# <u>The Missing Work: A National Review of</u> <u>MGNREGA Implementation(FY 2024–25)</u>

#### LibTech India

April 10, 2025



Email: contactus@libtech.in | +91 9346251593









http://libtech.in/

@LibtechIndia

@LibtechIndia

@libtechindia

# About This Report

In this report, we have compiled information on the status of MGNREGA implementation at the national level for Financial Year(FY) 2024-25<sup>1</sup>, providing a comparative analysis with data from FY 2023-24. The data utilized for this analysis was sourced from <u>https://nrega.nic.in/</u>as of 07-04-2025. Our objective is to furnish citizens and stakeholders with valuable insights into the current state of MGNREGA implementation on a national scale, shedding light on the program's progress. Your engagement with this report is crucial for fostering a comprehensive understanding of the dynamics of MGNREGA implementation in the country.

To ensure meaningful analysis, this report excludes few states as their contribution to national trends is minimal. List of states excluded from the report are Arunachal Pradesh, Assam, Goa, Ladakh, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, Andaman and Nicobar, Dadra and Nagar Haveli and Daman and Diu, Lakshadweep and Puducherry.

# 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 for more than 10 years—though individually, some of us have been involved for even longer.

Over the years, we have been consistently releasing reports on the implementation of MGNREGA for multiple states along with a few reports at the national level. Some of our reports have been quoted, and our policy recommendations have been engaged with and, in some cases, acted upon by state governments and the Ministry of Rural Development (MoRD), Government of India reflecting the impact of our work on shaping conversations around welfare governance.

<sup>&</sup>lt;sup>1</sup> 1st April 2024 to 31st March 2025.

# 1. Key Findings

- □ 8.6% increase in registered households in FY 2024-25. Although this did not result in improved employment. [Section 2: Employment Generation, Table 1]
- □ There was a 7.1% decline in persondays generated (from 288.83 to 268.44 crore) and a 4.3% drop in average employment days per household. [Section 2: Employment Generation, Table 1]
- □ 2.9% drop in households employed (from 5.51 crores to 5.35 crores) [Section 2: Employment Generation, Table 1]
- Only 7% of households completed 100 days of work, down from 7.6% in FY 2023-24. [Section 2: Employment Generation, Table 1]
- □ States with the sharpest employment drops include Odisha (34.8%), Tamil Nadu (25.1%), and Rajasthan (15.9%), while Maharashtra (39.7%), Himachal Pradesh (14.8%), and Bihar (13.3%) showed gains. [Annexure 1]
- □ FY 2024-25 saw a net addition of 1.16 crore Jobcards and 1.31 crore workers, reversing the trend of mass deletions seen during FYs 2022–2024 (7.8 crore deletions). [Section 3: Worker Deletions, Table 2]
- □ The addition of workers was concentrated in the second half of FY 2024–25, likely due to MoRD's SOPs on reinstating deleted job cards. **[Section 3: Worker Deletions]**
- □ This reversal in deletions did not lead to increased employment, highlighting ongoing implementation issues. [Section 3: Worker Deletions; Section 2: Employment Generation]
- □ 27.5% of all workers and 1.5% of active workers remained ineligible for ABPS, only a slight improvement from the previous year. [Section 4: ABPS Ineligibility, Table 2]
- □ Maharashtra (63.4%), Gujarat (58.1%), and Jharkhand (38.1%) have the highest proportions of all workers ineligible for ABPS. [Annexure 2]
- □ Field reports suggest that ABPS-ineligible workers are denied work, despite MoRD assurances to the contrary. [Section 4: ABPS Ineligibility]
- □ No significant efficiency gains from ABPS compared to account-based systems, challenging the mandate's justification as per LibTech India's study. **[Section 4: ABPS Ineligibility]**
- □ It has been more than 3 years since the Union government stalled MGNREGA funds to West bengal.

