

MGNREGA and Inclusive Development in Visakhapatnam: Employment Trends and Structural Challenges

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Abstract: *The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) has played a pivotal role in rural development in India by providing wage employment and improving the livelihoods of rural populations. This study critically examines the performance of MGNREGA in terms of social inclusion through providing wage employment to the marginalized communities like SC, ST and Women in Visakhapatnam, Andhra Pradesh, from 2014 to 2023, focusing on employment trends, program inclusivity, and the structural challenges impacting its effectiveness. The analysis covers key factors such as job card issuance, active workers, employment days, and financial expenditure, with particular emphasis on the effects of the district reorganization in 2021. The findings reveal that while MGNREGA has made significant contributions to rural welfare, issues such as declining participation and inefficiencies in resource allocation have been exacerbated by administrative restructuring, highlighting the need for reforms to address these structural challenges and ensure more inclusive development.*

Keywords: Asset Creation, Employment Generation, Financial Expenditure, MGNREGA- Visakhapatnam, Rural Marginalized, Underutilization.

INTRODUCTION

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), launched in 2005, aims to provide at least 100 days of wage employment annually to every rural households willing to do unskilled manual work. The program was rolled out in Andhra Pradesh in 2006, initially covering Anantapur district and later extending to Visakhapatnam in 2008. Since its inception, MGNREGA has been a crucial mechanism for poverty alleviation in rural areas, offering employment to millions of marginalized households. In Visakhapatnam, the district saw a notable rise in participation during the early years of implementation, particularly in 2015-16 when it ranked first in the state for providing the highest number of working days. However, recent trends show fluctuating participation and expenditure patterns, which necessitate a critical review of the program's effectiveness and challenges.

This paper examines the evolution of MGNREGA performance in Visakhapatnam, focusing on employment trends, work completion rates, financial outcomes, and the impact of administrative restructuring on program effectiveness.

REVIEW OF LITERATURE

Numerous studies have evaluated the impacts of MGNREGA on various aspects such as income, expenditure, migration, women empowerment, and rural infrastructure. Research by the Centre for Budget and Governance Accountability (CBGA, 2006) found that higher awareness levels were linked to better outcomes. Ghosh (2006) emphasized the importance of decentralizing implementation to Gram Panchayats and involving civil society for the program's success. Notably, Dreze and Oldiges (2007) reported over 90 crore person-days of work created in 2006-07, highlighting the program's success in generating employment and reducing distress migration, particularly among vulnerable groups like SCs, STs, and women. Kareemulla et al. (2009) observed that MGNREGA reduced migration by 20% in Anantpur, Andhra Pradesh. Women, in particular, benefitted from new income opportunities, with the National Institute of Rural Development (NIRD, 2010) noting it became the primary source of income in many rural households, contributing to gender equity. The program also facilitated the creation of rural infrastructure, such as roads and water conservation structures, which, according to Shah et al. (2010), improved connectivity and long-term economic benefits. While the program has been largely effective, challenges such as corruption, inefficiency, and regional disparities remain, as noted by Kidambi and Aakella (2007) and Dey et al. (2008). Despite these challenges, MGNREGA's impact on rural livelihoods and infrastructure has been largely positive. However, its success depends on

awareness, transparent implementation by local panchayats, and minimizing malpractices, with active NGO involvement playing a key role.

OBJECTIVES

The primary objectives of this research are to analyse the overall performance of MGNREGA in Visakhapatnam from 2014 to 2023, particularly in terms of job card issuance, employment generation, and the financial sustainability of the scheme. It also seeks to assess the social and economic impacts of the scheme, with a focus on marginalized groups such as Scheduled Castes (SCs), Scheduled Tribes (STs), women, and disabled workers. Further, the study will explore the distribution of MGNREGA works across various categories and mandals, highlighting regional performance discrepancies. Finally, the research will provide policy recommendations to improve the effectiveness and reach of MGNREGA in Visakhapatnam, ensuring its continued contribution to rural development.

