

Navigating MGNREGA: Assessing Implementation and Impact in AP (2019-20 to 2023-24)

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Why the Report on MGNREGA Implementation Matters:

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) stands as a crucial social security program in India, offering 100 days of wage employment annually to adult members of registered rural households. AP has emerged as a key state in effectively implementing this initiative, providing significant employment opportunities to the local labor force since its formation in 2014.

LibTech India has been consistently producing reports on MGNREGA implementation, particularly through its annual publications, which have garnered considerable attention from the media, senior officials, and civil society organizations (CSOs). Recognizing the significance of the upcoming elections, instead of releasing our usual annual report, we are presenting a comprehensive five-year report covering the period 2019-20 to 2023-24.

The report will not only serve as a crucial benchmark for evaluating the government's performance but also educate people on the intricacies of MGNREGA implementation. All the data except 2019-20 data utilised in this report was retrieved as of April 15th, 2024, from <https://nrega.nic.in/>. Data for 2019-20 is from the data downloaded from the state website in May 2020.

1. Major Findings from the report:

1.1 Impact of shifting MGNREGA implementation to NIC (Refer to section 2.1):

The introduction of technological measures like shifting MGNREGA implementation to the National Informatics Center (NIC) confined only to AP and Telangana has led to the removal of worker-friendly features and increased centralization, diminishing state autonomy.

1.2 Challenges with NMMS Implementation (Refer to section 2.2):

The National Mobile Monitoring System (NMMS) app, designed to improve transparency, has posed challenges for workers, particularly women, due to fixed-day presence requirements and digital divide issues.

1.3 Complexities of ABPS Implementation (Refer to section 2.3):

The mandatory implementation of Aadhaar-based payment systems (ABPS) has led to authentication hurdles and exclusionary practices, exacerbating administrative complexities and hindering workers' access to timely wages. However, Andhra Pradesh stands out with one of the highest percentages of workers eligible for ABPS nationwide, with 99.1% of all registered workers and 99.8% of active workers being eligible. In contrast, national-level figures show eligibility rates of 69% and 92%, respectively.

1.4 Household Registration and Employment Trends(Refer to section 3.1.1 and 3.1.2):

There has been a notable 24.6% decrease(11.1% decrease at national level) in registered households from FY 2019-20 to FY 2023-24, with occasional increases during the COVID period in AP. Despite this decline, there has been a 15.2% increase in households engaged in work(9.5% increase at national level) and also the persondays generated increased by 27.6%(17.9% increase at national level).

1.5 Vulnerable Group Participation SC and STs(Refer to section 3.2.1):

SC and ST populations in AP secure a greater share of MGNREGA employment than their census proportions indicate, with minor fluctuations observed over the years.

1.6 Consistent Women Participation(Refer to section 3.2.2):

Women's participation in MGNREGA has consistently surpassed their demographic share, exhibiting resilience and sustained engagement despite marginal fluctuations.

1.7 Wage Expenditure Trends(Refer to section 3.3):

Notified wages have risen steadily over the years, reflecting official program rates, but household wages have shown fluctuations. Despite wage increases, household MGNREGA income peaked in FY 2023-24, highlighting potential untapped earning potential and the need for prompt wage disbursement.

2. Key interventions introduced by the Union Government during 2019-24¹:

The period from 2019 to 2024 has been a landmark in MGNREGA implementation, marked by the Union government's introduction of various technological measures to enhance the program's efficiency. In the following section, we shed light on these interventions and their impact on workers from AP.

2.1 Shifting MGNREGA Implementation to National Informatics Center (NIC):

Post COVID-19 pandemic, the Ministry of Rural Development (MoRD) mandated the use of a centrally-run Management Information System (MIS) by the National Informatics Center (NIC) to oversee MGNREGA operations in Andhra Pradesh (AP), replacing the state-specific 'Ragas' software. This transition, aimed at streamlining record-keeping and monitoring, entailed the removal of worker-friendly features like summer allowances and tailored attendance norms, previously characteristic of AP's implementation. However, local officials encountered challenges adapting to the new technology, resulting in significant changes in how work demand is collected, processed, and paid for. The elimination of worker-centric measures led to heightened

¹ This entire section is taken from <https://shorturl.at/fuzM9>

centralization, diminishing the state's autonomy in implementing geographically tailored initiatives (Buddha and Kagga, 2023).