It has been close to 20 years since the 'right to work' was recognised in the enactment of MGNREGA Act 2005. MGNREGA is a demand-driven programme that guarantees 100 days of manual work for all the rural households in the country. In the following sections, we delve a little deeper into employment generation, worker deletions and Aadhaar Based payment System(ABPS) provisions in MGNREGA implementation across the country, to get insights and accordingly make policy recommendations.

### 2. Employment generation

Around 7% drop in persondays was recorded in FY 2024-25

Despite an 8.6% rise in registered households under MGNREGA in FY 2024–25, employment indicators point to a concerning decline as illustrated in Table 1. Persondays generated dropped by 7.1%, average days of employment per household fell by 4.3%, and only 7.0% of households completed the full 100 days — reflecting a mismatch between the scheme's coverage and its delivery. This trend raises questions about systemic and implementation-level challenges that continue to constrain the programme's effectiveness. Regional patterns also varied, with Odisha, Tamil Nadu, and Rajasthan seeing the sharpest declines in persondays, while Maharashtra, Himachal Pradesh, and Bihar recorded increases. Refer to Annexure 1 for state-wise details.

Please note that there was no employment generated for West Bengal in FY 2023-24 and FY 2024-25 since funds for the state have been stalled by the Union Government since March 2022 with the invocation of Section 27 of MGNREGA 2005.

|   | FY 2023-24<br>(A) | FY 2024-25<br>(B) | Drop (%) <sup>2</sup><br>((A-B)/A)*100 |
|---|-------------------|-------------------|--|
| Households registered (in crores)                                   | 13.80             | 14.98             | -8.6                                   |
| Households worked (in crores)                                       | 5.51              | 5.35              | 2.9                                    |
| Persondays generated (in crores)                                    | 288.83            | 268.44            | 7.1                                    |
| Average days of employment provided per household <sup>3</sup>      | 52.42             | 50.18             | 4.3                                    |
| No. of households completed 100 days of wage employment (in crores) | 0.42              | 0.37              | 11.9                                   |
| % households completed 100 days <sup>4</sup>                        | 7.6               | 7.0               | _                                      |

**Table 1:** Comparison of employment generated for FY 2023-24 and FY 2024-25

<sup>&</sup>lt;sup>2</sup> A negative sign indicates the rise in the percentage

<sup>&</sup>lt;sup>3</sup> (Persondays generated)/(Households worked)

<sup>&</sup>lt;sup>4</sup> ((No. of households completed 100 days of wage employment)/(Households worked))\*100

Although demand for work under MGNREGA depends on different factors, various studies in the past have established budget cuts and wage payment delays to play a significant role in the overall employment drop. <u>The Parliamentary Standing Committee on Rural Development</u> too in the past has raised concerns over reduction in budget allocation by the Union government and its effect on the progress of the scheme.

<u>People's Action for Employment Guarantee (PAEG)</u> has recommended a budget allocation of 2.64 lakh crores for MGNREGA for FY 2022-23 itself. However, the Union Government has allocated only Rs. 86,000 crores for FY 2024-25. Moreover, the Union government did not revise the MGNREGA budget for FY 2024-25, a departure from past practice.

### 3. Worker deletions

Net addition of 1.16 crore Jobcards and 1.31 crore workers in FY 2024-25

FY 2022-23 and 2023-24 witnessed unprecedented deletions of around 7.8 crore MGNREGA workers across the country i.e. in the span of only 24 months. Although MoRD has stated in the past that worker deletion and addition is a regular process, FY 2022-23 and 2023-24 witnessed 5.40 crore and 2.37 crore workers being deleted from MGNREGA while only 97 lakh and 95 lakh workers being added showcasing the scale of disproportionality. Whereas at Jobcards level, only 56.36 lakh and 55.26 lakh were added while the deleted numbers stood at 2.23 crore and 0.98 crore for the same FY 2022-23 and 2023-24 period.