DATA AND METHODOLOGY

This study employs a mixed-methods approach, combining both quantitative and qualitative data analysis. The data for the research is collected from secondary data available on the official MGNREGA portal and district-level reports from Visakhapatnam, covering the period from 2014 to 2023. Quantitative analysis involves examining trends in job card issuance, active worker participation, financial expenditures, and the analysis will also focus on the regional variations and performance in terms of MGNREGS work completion rates across different mandals in Visakhapatnam. Descriptive statistics and trend analysis are applied to assess changes in employment generation and financial performance.

PHYSICAL PERFORMANCE OF MGNREGA IN VISAKHAPATNAM

This section will analyse the program's impact on employment creation for different societal groups, including SC, ST, and women. It will focus on trends in job card issuance and the number of actively working job cards. The analysis aims to assess the inclusivity and effectiveness of the program in providing employment opportunities to these marginalized groups.

MGNREGA Employment Generation Trends (2014-2023)

The MGNREGA data in Table 1 for Visakhapatnam from 2014-15 to 2022-23 reveals significant trends in job card issuance and usage. From 2014-15 to 2020-21, the total number of issued job cards and the proportion of active job cards steadily increased, indicating higher program engagement. In 2014-15, 59.9% of job cards were active, rising to 75.1% by 2018-19, with a slight dip to 74.2% in 2020-21. However, in the following years, both the total number of issued and active job cards decreased, primarily due to administrative restructuring in Andhra Pradesh. In 2021-22, 558,600 job cards were issued, with 72.12% active. In 2022-23, only 38,061 job cards were issued, but the proportion of active cards rose to 79.92%. This decline in card issuance is linked to the reduction in mandals due to district reorganization, yet the increase in the percentage of active job cards suggests more effective utilization of the remaining cards. Overall, despite fluctuations, the data indicates continued effective engagement with the

MGNREGS program.

Table 1: MGNREGA Job Card Statistics (2014-2023)

Year	Number of Job cards		Number of Active Job Cards
	Applied	Issued	
2014-15	472167	472167	283380 (59.9%)
2015-16	473705	473705	315356 (66.6%)
2016-17	472841	472841	335597 (71.1%)
2017-18	481753	481753	355337 (73.7%)
2018-19	490649	490649	368074 (75.1%)
2019-20	503680	503680	369120 (73.3%)
2020-21	556482	556480	412805 (74.2%)
2021-22	558706	558600	402905 (72.12%)
2022-23	38084	38061	30421 (79.92%)

Source: www.mgnrega.ac.in

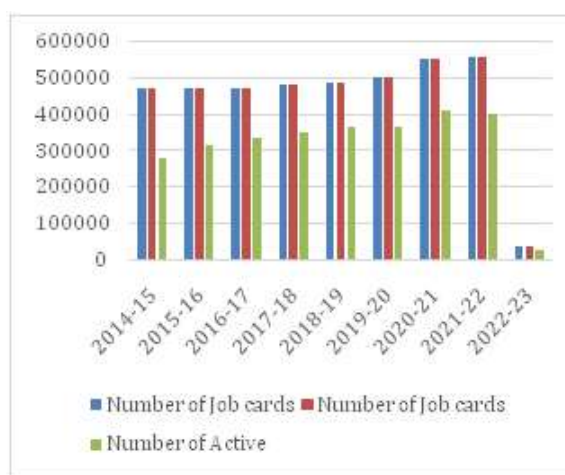


Figure 1: Active Job Cards vs. Issued Job Cards under MGNREGA in Visakhapatnam

Figure 1 shows that from 2014-15 to 2020-21, the percentage of active MGNREGA job cards in Visakhapatnam District rose from 59.9% to 74.2%. Despite a significant drop in issued job cards from 2021-22 to 2022-23 due to district reorganization, the percentage of active cards increased to 72.12% and 79.92%, respectively.