2.1.1 Issues faced by workers:

The migration to NIC significantly impacted MGNREGA workers in Andhra Pradesh. Removal of worker-centric features, such as summer allowances and variable wage rates based on soil classification, directly affected their income. Changes in muster norms and discontinuation of the dual muster system further reduced employment opportunities and annual income, exacerbating socio-economic vulnerabilities. Simultaneously, state officials faced administrative hurdles, losing autonomy in program implementation and hindering their ability to address local needs effectively. This led to reduced transparency and accountability at the grassroots level, compounded by increased workload and limited technical support. The centralization process, undertaken without consultation, underscored governance challenges within the system.

2.2 Introduction of National Mobile Monitoring System (NMMS):

In AP, as evident nationwide, workers are grappling with significant challenges in the implementation of the NMMS app. Launched by the Ministry of Rural Development in May 2021, the NMMS app aimed to improve citizen oversight and transparency in MGNREGA works. The app is designed to record the real-time attendance of MGNREGA workers at the worksite. Local MGNREGA Mates, specifically trained women at the panchayat level to monitor worksites, were entrusted with using the app to record real-time, geo-tagged attendance of workers. However, complications have emerged as the app necessitates fixed-day presence, creating hurdles for workers accustomed to flexible hours. These issues, encompassing [conflicting work schedules and connectivity problems](#), have disproportionately impacted women workers, who constitute a significant majority in MGNREGA. Additionally, the prerequisite for MGNREGA Mates to own smartphones has excluded many eligible women from assuming leadership roles, sparking concerns about gender bias in the selection process.

2.2.1 Issues observed with the introduction of NMMS:

As in the case of national level, the introduction of the National Mobile Monitoring Software (NMMS) app had significant ramifications for both MGNREGA workers and local officials. For workers, the app's requirement to mark attendance throughout the entire workday conflicted with the flexible work hours characteristic of MGNREGA, causing inconvenience and potential loss of income. Women workers, already burdened with household chores, faced heightened challenges in balancing MGNREGA work and other responsibilities. Implementation issues such as network connectivity further exacerbated these challenges, potentially leading to wage losses. Additionally, the app's mandatory use overlooked the digital divide, excluding many women from becoming MGNREGA Mates and affecting the accuracy of attendance recording. Meanwhile, local officials encountered administrative hurdles and observed shortcomings in the app's effectiveness, undermining its intended purpose of enhancing transparency and citizen oversight. Overall, the

NMMS rollout underscored the importance of stakeholder consultation and raised concerns about erosion of the right to work guaranteed by MGNREGA.

2.3 Making Aadhaar based payment system(ABPS) mandatory:

The dynamic shifts in payment systems have been a source of hardship for workers. Following separation of Telangana from AP, the payment system underwent a transition from Aadhaar-based payment system (ABPS) to an account payment system, aligning with national standards. Subsequently, it reverted from the account payment system to ABPS, presenting [challenges for workers](#) and frontline officials. This fluidity was compounded by the challenges introduced with the 2022 Revised ABPS System(Buddha and Tamang 2023). Despite AP's previous implementation of ABPS in unified AP, the 2022 iteration of ABPS brought forth unique challenges. This well-established system underwent a comprehensive overhaul in 2022, primarily focusing on Aadhaar integration from end to end. The updated version introduces Aadhaar seeding and Aadhaar authentication in addition to existing bank account linking. Aadhaar seeding requires aligning the worker's job card with Aadhaar whereas authentication involves cross-referencing details between the MGNREGA MIS and UID. [Even a minor discrepancy, such as a single letter mismatch in name or gender or failure to update UID in the last decade, results in authentication failure.](#) Workers who pass these checks must additionally link their bank accounts with Aadhaar and undergo NPCI mapping—a process our field studies identify as challenging for workers. Failing to comply with any of these three steps puts workers at the risk of missing MGNREGA employment and payments for their work. Moreover, the implementation of ABPS without adequately training local officials has +led to widespread worker deletions from the MGNREGA database, a concern highlighted in AP, as elaborated in subsequent sections.

