IJNRD.ORG ISSN : 2456-4184
INTERNATIONAL JOURNAL OF NOVEL RESEARCH AND DEVELOPMENT (IJNRD) | IJNRD.ORG
An International Open Access, Peer-reviewed, Refereed Journal

MGNREGA: Transforming Rural Livelihoods to Mitigate India's Agrarian Crisis

1. Dr. Nalin Kumar Ramaul

Official Address: Dr. Nalin Kumar Ramaul, Coordinator IQAC and Associate Professor, Department of Economics, Government Degree College Kaffota, District Sirmaur, Himachal Pradesh, India, PIN 173025

Address for Correspondence: Dr. Nalin Kumar Ramaul, H. No. 280/3, Ward No. 12, Friends Enclave, Shubh Khera, Paonta Sahib, District Sirmaur, Himachal Pradesh, India, PIN 173025

2. Pinki Ramaul

Address: Smt. Pinki Ramaul, H. No. 280/3, Ward No. 12, Friends Enclave, Shubh Khera, Paonta Sahib, District Sirmaur, Himachal Pradesh, India, PIN 173025

Abstract

India's agrarian sector is grappling with a profound and multifaceted crisis, evidenced by a tragic surge in farmer suicides and persistent rural distress. This crisis, intensified by economic liberalization policies since the mid-1990s, is characterized by declining profitability, land fragmentation, diminishing productivity, and limited access to vital resources. The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), enacted in 2005, stands as a pivotal rights-based employment guarantee program designed to address these systemic vulnerabilities. By legally guaranteeing 100 days of wage employment per year to rural households on demand, MGNREGA serves as a crucial social safety net and an economic stabilizer. The program's focus on creating durable rural assets, particularly agriculture-related infrastructure on both public and private lands, significantly enhances agricultural productivity and rural purchasing power. This direct support is especially beneficial for small and marginal farmers, who constitute the vast majority of India's agricultural landholders. Convergence with programs like the Rashtriya Krishi Vikas Yojana and National Skill Development Mission further amplifies its impact by improving irrigation, skills, and market access. While MGNREGA has demonstrated considerable success in boosting rural incomes, curbing distress migration, and fostering self-reliance, its full potential remains constrained by implementation challenges such as bureaucratic delays, inconsistent asset quality, and regional disparities. This paper examines MGNREGA's role in mitigating the agrarian crisis, highlighting its contributions to rural livelihoods, poverty alleviation, and sustainable development. Policy recommendations include enhancing implementation efficiency, improving asset quality, and strengthening convergence mechanisms to ensure inclusive growth and long-term rural transformation. Achieving comprehensive rural transformation necessitates strengthening governance, enhancing awareness, and crucially, fostering seamless convergence with other development programs to create integrated, sustainable livelihood pathways.

JEL Classification

H53 National Government Expenditures and Welfare Programs; J43 Agricultural Labor Markets; O13 Economic Development; Q18 Agricultural Policy; R58 Regional Development Planning and Policy

Keywords

MGNREGA, Agrarian Crisis, India, Rural Employment, Small and Marginal Farmers, Asset Creation, Poverty Alleviation, Rural Development, Farmer Suicides, Convergence, Policy

Introduction

India's agricultural sector, contributing ~15% to GDP in 2022-23 (down from 35% in 1990-91), sustains rural livelihoods but faces a crisis marked by stagnant growth, declining productivity, and farmer distress, including high indebtedness and low incomes (Economic Survey, 2022-23). The agrarian crisis, intensified by neoliberal reforms since 1991, has led to reduced public investment, falling agricultural growth rates from 3.5% pre-1991 to 2.5% post-reform, and a tragic surge in farmer suicides, with over 10,000 cases annually reported between 2018 and 2022 (NCRB, 2023). Structural challenges, including rising production costs, declining profitability, land fragmentation, and ecological strain from intensive farming, have further marginalized small and marginal farmers (SMFs), who comprise 88.3% of landholdings (Department of Agriculture & Farmers Welfare, 2023). The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), enacted in 2005, addresses these issues by providing guaranteed wage employment and creating productive rural assets to enhance agricultural productivity and rural livelihoods.

1. The Agrarian Crisis in India

The contemporary agrarian crisis that emerged in the mid-1990s extends beyond the mere consequences of neoliberal policies introduced in 1991, though these reforms have significantly intensified its severity. Economic literature widely recognizes that structural economic transformations are challenging and often painful for agriculture across societies. In India, this process has been particularly acute, as the agricultural sector abruptly transitioned from Keynesian state-led support to liberalized policies, fundamentally altering farming dynamics and resource allocation.