|                           | Jobcards<br>(in crores) | Workers<br>(in crores) |
|---------------------------|-------------------------|------------------------|
| Registered in FY 2024-25  | 14.98                   | 25.20                  |
| Deleted in FY 2024-25 (A) | 0.33                    | 0.91                   |
| Added in FY 2024-25 (B)   | 1.49                    | 2.22                   |
| Net Addition (B-A)        | 1.16                    | 1.31                   |

Table 2: Jobcards and workers additions and deletions in FY 2024-25

However, for the first time since FY 2022-23, this trend was reversed in FY 2024-25 where more Jobcards and workers were added than deleted as illustrated in Table 2. Interestingly, this reversal in trend appears to have occurred only in the second half of FY 2024–25, as the first half continued to witness more deletions than additions of workers. This shift may be attributed to the Ministry of Rural Development's (MoRD) issuance of Standard Operating Procedures (SOP) on the reinstatement of deleted job cards and workers.

Although this is a positive development in reinstating workers who were wrongfully deleted, the same did not translate into improved work opportunities for workers as there is a significant drop in all the employment indicators as discussed in the previous section.

## 4. ABPS Ineligibility

#### 27.52% of all workers and 1.58% of active workers are ineligible for ABPS

The Aadhaar Based Payment System (ABPS) is a mechanism to electronically transfer wages/subsidies to an Aadhaar-linked bank account which is mapped with the National Payments Corporation of India(NPCI) mapper. In 2023, the Union government introduced Aadhaar seeding, Aadhaar authentication and NPCI mapping to mandate the nationwide implementation of the ABPS system in MGNREGA. This deadline was extended multiple times due to pressure from civil society organizations and worker unions. However, the ABPS has become mandatory since January 2024.

The MoRD has previously reasoned that Aadhaar authentication helps identify 'fake' or 'ghost' workers from the system. However, a random sampling of deletions across the country and its analysis by LibTech India found that only a minute proportion of worker deletions belong to 'fake applicant' or 'fake Jobcard'. Also, the MoRD reasoned that the ABPS is more efficient than the account-based payment system. However, LibTech India's study in the past found that the proportion of rejected payments and the delays between the account-based system and ABPS are not statistically different, and therefore do not support the claim that ABPS is more efficient.

The Parliamentary Standing Committee on <u>Rural Development and Panchayati Raj</u> has consistently recommended not to make ABPS mandatory and make alternative payment methods available for workers. The committee also observed exclusions of genuine workers due to operational challenges. Another LibTech India's <u>study</u> found that unreasonable targets on front line officials to meet universal ABPS eligibility was one of the key reasons responsible for an increase in the rate of worker deletions in the country.

|   | All workers (in Cr) | Active workers (in Cr) |
|---|---------------------|------------------------|
| Total No. of Workers <mark>(A)</mark>         | 25.22               | 10.79                  |
| Eligible for ABPS (B)                         | 18.28               | 10.62                  |
| Ineligible for ABPS (C)                       | 6.94                | 0.17                   |
| % of workers ineligible for ABPS<br>(C/A)*100 | 27.52%              | 1.58%                  |

Table 3: ABPS eligibility for all workers and active workers as on 7th April 2025

Despite multiple deadline extensions in the past for making ABPS mandatory, 31% among all workers and 8% among active workers stood ineligible for ABPS on 8th April 2024 last year<sup>5</sup>. While the situation improved, even after a year since then, 27.5% among all workers and 1.5% among active workers are still ineligible as of 7th April 2025 as illustrated in Table 3. Although the MoRD has stated in the past that ABPS ineligibility will not lead to loss of work, field insights from 200 cases across 10 states inform that those ABPS ineligible workers are not provided work by the front line officials fearing non-payment of wages denying their 'right to work'.

At state level, while Maharashtra followed by Gujarat and Jharkhand have the highest number of all workers ineligible for ABPS, the state of West Bengal, Bihar and Punjab have the highest active workers being ineligible for the same. Refer to Annexure 2 for ABPS data for all states.