2.3.1 Issues observed with ABPS:

The mandatory implementation of Aadhaar Based Payment Systems (ABPS) in MGNREGA has posed significant challenges for workers, primarily stemming from the complex Aadhaar-seeding process and authentication requirements. Workers face hurdles such as spelling mismatches between job cards and Aadhaar, resulting in job card deletions and denial of work or delayed payments. Despite government claims of ABPS efficiency, statistical analysis reveals no significant difference in payment timelines between ABPS and account-based payments. Moreover, workers' concerns have been overlooked, with consultations allegedly lacking transparency. The rush to meet Aadhaar seeding targets has led to errors and administrative pressure, exacerbating exclusionary practices. Critically, the government's reliance on ABPS disregards evidence of its adverse impact on marginalized workers, undermining their right to work and wages. The government's choice between patriotism and technocracy hinges on revoking mandatory ABPS to ensure inclusive policy-making and protect workers' rights.

Table number 1 provides information(As on 15th April 2024) on the total number of workers, and the percentage of ABPS eligible workers, categorized for both the workforce and active workers in

lakhs in AP. AP stands out with one of the highest percentages of workers eligible for ABPS nationwide, with 99.1% of all registered workers and 99.8% of active workers being eligible (Table 1).

In contrast, national-level figures reveal eligibility rates of 69% and 92% for "All workers" and "Active workers," respectively, with 7.9 crore "All workers" and 1.04 crore active workers yet to comply with their ABPS eligibility.

	No. of Workers (in Lakhs)	Eligible for ABPS (in Lakhs)	ABPS Eligible %
All workers	118.47	117.4	99.1
Active workers	92.34	92.14	99.8

Table 1: Workers vs. ABPS eligibility in AP

3. Evaluating MGNREGA Employment:

MGNREGA, being a demand-driven employment program, should ideally reflect the workers' need for the scheme through the number of households employed and workdays generated. However, the central government's tight control over budget allocations and differences in states' political will or administrative capabilities mean that employment-related numbers do not entirely reflect the MGNREGA employment demand scenario.

Metrics related to employment generated, participation of vulnerable communities, and budget utilization are some of the key indicators to evaluate the performance of MGNREGA.

3.1.1 The following section looks at the change in households and workers across five years:

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Households Registered (in Lakhs)	89.76	94.89	94.86	68.24	67.71
Households worked (in Lakhs)	40.4	47.53	46.74	45.83	46.55
Workers employed (in Lakhs)	-	79.54	77.37	75.99	75.43

Table 2: Households and worker trends across five years in AP

There has been a notable 24.6% decrease in registered households from 89.76 Lakhs in FY 2019-20 to 67.71 lakhs in FY 2023-24, with occasional increases during the COVID period. Table 2 illustrates this significant drop in registered households. Despite this decline, there has been a 15.2% increase in households engaged in work. However, there has been a consistent decline in the number of employed workers from FY 2020-21 to FY 2023-24.

It's noteworthy that there has been an 11.1% decrease in registered households at the national level from FY 2019-20 to FY 2023-24, with figures dropping from 29.6 crores to 25 crores, respectively. Despite this decline, there has been a 9.5% increase, totaling 5.48 crores in FY 2019-20 and 6 crores in FY 2023-24, in the number of households engaged in work nationally. Moreover, there has been a significant 17.9% increase in person-days generated at the national level, rising from 265.2 crores in FY 2019-20 to 312.6 crores in FY 2023-24.