Economic reforms have precipitated a profound crisis in India's agrarian sector, significantly worsening the vulnerability and insecurity of farmers and agricultural labourers in rural areas. This crisis has introduced new challenges while exacerbating existing ones, culminating in a large-scale agrarian distress marked by a tragic surge in farmer suicides. However, the crisis varies across regions and time periods, with agriculture experiencing both stagnation and growth phases. Even during periods of growth recovery, the crisis continues to severely impact most of the agrarian population. The uneven growth patterns between the agricultural and industrial sectors have generated socio-economic and political consequences, contributing to persistent agrarian distress and stunted development.

The ongoing agrarian crisis in India's agricultural sector stems from multiple interconnected factors: rising production costs coupled with declining profitability, reduced gross capital formation, increasing landlessness and disparities in landholdings, diminishing agricultural productivity, and the growing marginalization of smallholder farmers. Additionally, shifting cropping patterns, worsening food security, stagnating agricultural growth rates, limited access to credit, inadequate innovation and technological advancement, and pervasive information asymmetries have exacerbated the challenges faced by the sector.

1.1. The Key Indicators of Agricultural Distress

The key indicators of distress include:

1.1.1. Declining Productivity:

Agricultural growth decelerated to an average of 2.6% annually from 1991-92 to 2010-11 (at 2004-05 constant prices), down from 3.5% in the pre-reform period (1980-1990), due to reduced public investment and market-oriented reforms (Planning Commission, 2012). This slowdown reflects the structural challenges of the agrarian crisis, with more recent data showing a slight recovery to 3.2% annually from 2011-12 to 2022-23 (Economic Survey, 2022-23).

The agriculture and allied sectors' share in India's Gross Value Added (GVA) decreased from approximately 31% in 1990-91 to 18.3% in 2022-23 (at current prices), reflecting the growing dominance of industry and services sectors amid economic liberalization (Economic Survey, 2022-23; Planning Commission, 2012). This decline underscores the structural challenges of the agrarian crisis, with agriculture's contribution stabilizing around 18-19% in recent years due to policy support and resilience during economic disruptions.Over the three decades from 1983 to 2013, labour productivity in Indian agriculture grew slowly at approximately 2% annually, while land productivity (crop yields) increased by 1.5-2% annually, driven by technological adoption and irrigation expansion (Chand et al., 2011; Economic Survey, 2022-23). The capital-labour ratio increased significantly due to mechanization, with capital inputs like tractors and irrigation pumps doubling in use per worker in some regions (Reddy, 2015). However, agricultural employment growth stagnated at approximately 0.2% annually, reflecting limited job creation in the sector (Planning Commission, 2012). These indicators of distress have driven rural workers to seek migration opportunities, but limited viable options often force many to remain as subsistence farmers (Murthy, 2013).

1.1.2. Land Fragmentation:

The average farm sizes have shrunk to 0.93 hectares by 2020-21 due to population growth and land fragmentation through inheritance, limiting economies of scale (Department of Agriculture & Farmers Welfare, 2023).

1.1.3. Farmer Suicides:

Indian economy has been facing crisis in its farm sector and its worst face is the suicides of farmers in almost all parts of India. During British rule and in independent India, agrarian crises have been recurrent, but the recent surge in farmer suicides across many parts of the country represents a new and alarming phenomenon (Murthy and Priyesh 2013). Over 10,000 annual suicides from 2018 to 2022 reflect acute distress driven by debt, low incomes, and ecological challenges. There were 11,290 suicides reported in the year 2022 in the farming sector (5,207 farmers/cultivators, 6,083 agricultural labourers), a 3.7% increase from 10,881 in 2021. Maharashtra accounted for 38% of these cases (NCRB, 2023).

1.1.4. Ecological Strain:

Ecological strain from intensive monocropping and groundwater depletion have reduced soil fertility and water availability which has generated significant externalities, contributing to agrarian distress in India (Murthy, 2013).

1.1.5. Farmer Dissatisfaction:

The 2003 NSSO *Situation Assessment Survey of Farmers* found that 27% of farmer households were dissatisfied with farming, primarily due to low profitability, while 40% expressed a willingness to abandon farming if alternative livelihood options were available (NSSO, 2003). These findings underscore the economic challenges driving agrarian distress, with more recent surveys indicating persistent concerns about profitability among small and marginal farmers (NSSO, 2020). These findings underscore the persistent agrarian distress in India, which has been exacerbated by structural and economic challenges in the agricultural sector.

