from rural.gov.in, the official website of the Ministry of Rural Development, on 6 April 2025. That link (https://rural.gov.in/sites/default/files/11.%20MGNREGS.xls) is now broken for some reason, but the spreadsheet is available on request.

Unless stated otherwise, we have used this spreadsheet for MGNREGA data until 2011-12, and MIS data from then on. It is also possible to use MIS data for 2011-12 instead of MPRs, but we did not do so because we were unable to retrieve 2011-12 MIS data for some important indicators. In any case, MIS figures seem to be close to MPR figures in that "link year".