3.1.2 Persondays trends across five years:

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Households worked (in Lakhs)	40.4	47.53	46.74	45.83	46.55
Persondays Generated (in Lakhs)	2002.25	2586.21	2414.74	2395.34	2554.88
Average persondays	49.6	54.42	51.67	52.27	54.89
Households completed 100 days of employment (in Lakhs)	6.23	8.63	4.68	2.59	6.87
Percentage of households completed 100 days of employment	15.43	18.16	10.02	5.66	14.76

Table 3: Employment across five years in AP

Amid the challenges posed by the Covid-19 pandemic, MGNREGA stood out as a vital lifeline for rural households, especially for migrant workers offering crucial livelihood support when alternative options were scarce. Table 3 illustrates a substantial increase in the number of households worked, employment provided, average person days generated at household level, and households completed 100 days of employment during the pandemic year FY 2020-21(Covid Pandemic year).

If we look at five years data the number of households worked increased by 13.2% whereas person days generated increased by 27.6%. Only the percentage of the households that completed 100 days of employment dropped by 0.67%. From the last four years, FY 2022-23 is the year where the performance is very poor in almost every category of employment.

3.2 Vulnerable Group Participation Fluctuations:

3.2.1 SC/ST Participation:

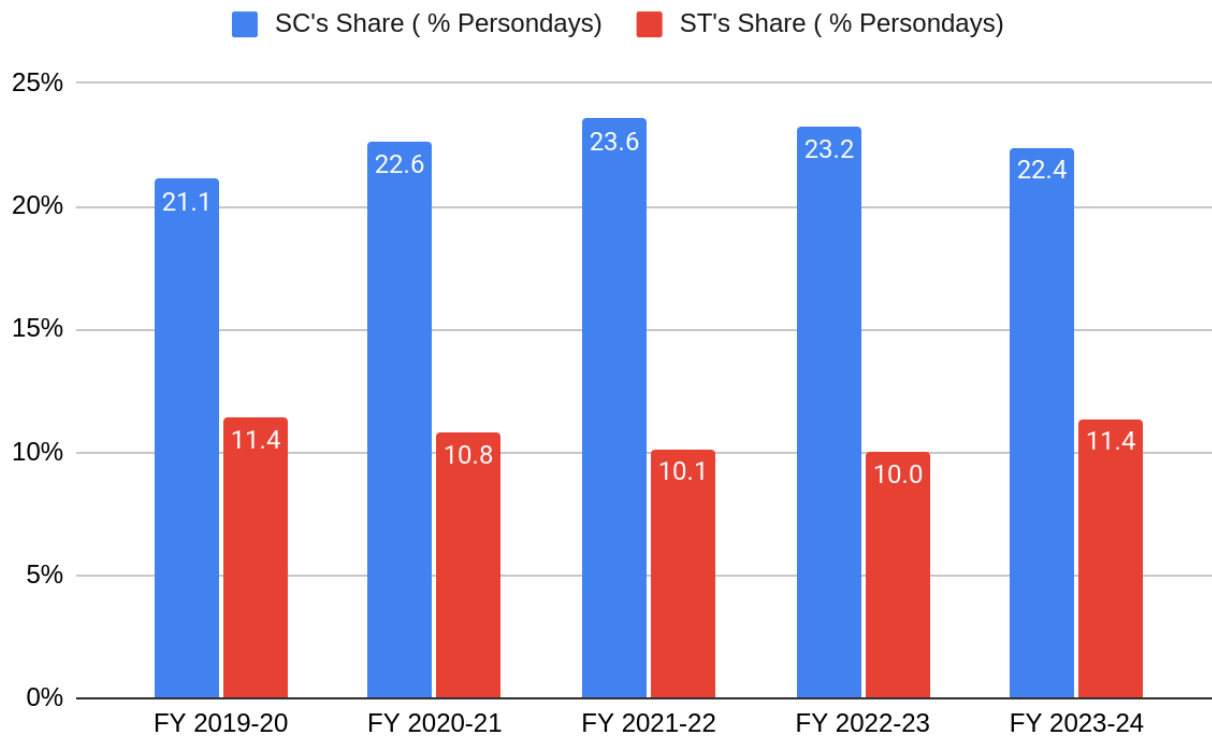


Figure 1: SC/ST employment trend over five financial years

MGNREGA in AP reflects disproportionate representation, with SC and ST populations exceeding their 2011 census proportions (17.08% and 5.53%, respectively). Figure 1 demonstrates that both groups secure a greater share of MGNREGA employment than their population percentages indicate. Analyzing the SC/ST employment share in MGNREGA from fiscal years 2019-20 to 2023-24 shows minor fluctuations. From FY 2019-20 to 2021-22 there is an increase in SC participation from 21.1% to 22.4%. Across five years overall SC participation has increased. Whereas in ST the participation decreased from 11.4% in FY 2019-20 to 10% FY 2022-23 and then suddenly there is an increase of 1.4% in FY 2023-24 which is the same as FY 2019-20.