1.2. Socio-Economic Impacts of Agricultural Crises

Agriculture, contributing approximately 15% to India's Gross Domestic Product (GDP) in 2022-23, remains the primary livelihood source for most of the rural population (Economic urvey, 2022-23). Data from the National Sample Survey Organisation (NSSO) and Periodic Labour Force Survey (PLFS) indicate a shift among rural labourers toward non-agricultural employment, tightening the agricultural labour market and increasing farm wages (Chand & Singh, 2022). Rural self-employed households remain heavily dependent on agriculture, with approximately 70% of their income derived from farming activities in 2018-19 (NSSO, 2020).

The crisis has led to reduced gross capital formation, increasing landlessness, and disparities in landholdings, alongside diminishing agricultural productivity and the marginalization of small and marginal farmers (SMFs).

Shifting cropping patterns, worsening food security, limited access to credit, inadequate technological advancement, and information asymmetries further exacerbate the challenges (Murthy, 2013). Rural labourers are increasingly seeking non-agricultural employment, tightening the agricultural labour market and raising wages, yet self-employed rural households remain heavily dependent on agriculture (Chand & Singh, 2022).

The agricultural workforce is increasingly older and more feminized, with women constituting 42% of the labour force, as younger, educated individuals show a declining interest in farming, with only 12% of rural youth with secondary or higher education engaged in agriculture (NSSO, 2020; PLFS, 2018-19). These trends persist, with recent data indicating continued shifts toward non-agricultural employment among rural youth (PLFS, 2022-23). Addressing these challenges requires a 'second green revolution' that is inclusive, stable, and geographically balanced, necessitating enhanced irrigation, land development, and crop-specific technological advancements (Planning Commission, 2012; NITI Aayog, 2020).

2. MGNREGA: Framework and Implementation

2.1. Overview of MGNREGA

Enacted on September 7, 2005, the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is the world's largest employment guarantee program, providing 100 days of wage employment annually to rural households for unskilled manual work (Ministry of Rural Development, 2023). Its rights-based, demand-driven framework empowers workers to register, obtain a job card, and request employment, with authorities obligated to provide work within 15 days or pay an unemployment allowance (Sharma, 2011). In 2022-23, MGNREGA provided employment to 56.2 million households, generating 305.2 crore person-days with a ₹60,000 crore budget, though challenges like delayed payments and uneven implementation persist (Ministry of Rural Development, 2023).

2.2. MGNREGA Implementation Milestones

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) was initially implemented in 200 of India's most backward rural districts on February 2, 2006. It was subsequently extended to an additional 130 districts in the financial year 2007-08, with 113 districts notified on April 1, 2007, and 17 districts in Uttar Pradesh on May 15, 2007. By April 1, 2008, MGNREGA coverage expanded to encompass all rural districts across India, excluding those with entirely urban populations. As of 2023, the program operates in 706 rural districts, providing employment to millions of households while addressing regional disparities in rural development (Ministry of Rural Development, 2023).

2.3. Key Features of MGNREGA

MGNREGA's innovative design includes:

2.3.1. Legal Guarantee

Ensures 100 days of employment per household, with flexibility for multiple members to contribute (Ministry of Rural Development, 2023).

2.3.2. Demand-Driven Approach

Resources are allocated based on actual work demand, incentivizing states to meet employment needs (CRRID, 2009).

2.3.3. Funding Mechanism and Incentives

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) incorporates an incentive structure wherein the central government funds 90% of the employment costs, encouraging states to provide work to rural households. Conversely, states face a disincentive for failing to provide employment, as they must bear the costs of both unemployment and the mandated unemployment allowance. Unlike earlier allocation-based wage employment programs, MGNREGA's demand-driven approach ties resource transfers to the actual demand for work, incentivizing states to meet the employment needs of the rural poor (CRRID, 2009).

2.3.4. Asset Creation

MGNREGA focuses on durable assets like irrigation canals, farm ponds, and soil conservation structures to enhance agricultural productivity (Shah, 2009). A primary objective of the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is to create sustainable assets that enhance the livelihood resource base of rural India. To accommodate inter-state and regional variations, MGNREGA permits a diverse range of works, including water conservation, irrigation, land development, and rural infrastructure projects. The government retains the flexibility to expand the scope of permissible works to address emerging needs.