Trends in Employment and Active Worker Distribution (2014-2023)

Total number of active workers in Visakhapatnam District remained stable between 2014-15 and 2020-21, ranging from approximately 685,893 to 697,027. SCs consistently made up about 5.8% of the workforce, STs represented 41-42%, and women constituted around 54.6% annually. Disabled workers were a small percentage, around 0.7% to 0.9%. However, in 2021-22 and 2022-23 there was a sharp decline in the total number of active workers, dropping to 697,297 in 2021-22 and further to 46,943 in 2022-23, primarily due to the reorganization of districts in Andhra Pradesh, which led to a reduction in the number of mandals in Visakhapatnam, thereby affecting the number of registered workers and their distribution. Despite the reduction, the proportions of SCs, STs, women, and disabled workers within the remaining active workforce remained relatively consistent, indicating that while the overall number

dropped, the representation of different social groups stayed stable. (Table 2)

Year	Active Workers					
	Total Workers	SCs	STs	Women	Disabled	Others
2014-15	685893	39709	287777	374821	5950	358407
2015-16	685893	39709	287777	374821	5834	358407
2016-17	697027	40180	288508	381014	5828	368339
2017-18	697027	40180	288508	381014	5454	368339
2018-19	697027	40180	288508	381014	5364	368339
2019-20	697027	40180	288508	381014	5101	368339
2020-21	695921	40175	287413	380455	5743	368333
2021-22	697297	38237	295347	384280	5185	363713
2022-23	46943	4085	447	29426	198	42411

Source: www.mgnrega.ac.in

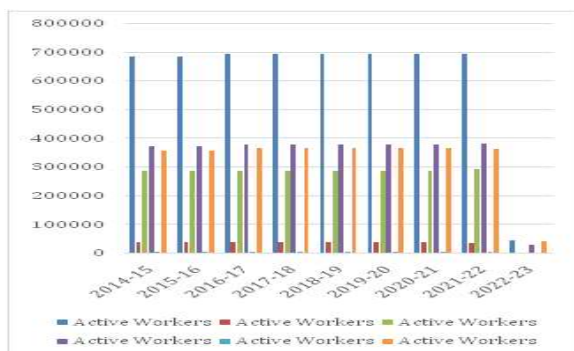


Figure 2: Trends in MGNREGA Active Workers by Social Category

Figure 2 shows that from 2014-15 to 2022-23, women consistently made up 54.6%, SCs 5.8%, and STs 41-42% of active workers in Visakhapatnam, with disabled workers fluctuating between 0.7% and 0.9%. Overall, the distribution remained stable throughout the period.

Households Completing 100 Days of Employment (2014-2023)

A key metric of MGNREGA's effectiveness is the number of households completing 100 days of employment annually. In Visakhapatnam, this percentage peaked at 31.61% in 2015-16 but declined over the years, dropping to just 6.19% in 2022-23. The average number of days worked per household also fluctuated, with an average of 64.61 days in 2014-15 and a decrease to 57.42 days in 2022-23. The sharp decline in 2021-22 and 2022-23 is directly linked to administrative restructuring, which led to a reduction in available work and job cardholders. The significant gap between active job cards and households completing 100 days highlights underutilization of the scheme. The government must implement targeted strategies to ensure more job cardholders fully benefit from MGNREGS. (Table 3).

Table 3: MGNREGA Participation Trends (2014-23)

Year	Number of Active Job Cards	Number of Households Completed 100days	Average days of employment per Household
2014-15	283380	58852 (20.76%)	64.61
2015-16	315356	99688 (31.61%)	71.98
2016-17	335597	99026 (29.50%)	69.74
2017-18	355337	72384 (20.37%)	65.59
2018-19	368074	84531 (22.96%)	65.94
2019-20	369120	84413 (22.86%)	62.71
2020-21	412805	116135 (28.13%)	68.28
2021-22	402905	43541 (10.8%)	56.81
2022-23	30421	1886 (6.19%)	57.42

Source: www.mgnrega.ac.in



Figure 3: Active Job cards Vs Households Completed 100 Days

Figure 3 shows fluctuating 100-day completion rates from 2014-15 to 2020-21, with average employment ranging from 62.71 to 71.98 days. However, due to administrative changes, completion rates and average employment sharply declined in 2021-22 and 2022-23, dropping to around 57 days.