3.2.2 Women participation:

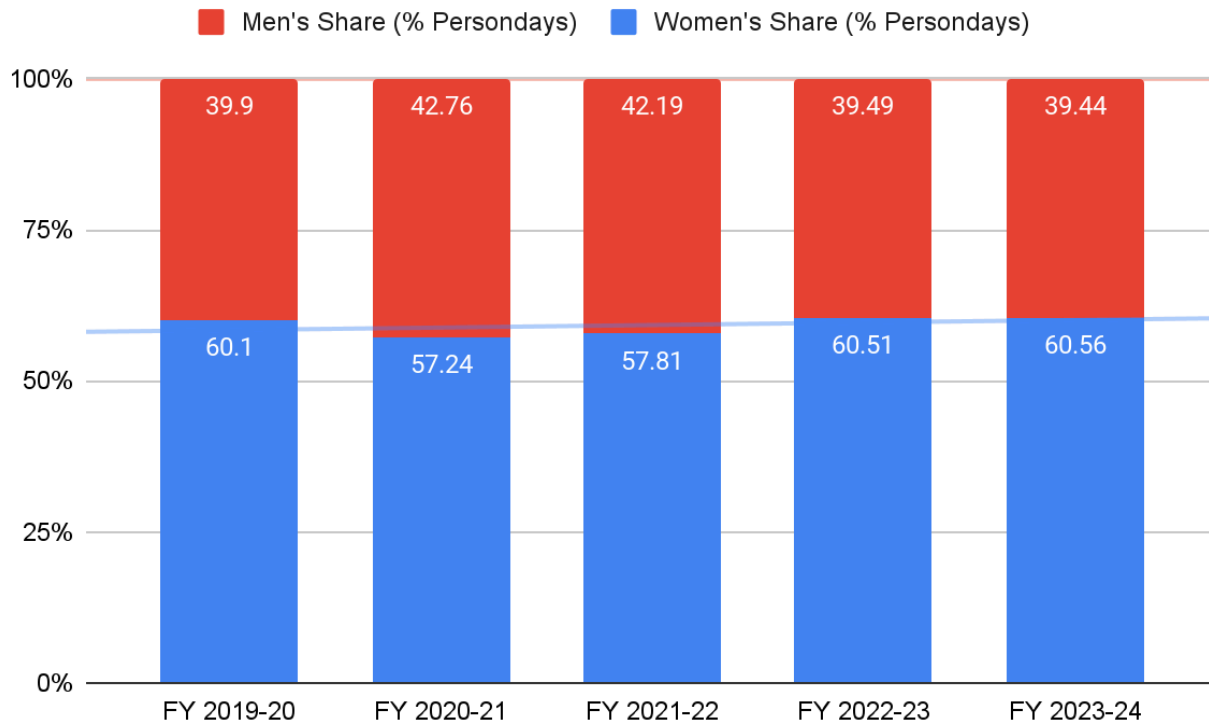


Figure 2: Gender Wise employment trend over five financial years

With women comprising 49.9% (2011 census) of the AP population, their consistent participation in MGNREGA has surpassed their demographic share. Playing a crucial role in employment opportunities, women have exhibited resilience and sustained engagement. Despite marginal decreases in some years, their involvement remains a noteworthy constant amid demographic variations. Participation of women from fiscal years 2019-20 to 2023-24 has a slight increase of 0.46%.

3.3 AP's MGNREGA Wage Expenditure Trends:

FY	Notified wages (Rs)	Received wages (Rs)	Average Person days	MGNREGA Household Income (Rs) ²	Potential Household Earnings (Rs) ³
2019-20	211	203.44	49.57	10084.53	10459.27
2020-21	237	228.74	54.42	12448.04	12897.54
2021-22	245	216.17	51.67	11169.51	12659.15
2022-23	257	211.47	52.27	11053.54	13433.39
2023-24	272	245.65	54.89	13483.73	14930.08

Table 4: Comparison of MGNREGA Wages and Household Income (FY 2019-20 to FY 2023-24)

From fiscal years 2019-20 to 2023-24, notified wages rose steadily from 211 Rs to 272 Rs, reflecting official program rates. However, household wages varied, showing fluctuations over the years. Due to wage increases, household MGNREGA income peaked in FY 2023-24 and other FY's remained inconsistent, primarily due to varying wages received. Potential household earnings, based on notified wages and persondays generated, revealed a smaller gap in FY 2019-20 and FY 2020-21 between potential and actual income.

This less gap situation arises from AP's policy of employing the Dual Muster Roll system, where person-days are calculated based on the wages earned by workers rather than the number of days they attended work. However, with the migration of MGNREGA implementation to NIC from the state website, the Dual Muster Roll system was discontinued, resulting in an increase in gap in earnings potential from FY 2021-22 to FY 2023-24.