2.4. Distinguishing Features as a Rights-Based Program

MGNREGA's innovative design is characterized by its bottom-up, people-centred, and demand-driven approach. This empowers workers to register, obtain a job card, and request employment for their preferred duration. A critical feature reinforcing its legal mandate is the 15-day time limit for authorities to provide work; failure to meet this obligation triggers an unemployment allowance. The program also offers flexibility, allowing multiple adult household members to contribute to the 100-day entitlement, either on different days or concurrently, provided the total employment days do not exceed the limit.

This rights-based framework makes MGNREGA inherently counter-cyclical. Demand for work naturally increases during periods of agrarian distress, such as droughts or economic downturns, providing a crucial safety net when other livelihood options fail. This design allows the program to function as an automatic stabilizer for rural economies, scaling up precisely when needed most. It is a significant social protection mechanism, enhancing resilience for rural households, particularly during shocks, and distinguishes itself from traditional allocation-based programs.

During the COVID-19 pandemic, MGNREGA served as a critical safety net, mitigating economic distress caused by lockdowns and reverse migration. In 2020-21, MGNREGA’s budget was enhanced to ₹1,11,500 crore, including an additional ₹40,000 crore under the Aatmanirbhar Bharat package, to address pandemic-induced rural distress (Ministry of Rural Development, 2021). Between April and August 2020, the program provided employment to 5.53 crore households, a 72% increase from the 3.21 crore households supported during the same period in 2019-20, driven by demand from returning migrant workers (Economic Survey, 2022-23).

MGNREGA compensated for 20-80% of income losses for vulnerable households, significantly reducing distress migration (Dreze & Somanchi, 2021). By prioritizing individual asset creation, such as farm ponds and wells, and adhering to social distancing protocols, it ensured livelihoods while enhancing water security. Despite challenges like delayed wages and unmet demand, MGNREGA’s rights-based framework, supported by social audits and transparency measures, solidified its role as a vital social protection mechanism during the crisis.

3. MGNREGA's Role in Mitigating Agrarian Distress and Enhancing Rural Livelihoods

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is designed to serve as a crucial intervention in addressing India’s agrarian crisis, operating through various mechanisms that enhance rural livelihoods and agricultural sustainability.

3.1. Asset Creation for Agriculture

MGNREGA fosters economic multipliers by creating agriculture-related assets, such as irrigation canals, farm ponds, and water conservation structures, with 60% of works in 2022-23 focused on these assets (Ministry of Rural Development, 2023). These interventions enhance farm productivity, increase cropping intensity, and support high-value crops, yielding 10-20% higher crop yields for SMFs (Narayanan et al., 2019). A 2012-13 study in Madhya Pradesh reported a 15% increase in cultivated area and extended food security from six to nine months annually (IIFM-IRMA-ISSR, 2012).

3.2. Economic Multipliers and Asset Creation

MGNREGA holds significant potential to mitigate India's agrarian crisis by fostering economic multipliers and accelerators primarily through asset creation. The program strategically prioritizes the development of durable rural assets, which are foundational for agricultural productivity and broader rural development. These assets include vital infrastructure such as irrigation canals, land development projects, and water conservation structures. By investing in these areas, MGNREGA aims to generate economies of scale, directly enhancing agricultural productivity and stimulating income growth through multiplier effects across the rural economy. These efforts also contribute to broader social and ecological objectives, such as improved water security and environmental regeneration. In 2022-23, approximately 60% of MGNREGA works focused on agriculture-related assets, contributing to improved farm productivity, though challenges like inadequate planning and resource constraints limit its full impact (Ministry of Rural Development, 2023; Dreze & Khera, 2023).

3.3. MGNREGA Works on Private Land (Category IV)

Under Schedule I, Category IV of the Mahatma Gandhi National Rural Employment Guarantee Act, 2005, MGNREGA permits works on privately owned land to enhance agricultural productivity for specific beneficiary groups. Eligible households include those belonging to Scheduled Castes, Scheduled Tribes, Below Poverty Line families, beneficiaries of land reforms, recipients of the Pradhan Mantri Awas Yojana (replacing Indira Awas Yojana), small and marginal farmers as defined by the Agriculture Debt Waiver and Debt Relief Scheme, 2008, and beneficiaries under the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006. Permissible works encompass irrigation facilities, horticulture plantations, and land development, with a funding cap of ₹2.25 lakh per job card holder as of 2023 (Ministry of Rural Development, 2023; Dreze & Khera, 2023).

