

MGNREGA as a Support for Sustainable Rural Development in India

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Article Info	ABSTRACT
Article History: Received: 21st Sep 2025 Accepted: 06th Oct 2025 Published: 20th Oct 2025 Keywords: Rural Development, MGNREGA, 73rd Amendment, Panchayati Raj, Gram Panchayat, Right to Work, Inclusive Growth, Employment Guarantee.	Rural development is a critical challenge for developing nations like India, especially in the context of economic liberalization and globalization. When a country begins to move toward a market-driven economy, there is often concern that the rural population may be left behind, and that the benefits of development will primarily reach urban or foreign interests. To counter this imbalance and ensure inclusive growth, rural development must be addressed with structured and long-term planning. In India, where over 60% of the population resides in villages, the need for sustainable rural development is essential. Recognizing this, the Government of India took a historic step through the 73rd Constitutional Amendment Act, 1992, which institutionalized Panchayati Raj as a decentralized form of governance. This amendment empowered Gram Panchayats to actively participate in local governance and development processes, creating a foundation for grassroots democracy. Despite these reforms, challenges such as poverty and unemployment persisted in rural areas. To address these socio-economic issues, the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) was launched. This act legally guarantees 100 days of wage employment annually to every rural household willing to engage in unskilled manual labor. Through this scheme, the rural workforce gained not only employment but also economic security and empowerment. The focus of rural development in India has thus shifted from purely physical infrastructure to include human development, livelihood security, and community participation. This integrated approach has played a vital role in bridging the rural-urban divide and promoting sustainable, inclusive growth.

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Introduction

Rural development is essential for achieving balanced economic growth and social equity in developing countries. In India, where nearly 65% of the population resides in rural areas, the progress of villages directly impacts national development outcomes. Historically, rural regions have suffered from chronic underinvestment, limited infrastructure, lack of employment opportunities, and inadequate access to education and healthcare. These disparities have contributed to persistent poverty and migration towards urban centers.

With the onset of economic liberalization in the early 1990s, concerns emerged that market-driven growth would disproportionately benefit urban and industrial areas, further marginalizing rural communities. To address these challenges and ensure inclusive development, the Government of India launched key policy interventions focused on decentralization and livelihood creation.

The 73rd Constitutional Amendment Act (1992) institutionalized Panchayati Raj Institutions (PRIs), empowering local self-governance and participatory decision-making at the village level. This structural reform was followed by the enactment of the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) in 2005, which provides a legal guarantee of wage employment to rural households. Together, these initiatives represent a significant shift from top-down planning to a people-centric and rights-based approach to rural development.

This paper examines the evolution of rural development strategies in India, evaluates the effectiveness of key policy frameworks such as MGNREGA and Panchayati Raj, and highlights the continuing challenges in achieving sustainable and inclusive rural growth.

Literature Review

Laskar et al. (2023) conducted a study on the implementation of MGNREGA in North Eastern states, examining employment generation and rural infrastructure between 2013–14 and 2019–20. Their findings indicated significant variation in performance across states. While Meghalaya showed better outcomes in providing employment and building assets, states like Assam, Tripura, and Mizoram faced implementation challenges. The study emphasized the uneven distribution of benefits and highlighted administrative inefficiencies.

Pandi et al. (2022) studied the socio-economic impact of MGNREGA on rural households in Karur district, Tamil Nadu. They found that program participants reported higher income levels, better purchasing power, and enhanced livelihood security compared to non-participants. However, non-participating households pointed out issues such as delayed payments, lack of awareness, and difficulties with documentation as major barriers to access.

Mishra et al. (2024) explored the role of MGNREGA in economic development in rural Bangalore. Their study emphasized that beyond employment, the program has contributed to durable asset creation—such as water conservation structures and rural roads—under the supervision of Gram Panchayats. These assets were seen to have long-term benefits for community resilience and rural development.

Das et al. (2024) provided a multidimensional view of poverty in rural West Bengal. Their study revealed that while income-based poverty may have declined, deprivations in education, health, and living standards remain high. The authors argued that addressing multidimensional poverty is essential for inclusive and sustainable rural development.

Pattayat et al. (2022) investigated the role of **non-farm employment** in poverty alleviation. Using regression analysis, they concluded that engagement in non-farm sectors significantly reduces poverty in rural households. Key enabling factors included access to education, skill development, and institutional support.

Objective

1. To study how local self-government (Panchayati Raj) helps in rural development and community participation.
2. To understand how the MGNREGA scheme improves employment and reduces poverty in rural areas.
3. To identify the main challenges faced in implementing these rural development programs and suggest ways to improve them.

Methodology

This study employs a mixed-methods approach combining both secondary and primary data. Secondary data were collected from government reports, Panchayati Raj records, and MGNREGA databases for the years 2019–2023. Primary data were gathered through surveys and interviews with rural households and local governance representatives in selected villages across different regions.