### 5. Conclusion

As MGNREGA approaches two decades since its enactment, this year's national review presents an opportunity not only for reflection but also for recalibration. The data reveal that administrative shifts, policy choices, and systemic rigidity are shaping the program's outcomes as much as grassroots demand and need. Even as metrics fluctuate—registrations increase, job cards are reinstated, and payment systems evolve—persistent structural challenges continue to undermine the transformative potential of the scheme.

The enduring relevance of MGNREGA lies in its promise: the assurance of dignified rural employment. Realising this promise in the current context demands more than technical fixes or compliance with evolving protocols; it requires a recommitment to the spirit of the law—universal access, responsive governance, and participatory accountability. For this, the coming years must prioritise consistent funding, inclusive technological systems, and a reorientation toward worker-first implementation frameworks.

This report is an invitation to policymakers, practitioners, and citizens alike: to not just track the trajectory of MGNREGA but to actively steer it toward justice, resilience, and equity in rural livelihoods.

Team Behind This Report: Rahul Mukkera | Chakradhar Buddha | Shamala Kittane

<sup>&</sup>lt;sup>5</sup> For all the states in the country.

### Annexure 1

#### In crores

| Sno | State             | Employment Availed<br>(FY 2023-24) | Employment Availed<br>(FY 2024-25) | Drop % |
|-----|-------------------|------------------------------------|------------------------------------|--------|
|     |                   | Total Persondays                   | Total Persondays                   |        |
| 1   | ODISHA            | 18.28                              | 11.92                              | 34.8   |
| 2   | TAMIL NADU        | 40.87                              | 30.61                              | 25.1   |
| 3   | RAJASTHAN         | 37.52                              | 31.57                              | 15.9   |
| 4   | GUJARAT           | 4.93                               | 4.31                               | 12.6   |
| 5   | PUNJAB            | 3.51                               | 3.14                               | 10.5   |
| 6   | KERALA            | 9.95                               | 9.08                               | 8.7    |
| 7   | JHARKHAND         | 10.97                              | 10.09                              | 8      |
| 8   | ANDHRA PRADESH    | 25.55                              | 24.23                              | 5.2    |
| 9   | KARNATAKA         | 13.85                              | 13.14                              | 5.1    |
| 10  | MADHYA PRADESH    | 19.96                              | 18.97                              | 5      |
| 11  | HARYANA           | 1.23                               | 1.18                               | 4.1    |
| 12  | UTTARAKHAND       | 1.97                               | 1.9                                | 3.6    |
| 13  | UTTAR PRADESH     | 34.52                              | 33.63                              | 2.6    |
| 14  | WEST BENGAL       | 0                                  | 0                                  | 0      |
| 15  | TELANGANA         | 12.09                              | 12.22                              | -1.1   |
| 16  | CHHATTISGARH      | 12.77                              | 13.22                              | -3.5   |
| 17  | JAMMU AND KASHMIR | 3.75                               | 4.08                               | -8.8   |
| 18  | BIHAR             | 22.05                              | 24.99                              | -13.3  |
| 19  | HIMACHAL PRADESH  | 3.44                               | 3.95                               | -14.8  |
| 20  | MAHARASHTRA       | 11.6                               | 16.21                              | -39.7  |
|     | Total             | 288.83                             | 268.44                             | 7.1    |