Works on private land under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) have grown significantly, accounting for 21% of total works in 2022-23, up from 12% in 2011-12 (Ministry of Rural Development, 2023). Since 2006-07, approximately 35 lakh individuals have benefited from Category IV works. These works, including irrigation facilities and land development, improve yields by 10-20% and reduce reliance on wage labour, with 50% of beneficiaries no longer seeking MGNREGA employment post-improvement (Narayanan et al., 2019; Dreze & Khera, 2023). State-wise data reveal substantial variation, with states like Andhra Pradesh and Tamil Nadu reporting higher uptake of private land works compared to Bihar and Uttar Pradesh, reflecting regional differences in implementation capacity and demand (Ministry of Rural Development, 2023).

3.4. Debate: Public vs. Private Assets

Public assets, such as community ponds and watershed structures, offer broader societal benefits but face maintenance challenges due to ambiguous ownership. A Kerala study found only one of 23 public ponds was community-maintained (Nair & Sanju, 2010). Private assets, while better maintained due to clear ownership, yield lower investment returns, 36% vs. 116% for public assets within one year (Verma, 2012). In 2022-23, public works dominated (60% of total works), but private land works (21%) provided direct livelihood benefits to SMFs (Ministry of Rural Development, 2023).

3.5. Enhancing Rural Purchasing Power

Beyond asset creation, MGNREGA plays a vital role in enhancing rural purchasing power by generating direct wage income for millions of rural households. This injection of income into rural economies leads to increased demand for commodities, thereby stimulating local markets and contributing to overall economic resilience, particularly during periods of economic downturns or global recessions. In 2022-23 alone, MGNREGA's investment of ₹60,000 crore generated an impressive 305.2 crore person-days of employment, providing a substantial boost to rural economies and offering a crucial safety net for vulnerable populations (Ministry of Rural Development, 2023).

3.6. Support for Small and Marginal Farmers (SMFs)

In India, farmers operating less than 1 hectare (2.47 acres) are classified as marginal, while those cultivating 1 to 2 hectares (2.47 to 4.94 acres) are considered small. SMFs, operating less than 2 hectares, comprise 88.3% of landholdings and occupy 51.4% of cultivated area, producing 46% of grains and over half of fruits and vegetables (Department of Agriculture & Farmers Welfare, 2023; Dev, 2018). The average holding size of 0.93 hectares limits investment capacity and market access (Department of Agriculture & Farmers Welfare, 2023). Approximately 10.3% of rural households are landless, and many rely on informal leasing, with SMFs accounting for 35% of leased-in land (NSSO, 2020; Haque, 2000).

MGNREGA's private land works enhance productivity and resilience for SMFs, reducing distress migration by 20-30% and enabling shifts to sustainable farming practices (Ministry of Rural Development, 2023; Bhaskar et al., 2021). A Madhya Pradesh study reported that 52% of beneficiaries rated private land works as very good, with a 15% increase in cultivated area (Samarthan, 2010). These interventions help SMFs transition from wage labour to skilled farming, improving income stability (Narayanan et al., 2019).

3.7. Convergence for Holistic Rural Development

Effective convergence of MGNREGA with programs like the Pradhan Mantri Krishi Sinchayee Yojana (PMKSY), Rashtriya Krishi Vikas Yojana (RKVY), and National Skill Development Mission (NSDM) enhances rural development through coordinated resource allocation and aligned objectives. A top-down approach ensures policy synergy, while bottom-up planning identifies region-specific needs and priorities (Sharma, 2013). In 2022-23, 59.7% of MGNREGA works focused on agriculture-related assets, such as irrigation canals and farm ponds, boosting water security and crop yields by 10-20% for small and marginal farmers (SMFs), who constitute 88.3% of landholdings (Ministry of Rural Development, 2023; Bhaskar et al., 2021).

Convergence with PMKSY and RKVY strengthens irrigation infrastructure and agricultural productivity, while NSDM integration promotes skill development, technology adoption, and market linkages for SMFs (ILO, 2018). The World Bank (2008) estimates that agricultural GDP growth is two to four times more effective at reducing poverty than non-agricultural growth, underscoring MGNREGA's role in poverty alleviation. Additionally, MGNREGA's social protection framework enhances resilience, particularly for women (42% of the agricultural workforce) and marginalized groups, by providing stable income and local employment (Sudarshan, 2011; NSSO, 2020).

Despite these benefits, bureaucratic delays, inconsistent guidelines, and low stakeholder awareness limit convergence effectiveness (Bhaskar et al., 2021). Recent budget stagnation at ₹86,000 crore in 2024-25, compared to ₹1,11,500 crore in 2020-21, further constrains MGNREGA's capacity to sustain these synergies (Ministry of Rural Development, 2024). Addressing these challenges through streamlined coordination, capacity-building, and awareness campaigns is critical to maximizing MGNREGA's impact on holistic rural development.