FINANCIAL PERFORMANCE OF MGNREGA IN VISAKHAPATNAM (2014-2023)

Year	Total Person days (In Lakhs)	Approved Labor Budget days (In Lakhs)	% Actual days Vs Approved Labor Budget days	Average Wage per Day	Total Expenditure (In Lakhs)	Wage %	Material %
2014-15	195.36	165.49	118.05	120.67	28000.2	88.89	11.11
2015-16	223.87	238.75	93.77	131.71	36311.47	84.27	15.73
2016-17	220.73	269.92	81.78	144.08	42239.93	79.41	20.59
2017-18	207.01	245.64	84.27	151.07	37733.42	87.74	12.26
2018-19	209.99	241.48	86.96	196.37	47832.97	90.94	9.06
2019-20	198.74	183.24	108.46	201.03	44676.49	95.64	4.36
2020-21	261.96	262.64	99.74	233.36	65605.14	97.06	2.94
2021-22	208.34	210.15	99.14	219.25	63235.92	73.17	26.93
2022-23	15.66	15.19	103.13	204.33	5966.22	61.17	38.13

Source: www.nrega.ac.in

Expenditure Trends and Wage Utilization

Visakhapatnam's financial performance under MGNREGA also showed a strong focus on wage payments, with the share of wage expenditure in total costs increasing from 79.41% in 2014-15 to 97.06% in 2020-21. Total expenditure on wages grew alongside the increase in average daily wages, which reached ₹ 233.36 in 2020-21. However, after 2020-21, both total expenditure and person-days worked decreased significantly due to the reorganization of the district. In 2022-23, the wage percentage of the total expenditure decreased to 61.17%, while the material percentage increased to 38.13%. This shift reflects the reduced number of projects undertaken, with less emphasis on materials and more on wage payments for a reduced number of workers.

Person-Days and Budget Utilization

Visakhapatnam's total person-days worked under MGNREGA peaked at 261.96 lakh in 2020-21 but saw a sharp decline in the following years. Despite fluctuations in the percentage of actual days worked versus approved labor budget days, overall budget utilization remained effective in the initial years. However, with the restructuring, there was a noticeable reduction in both total person-days and financial utilization, indicating inefficiencies and a drop in program participation.

CATEGORY-WISE MGNREGA WORKS AND EXPENDITURE (2008-2023)

The financial data for MGNREGA in

Visakhapatnam from 2008-2023 reveals that the largest share of expenditure was directed towards completed works, with categories like renovation of traditional water bodies (₹ 113,645.40 lakhs), rural connectivity (₹ 87,334.26 lakhs), and water conservation (₹ 91,263.41 lakhs) receiving the most significant investments. Notably, works on individual lands received the highest expenditure of ₹ 168,834.86 lakhs. This expenditure distribution highlights the program's focus on long-term infrastructure development, although it also indicates that ongoing projects require more significant financial attention to ensure timely completion. (Table 5)

Table 5: Category-Wise MGNREGA Works and Expenditure (2008-2023)

Work Category	Ongoing / Physical completed Works since Inception and Expenditure (In Lakhs)		Completed Works since Inception / Expenditure (In Lakhs)	
Anganwadi / Other Rural Infrastructure	2865	39026.56	39622	23805.77
Drought Proofing	4668	11877.66	39519	38374.13
Micro Irrigation Works	2610	3311.12	16560	11529.96
Renovation of traditional water bodies	1420	9955.07	18142	113645.4
Rural Connectivity	8003	67132.35	29261	87334.26
Rural Sanitation	927	3536.36	58235	9251.64
Water Conservation and Water Harvesting	4055	19223.25	24526	91263.41
Works on Individuals Land.(Category IV)	53908	35193.13	464369	168834.86
Total	78456	189255.5	690234	544039.43