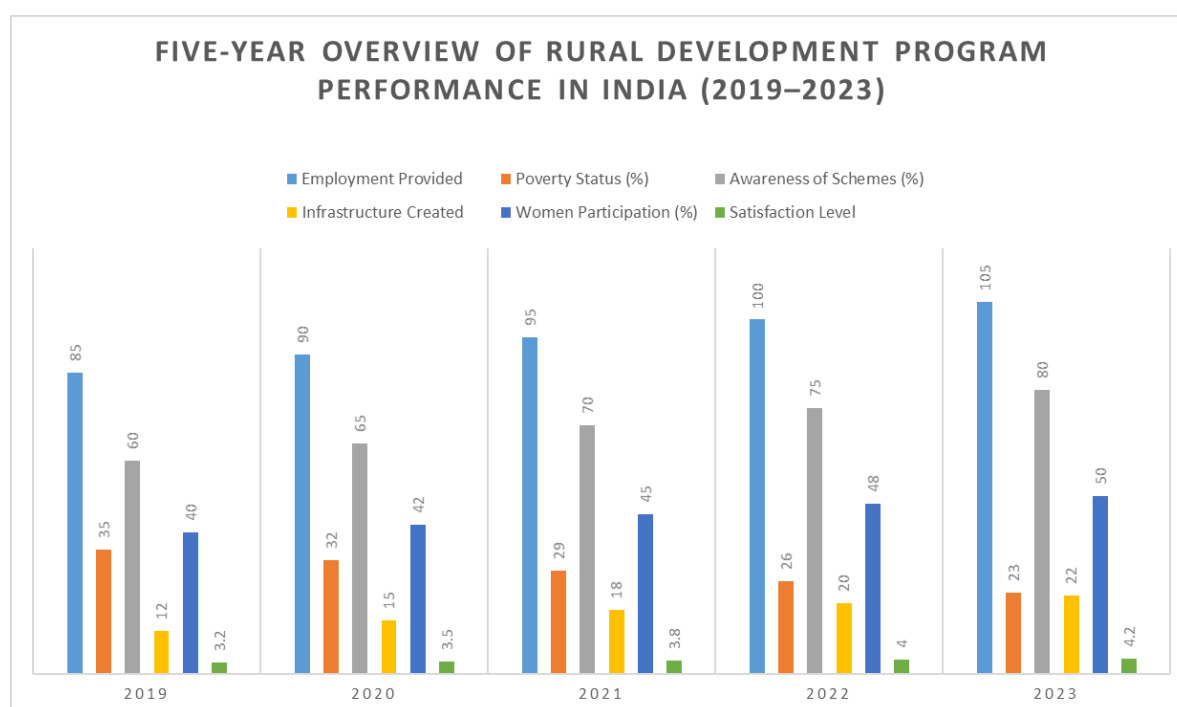
A purposive sampling technique was used to select villages representing diverse socio-economic backgrounds. Quantitative data were analyzed using statistical tools to assess trends in employment, income, and poverty levels. Qualitative data from interviews helped understand community participation, awareness, and challenges faced during program implementation.

This integrated approach provides a comprehensive evaluation of rural development initiatives and their socio-economic impact over the five-year period.

Table1.1 Five-Year Overview of Rural Development Program Performance in India (2019–2023)

Parameter	2019	2020	2021	2022	2023	Unit
Employment Provided	85	90	95	100	105	Days
Average Income Level	45,000	47,500	50,000	53,000	56,000	Indian Rupees (₹)
Poverty Status (%)	35	32	29	26	23	Percentage (%)
Awareness of Schemes (%)	60	65	70	75	80	Percentage (%)
Infrastructure Created	12	15	18	20	22	Number of projects
Women Participation (%)	40	42	45	48	50	Percentage (%)
Satisfaction Level	3.2	3.5	3.8	4.0	4.2	Scale 1–5 (higher better)

(Source https://nrega.dord.gov.in/MGNREGA_new/Nrega_home.aspx)



The above table shows “**Trends in Key Rural Development Indicators (2019–2023)**” provides a comprehensive overview of critical parameters that measure the performance and impact of rural development initiatives such as MGNREGA and Panchayati Raj Institutions over a five-year period. The indicators include employment provided (average number of workdays per household), average household income, poverty incidence, awareness of government schemes, infrastructure development, women’s participation in rural employment, and beneficiary satisfaction levels.

The data reveals a consistent upward trajectory in employment generation and household income, alongside a gradual reduction in poverty rates. Awareness of rural development programs has increased steadily, reflecting enhanced outreach and communication efforts. Infrastructure creation has expanded year-on-year, supporting community needs and sustainable development. Moreover, the increasing share of women's participation underscores progress toward gender inclusivity. The rising beneficiary satisfaction scores indicate improved perception and acceptance of these schemes among rural populations.

Overall, the data underscores the positive contributions of decentralized governance and employment guarantee programs in fostering inclusive and sustainable rural development.

Conclusion

This study highlights the positive impact of rural development initiatives, particularly the 73rd Constitutional Amendment and MGNREGA, on improving employment, income levels, and reducing poverty in rural India between 2019 and 2023. Increased community participation, awareness of schemes, and women's involvement have further contributed to inclusive and sustainable development. Despite significant progress, challenges such as uneven program implementation and gaps in infrastructure remain. Continued focus on strengthening decentralized governance and enhancing scheme outreach is essential to maximize the benefits for rural populations.

Future Work

Future research should explore the long-term socio-economic impacts of rural development programs across diverse geographic and socio-cultural contexts. A deeper investigation into the role of technology and digital tools in improving transparency and efficiency of program delivery is warranted. Additionally, studies focusing on the integration of skill development and livelihood diversification alongside employment guarantee schemes could provide pathways for holistic rural empowerment. Strengthening participatory monitoring and community feedback mechanisms may also enhance program responsiveness and sustainability.

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