4. Challenges and Policy Recommendations

While MGNREGA has emerged as a vital tool in addressing India's agrarian crisis, its full potential remains constrained by a range of implementation challenges and systemic issues. Addressing these is crucial for the program to realize its transformative impact on rural livelihoods and agricultural sustainability.

4.1. Challenges

Several factors impede the optimal functioning and impact of MGNREGA:

4.1.1. Economic Liberalization Policies

The agrarian crisis itself has been exacerbated by economic liberalization policies since the 1990s, which reduced public investment and agricultural growth rates. This historical context highlights the structural vulnerabilities MGNREGA seeks to address.

4.1.2. Delayed Payments and Demand Variability

In 2022-23, the average employment per household was 51.5 days, reflecting partial utilization of the 100-day entitlement due to implementation challenges such as delayed payments and demand variability. Delayed fund releases further compound these issues, challenging effective implementation (Ministry of Rural Development, 2023).

4.1.3. Inconsistent Asset Quality

Despite the program's focus on asset creation, challenges related to inconsistent asset quality persist for both private and public MGNREGA assets, which limits the long-term sustainability of both public and private assets (Dreze & Khera, 2023). There are also maintenance Issues of MGNREGA assets (Nair & Sanju, 2010).

4.1.4. Regional Disparities

The implementation of MGNREGA shows substantial state-wise variation, reflecting regional differences in administrative capacity, local demand, and political will.

4.1.5. Bureaucratic Hurdles

Persistent bureaucratic delays consistently limit the effectiveness of MGNREGA and its convergence with other programs. These delays can manifest in various forms, from approval processes for works to the timely release of funds and payments to workers.

4.1.6. Limited Viable Migration Options

Indicators of distress have driven rural workers to seek migration opportunities, but limited viable options often force many to remain as subsistence farmers, trapping them in a cycle of vulnerability.

4.2. Policy Recommendations

To fully realize MGNREGA's transformative potential and effectively mitigate the agrarian crisis, a multi-pronged approach focusing on strengthening implementation and fostering holistic rural development is necessary:

4.2.1. Enhancing Implementation Efficiency

To maximize MGNREGA's impact, implementation must be streamlined to ensure timely and effective delivery of benefits.

- **Timely Wage Disbursement**: Use Aadhaar-linked Direct Benefit Transfer to ensure wages are paid within 15 days.
- **Strengthening Local Governance**: Train Gram Panchayats to improve project planning and execution.
- **Capacity-Building for Local Officials**: Strengthening the capacity of local officials, particularly at the Gram Panchayat level, is crucial for effective planning, implementation, and monitoring of MGNREGA works. This includes training on technical aspects of asset creation, financial management, and community mobilization.
- **Digital Monitoring**: Implement real-time tracking via MGNREGA MIS to enhance transparency and accountability.
- **Simplified Processes**: Reduce bureaucratic layers for faster work approval and fund allocation.
- **Grievance Redressal**: Establish accessible helplines and local ombudsmen for swift issue resolution.

4.2.2. Improving Asset Quality

High-quality, durable assets are critical for sustainable rural development under MGNREGA.

- **Community-Driven Planning**: Engage Gram Sabhas to prioritize locally relevant assets like irrigation canals.
- **Technical Supervision**: Deploy skilled engineers to ensure high-quality construction standards.
- **Sustainable Assets**: Focus on long-term benefits, e.g., water harvesting structures for groundwater recharge.
- **Regular Maintenance**: Allocate funds for periodic upkeep of assets like rural roads.
- **Quality Audits**: Conduct social and third-party audits using geo-tagging to ensure asset functionality.

4.2.3. Strengthening Convergence Mechanisms

There is an urgent need for streamlined and seamless convergence mechanisms between MGNREGA and other development programs, such as PMKSY, NRLM, RKVY, and NSDM, to maximize synergistic benefits. This requires both top-down directives to align program objectives and a bottom-up approach to identify and address specific local needs. Convergence with other schemes can amplify MGNREGA's impact on inclusive rural development.

- **Agricultural Synergies**: Align with Pradhan Mantri Krishi Sinchayee Yojana (PMKSY) to build irrigation infrastructure for small farmers.
- **Skill Development**: Integrate with Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY) for training in skills like masonry, enhancing employability.
- **Health and Sanitation**: Collaborate with Swachh Bharat Mission to construct sanitation facilities.
- **Rural Connectivity**: Partner with Pradhan Mantri Gram Sadak Yojana (PMGSY) to build complementary all-weather roads.
- **Institutional Coordination**: Form inter-departmental committees for seamless resource integration.
- **Targeted NSDM Training**: Convergence with the National Skill Development Mission (NSDM) should include targeted skills training for rural workers and farmers. This training should focus on improving market access, technology adoption, and sustainable agricultural practices, ensuring long-term soil fertility and incremental benefits, rather than merely providing subsidies for routine practices.