² MGNREGA Household Income = Received wages * Average Person days

³ Potential Household Earnings = Notified wages * Average Person days

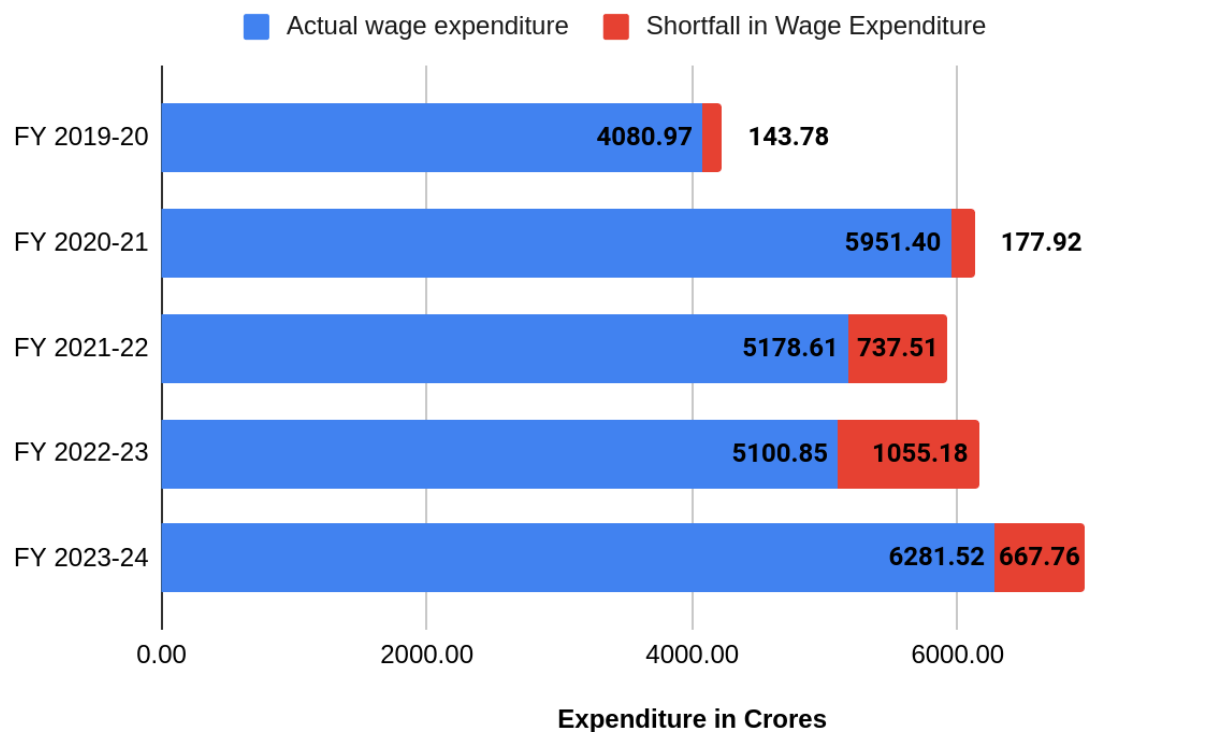


Figure 3: Change in Actual Wage Expenditure and Shortfall MGNREGA from FY 2019-20 to FY 2023-24

Figure 3 depicts a noticeable shortfall in wage expenditure⁴, representing the disparity between the actual wage expenditure and the notified wage expenditure annually. This reveals that the actual spending on wages is consistently lower than what would be expected if all workers were compensated according to the notified wage rates, as outlined in Table 4. The shortfall in wage expenditure is calculated by subtracting the actual wage expenditure from the potential wage expenditure, indicating the difference between expected and actual spending on wages. It reflects the discrepancy between the amount of money allocated for wages based on notified rates and the actual amount disbursed to workers for the labor performed.

Despite fluctuations in the magnitude of this difference over time, the overarching pattern underscores the urgent necessity to ensure that MGNREGA workers promptly receive their full entitled wages.

4. Conclusion:

In conclusion, the period spanning from 2019 to 2024 has witnessed significant shifts in the implementation and evaluation of the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) in Andhra Pradesh (AP). The introduction of various technological interventions, such

⁴ shortfall in wage expenditure=Potential wage expenditure-Actual wage expenditure.

as the transition to the National Informatics Center (NIC) for MGNREGA oversight and the implementation of the National Mobile Monitoring System (NMMS), aimed to enhance efficiency and transparency in program administration. However, these initiatives have brought about a host of challenges for both workers and local officials.

Moreover, the mandatory implementation of Aadhaar-based payment systems (ABPS) has presented significant hurdles for workers, including authentication requirements and exclusionary practices. The fluctuating payment systems and technological interventions have exacerbated administrative complexities and hindered workers' access to timely wages.

However, it's important to note that Andhra Pradesh has demonstrated commendable performance on various parameters at the national level, including ABPS eligibility, employment provision, and household participation in NREGA.

Despite these challenges, MGNREGA continues to serve as a crucial lifeline for rural households, especially in times of crisis such as the COVID-19 pandemic. It remains imperative for policymakers to address the shortcomings highlighted in this report, streamline program implementation, and ensure that MGNREGA fulfills its intended objectives of providing sustainable livelihoods and economic security to the rural poor.

Moving forward, there is a pressing need for greater transparency, accountability, and stakeholder engagement in the design and implementation of MGNREGA policies. By addressing the identified challenges and building on the program's strengths, AP can harness the transformative potential of MGNREGA to promote inclusive growth and alleviate rural poverty in the years to come.

About LibTech:

We are a team of engineers, social workers and social scientists who are interested in improving public service delivery in India. We have been working as a team in multiple states of the country including AP for the last 10 years, though individually some of us have been involved for more than a decade.

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