#### Annexure 2

#### In crores

|     | States/UTs        | All workers                    |                          |                            | Active Workers                 |                          |                            | % all                                     | % active                              |
|-----|-------------------|--------------------------------|--------------------------|----------------------------|--------------------------------|--------------------------|----------------------------|---|---------------------------------------|
| Sno |                   | Total<br>No. of<br>Worke<br>rs | Eligibl<br>e for<br>ABPS | Ineligib<br>le for<br>ABPS | Total<br>No. of<br>Worke<br>rs | Eligibl<br>e for<br>ABPS | Ineligib<br>le for<br>ABPS | worker<br>s<br>ineligib<br>le for<br>ABPS | workers<br>ineligibl<br>e for<br>ABPS |
| 1   | MAHARASHTRA       | 2.99                           | 1.09                     | 1.89                       | 0.74                           | 0.7                      | 0.03                       | 63.44%                                    | 4.75%                                 |
| 2   | GUJARAT           | 0.98                           | 0.41                     | 0.57                       | 0.23                           | 0.23                     | 0                          | 58.10%                                    | 0.27%                                 |
| 3   | JHARKHAND         | 1.03                           | 0.64                     | 0.39                       | 0.36                           | 0.35                     | 0                          | 38.11%                                    | 1.21%                                 |
| 4   | HARYANA           | 0.25                           | 0.16                     | 0.09                       | 0.07                           | 0.07                     | 0                          | 35.27%                                    | 2.28%                                 |
| 5   | TELANGANA         | 1.05                           | 0.69                     | 0.35                       | 0.55                           | 0.54                     | 0.01                       | 33.69%                                    | 1.02%                                 |
| 6   | BIHAR             | 2.52                           | 1.69                     | 0.84                       | 0.88                           | 0.83                     | 0.05                       | 33.14%                                    | 5.35%                                 |
| 7   | KARNATAKA         | 1.8                            | 1.21                     | 0.6                        | 0.73                           | 0.73                     | 0.01                       | 33.07%                                    | 0.70%                                 |
| 8   | MADHYA PRADESH    | 1.77                           | 1.27                     | 0.5                        | 0.98                           | 0.98                     | 0                          | 28.31%                                    | 0.14%                                 |
| 9   | HIMACHAL PRADESH  | 0.28                           | 0.21                     | 0.08                       | 0.13                           | 0.13                     | 0                          | 27.39%                                    | 0.59%                                 |
| 10  | RAJASTHAN         | 2.31                           | 1.74                     | 0.57                       | 1.13                           | 1.12                     | 0                          | 24.72%                                    | 0.11%                                 |
| 11  | JAMMU AND KASHMIR | 0.24                           | 0.19                     | 0.05                       | 0.15                           | 0.14                     | 0                          | 21.70%                                    | 1.73%                                 |
| 12  | PUNJAB            | 0.3                            | 0.23                     | 0.06                       | 0.14                           | 0.13                     | 0.01                       | 21.49%                                    | 5.10%                                 |
| 13  | KERALA            | 0.57                           | 0.47                     | 0.1                        | 0.22                           | 0.22                     | 0                          | 17.42%                                    | 0.02%                                 |
| 14  | WEST BENGAL       | 2.56                           | 2.13                     | 0.44                       | 0.18                           | 0.16                     | 0.02                       | 16.99%                                    | 12.61%                                |
| 15  | ODISHA            | 1.06                           | 0.96                     | 0.11                       | 0.63                           | 0.62                     | 0.01                       | 9.95%                                     | 1.64%                                 |
| 16  | UTTAR PRADESH     | 2.24                           | 2.03                     | 0.21                       | 1.17                           | 1.15                     | 0.03                       | 9.42%                                     | 2.23%                                 |
| 17  | CHHATTISGARH      | 0.79                           | 0.76                     | 0.03                       | 0.59                           | 0.59                     | 0                          | 4.05%                                     | 0.81%                                 |
| 18  | TAMIL NADU        | 1.1                            | 1.06                     | 0.04                       | 0.88                           | 0.88                     | 0                          | 3.62%                                     | 0.04%                                 |
| 19  | UTTARAKHAND       | 0.16                           | 0.15                     | 0                          | 0.09                           | 0.09                     | 0                          | 2.58%                                     | 0.76%                                 |
| 20  | ANDHRA PRADESH    | 1.23                           | 1.21                     | 0.02                       | 0.92                           | 0.92                     | 0                          | 1.89%                                     | 0.07%                                 |
|     | Total             | 25.22                          | 18.28                    | 6.94                       | 10.79                          | 10.62                    | 0.17                       | 27.52%                                    | 1.58%                                 |