These recommendations enhance MGNREGA's efficiency, asset durability, and synergy with other programs, fostering inclusive growth and sustainable rural transformation.

4.2.4. Enhance Awareness Campaigns

Policymakers must prioritize targeted awareness campaigns to ensure that all eligible households, particularly the most vulnerable, are fully informed about their rights and the benefits available under MGNREGA.

4.2.5. Prioritize Sustainable Practices

MGNREGA works should increasingly prioritize sustainable practices, particularly in natural resource management, to ensure long-term ecological benefits and transform India's rural economy towards greater resilience.

5. Conclusion

MGNREGA has emerged as a pivotal tool in addressing India's agrarian crisis. By prioritizing small and marginal farmers, the program significantly enhances productivity and secures livelihoods. Its convergence with initiatives like RKVY and NSDM amplifies these impacts, though challenges such as bureaucratic delays and inconsistent asset quality persist. To fully realize its potential, MGNREGA must evolve beyond a safety net into a platform for human capital development and institutional strengthening. This involves integrating skills training, fostering collective action, and enhancing market linkages to empower rural communities – particularly an aging and feminized workforce and a younger generation disinterested in farming. Targeted awareness initiatives, capacity-building for local officials, and streamlined convergence mechanisms are essential to overcome implementation challenges and ensure inclusive growth. Ultimately, MGNREGA is not merely a relief measure but a vital component of India's development strategy, countering the adverse effects of economic reforms on the agrarian sector. Its sustained success is crucial for mitigating rural distress and driving transformative, inclusive rural development across the nation.

References

Bassi, N., & Kumar, M. D. (2010). *NREGA and rural water management in India: Improving the welfare effects* (Occasional Paper No. 3-0910). Institute for Resource Analysis and Policy.

Bhaskar, A., Kar, A., & Gupta, S. (2021). MGNREGA and rural transformation: Evidence from India. *Journal of Rural Studies, 87*, 112-123.

Bhattarai, M., & Viswanathan, P. K. (2022). Sustainable agriculture and skill development in India: Opportunities for rural transformation. *Agricultural Systems, 201*, 103-115.

Centre for Research in Rural and Industrial Development. (2009). *Appraisal of impact assessment of NREGS in selected districts of Himachal Pradesh, Punjab, Haryana (Hoshiarpur, Sirsa and Sirmour)*. United Nations Development Programme.

Chand, R., & Singh, J. (2022). Strengthening agriculture value chain through collectives: Comparative case analysis. *Economic & Political Weekly, 57*(23), 35-41.

Chand, R., Raju, S. S., & Pandey, L. M. (2011). Progress and potential of horticulture in India. *Agricultural Economics Research Review*, 24(1), 1-12.

Department of Agriculture & Farmers Welfare, Ministry of Agriculture & Farmers Welfare, Government of India. (2023). *Agriculture Census 2020-21*.

Dev, S. M. (2018). Transformation of Indian agriculture? Growth, inclusiveness and sustainability. *Economic & Political Weekly, 53*(26-27), 36-42.

Dreze, J., & Khera, R. (2023). MGNREGA: Taking stock, looking ahead. *Economic & Political Weekly, 58*(12), 25-31.

Dreze, J., & Somanchi, A. (2021). The COVID-19 crisis and people's right to food and work. *Economic & Political Weekly*, 56(22), 34-41.

Gulati, A., & Bathla, S. (2023). Indian agriculture under economic reforms: A review of performance and policies. *Indian Economic Review, 58*(1), 1-25.

Haque, T. (2000). Contractual arrangements in land and labour markets in rural India. *Indian Journal of Agricultural Economics*, *55*(3), 233-252.

Indian Institute of Forest Management, Institute of Rural Management Anand, & Institute of Social Science Research. (2012). *Independent evaluation of MGNREGA*. IIFM; IRMA; ISSR.

Indian Institute of Science. (2013). *Impact assessment of MGNREGA water conservation works in Karnataka*. IISc.

International Labour Organization. (2018). *Skills for Green Jobs in India.*

Ministry of Finance, Government of India. (2023). *Economic Survey 2022-23.*

Ministry of Rural Development, Government of India. (2014). *Report to the people: Mahatma Gandhi National Rural Employment Guarantee Act, 2005*.