Source: www.nrega.ac.in

Analysis of Mandal-wise MGNREGA Works in Visakhapatnam (2008-2023)

An analysis of MGNREGA works across various mandals (39) in Visakhapatnam reveals high completion rates, with an average completion rate of 97.02% across the district. Mandals like Ananthagiri, Araku Valley, and Cheedikada exhibited completion rates above 97%, indicating strong administrative performance and effective implementation. These areas benefitted from consistent monitoring, local governance involvement, and a clear understanding of the community's needs, which ensured that projects were completed on time and resources were utilized efficiently. However, mandals like Paravada and Pendurthi reported lower completion rates, likely due to administrative inefficiencies, financial constraints, and potential delays in fund disbursement. These areas faced issues like delayed payments to workers, poor coordination between local authorities and the rural workforce, and budgetary restrictions that affected the timely execution of works. The 2022-23 period, marked by district reorganization, saw a significant drop in both the number of works initiated and completed, with a sharp decline in the completion rate to 61.21%. This dip can be attributed to administrative disruptions during the reorganization, changes in leadership, and the challenges of restructuring resource allocation. The sudden changes in the administrative landscape created confusion, which led to inefficiencies in project planning and execution. Moreover, the lack of proper training for newly appointed officials contributed to delays in processing and monitoring works. This underscores the critical need for stability in governance and a robust framework for seamless transitions during district reorganization to ensure the uninterrupted delivery of MGNREGA works.

RESULTS AND DISCUSSION

The performance of MGNREGA in

Visakhapatnam from 2014 to 2023 reveals significant trends in employment generation and financial expenditure, though with notable fluctuations due to administrative changes. The number of issued job cards and the proportion of active cards steadily increased from 2014 to 2021, peaking at 74.2% in 2020-21, before experiencing a sharp decline in 2022-23, primarily due to the reorganization of districts in Andhra Pradesh. Despite this, the percentage of active job cards increased, indicating improved utilization among the remaining job cardholders. Participation by marginalized groups, including SCs, STs, women, and disabled workers, remained relatively stable over the years, although the overall number of active workers decreased following the district reorganization. The completion rates of 100 days of work, which had been relatively high until 2020-21, dropped drastically in 2021-22 and 2022-23, reflecting the reduced program reach post-reorganization. Financially, while the total expenditure on MGNREGS increased significantly, especially in wages, a shift towards greater wage expenditure over material costs was observed in response to the reduction in program participation. The analysis of mandal-wise performance showed a high completion rate of 97.02% in most mandals, with some variations due to local administrative challenges. The results underscore the impact of administrative changes on MGNREGS performance in Visakhapatnam, highlighting both the positive aspects of the scheme's reach and the need for targeted interventions to maintain its effectiveness amidst structural reorganizations.

POLICY RECOMMENDATIONS

1. The government should implement measures to improve the utilization of issued job cards, focusing on bridging the gap between active job cards and households completing 100 days of work.
2. To address declining participation rates, particularly after the district reorganization, the government should restore administrative structures and enhance access to MGNREGA benefits for marginalized groups such as women, SCs, and STs.

CONCLUSION

The analysis of MGNREGA performance in Visakhapatnam from 2014 to 2023 reveals a program that has contributed significantly to rural development, providing employment and infrastructure in a challenging socio-economic context. However, the performance has been affected by several factors, including administrative reorganization and fluctuations in participation. While the program's financial expenditure has been effectively utilized in several sectors, the declining number of job cards issued and the decrease in participation in recent years suggest a need for targeted interventions. These interventions should focus on administrative capacity building, efficient fund utilization, and ensuring that the benefits of the scheme reach all intended beneficiaries, particularly in the wake of restructuring and administrative challenges. Additionally, there should be a renewed focus on improving awareness about the program among marginalized communities, enhancing transparency, and strengthening monitoring mechanisms to prevent leakage and ensure that resources are directed to where they are needed most. With proper reforms, MGNREGA can regain its effectiveness and continue to play a crucial role in rural welfare and infrastructure development.

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