Ministry of Rural Development. (2020). *Annual Report 2020-21*. Government of India.

Ministry of Rural Development, Government of India. (2021). *Mahatma Gandhi National Rural Employment Guarantee Act: Annual Report 2020-21*.

Ministry of Rural Development, Government of India. (2023). *Mahatma Gandhi National Rural Employment Guarantee Act: Annual Report 2022-23*.

Ministry of Rural Development, Government of India. (2024). *Mahatma Gandhi National Rural Employment Guarantee Scheme: Financial Progress 2024-25*.

Muller, A. R., & Patel, R. (2004). *Shining India? Economic liberalisation and rural poverty in the 1990s* (Food First Policy Brief No. 10). Food First/Institute for Food and Development Policy.

Murthy, R. V. R. (2013). Political economy of agrarian crisis and subsistence under neo-liberalism in India. *The NEHU Journal, 11*(1), 19-33.

Murthy, S. L., & Priyesh. (2013). An analysis of agrarian crisis in South Indian states. *International Journal of Scientific Research, 2*(6), 12-14.

Nair, N., & Sanju, S. (2010). *Water conservation and irrigation asset creation under NREGS in Kerala: Understanding the ownership and effectiveness of the assets created and its influence on labour dynamics* (MTS Report). Institute of Rural Management.

Narayanan, S., Ranaware, K., & Kulkarni, A. (2019). MGNREGA works and their impacts: A study of Maharashtra. *Economic & Political Weekly, 54*(13), 45-52.

National Crime Records Bureau. (2023). *Accidental Deaths and Suicides in India 2022*. Ministry of Home Affairs, Government of India.

National Sample Survey Organisation. (2003). *Some Aspects of Farming, 2003* (NSS 59th Round, Report No. 497). Ministry of Statistics and Programme Implementation, Government of India.

National Sample Survey Organisation. (2020). *Situation assessment of agricultural households and land and livestock holdings of households in rural India, 2019* (NSS 77th Round, Report No. 587). Ministry of Statistics and Programme Implementation, Government of India.

NITI Aayog. (2020). *A strategy for new India @ 75*.

Periodic Labour Force Survey (PLFS). (2018-19). *Annual Report: PLFS 2018-19*. Ministry of Statistics and Programme Implementation, Government of India.

Periodic Labour Force Survey (PLFS). (2022-23). *Annual Report: PLFS 2022-23*. Ministry of Statistics and Programme Implementation, Government of India.

Planning Commission, Government of India. (2012). *Twelfth Five Year Plan (2012-2017): Faster, more inclusive and sustainable growth*.

Reddy, A. A. (2015). Growth, structural change and technical efficiency in Indian agriculture. *Economic & Political Weekly*, 50(26-27), 73-80.

Sambodhi Research and Communications Pvt. Ltd. (2013). *Impact assessment of MGNREGA assets on individual lands in Madhya Pradesh*. Ministry of Rural Development, Government of India.

Samarthan. (2010). *Impact assessment of MGNREGA in Madhya Pradesh*. Poverty Monitoring and Policy Support Unit, State Planning Commission.

Shah, M. (2009, April 30). Multiplier accelerator synergy in NREGA. *The Hindu*.

Shah, M. (2012). *MGNREGA sameeksha: An anthology of research studies on the Mahatma Gandhi National Rural Employment Guarantee Act, 2005 (2006-2012)*. Ministry of Rural Development, Government of India; Orient Blackswan.

Sharma, A. (2011). The Mahatma Gandhi National Rural Employment Guarantee Act. In *Sharing innovative experiences: Successful social protection floor experiences* (pp. 123-140). Global South-South Development Academy, UNDP.

Sharma, A. L. (2013). *Mainstreaming of resource convergence in policymaking, programme design and execution*. United Nations Development Programme.

Sudarshan, R. M. (2011). *India's National Rural Employment Guarantee Act: Women's participation and impacts in Himachal Pradesh, Kerala and Rajasthan* (CSP Research Report 06). Centre for Social Protection.

Verma, S. (2011). *Multiple use water services in India: Scoping study*. International Water Management Institute.

Verma, S. (2012). *A study on MGNREGA assets and rural water security*. International Water Management Institute.

World Bank. (2008). *Agriculture for development: World development report 2008*.

World Bank. (2022). *India: Rural development and poverty reduction through MGNREGA convergence*.

International Research Journal
IJNRD
Research Through Innovation