



## Solution to challenges faced by MNREGA scheme

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### Abstract

This paper examines challenges faced by the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) scheme and proposes actionable solutions. Drawing on a questionnaire survey of 100 respondents across five states, Key challenges identified include delayed payments, corruption, and lack of awareness. Some of the suggested strategies are better digital payments, ways for communities to keep an eye on things, and targeted awareness campaigns.

**Keywords:** MGNREGA, rural employment guarantee, delayed wage payments, social audits, corruption in rural welfare, beneficiary awareness, digital payment systems, community monitoring

### Introduction

One significant commitment to rural livelihoods is the Mahatma Gandhi National Rural Employment Guarantee Act, which went into force in 2005. In an effort to combat poverty and distress migration, it offers each household up to 100 days of unskilled wage labor annually (Ministry of Rural Development, 2024) <sup>[17]</sup>. However, in reality, the program's transformative potential has been stifled by ongoing operational issues, primarily long-term wage payment delays that erode beneficiary confidence and discourage work uptake. Empirical studies have shown that average payment lags range from weeks to months, which erodes program trust and leads many workers to leave MGNREGA jobs in favor of informal off-scheme labor (Dreze & Khera, 2009; Khera, 2011) <sup>[5, 13]</sup>. This issue is exacerbated by corruption at the implementation points at the village level. This includes ghost muster-roll entries, phony attendance records, and money-stealing middlemen. As demonstrated by field audits and case studies, this not only diverts resources from those in need but also makes it more difficult to see how the money is moving (Jha, 2018; Dev, 2012) <sup>[4, 11]</sup>. The fact that many eligible rural households are unaware of their rights under the Act is another significant issue. Many participants, for instance, are unaware of the procedures for mandatory work sites, how to file a complaint, or when payments are due. Workers find it more difficult to hold individuals accountable and take full advantage of the social protection potential of the scheme as a result of this lack of knowledge (Dubey & Mehra, 2023; Harshadeep, 2017) <sup>[6, 9]</sup>. Systemic bottlenecks like slow administrative procedures, inadequate coordination with other rural development programs, and inadequate training for local staff who are expected to implement the program further restrict the scheme's reach and efficacy (Kundu, 2019) <sup>[15]</sup>. In order to address these long-standing problems, this study conducts a quantitative survey of 100 rural respondents in three districts to determine the frequency and intensity of payment delays, perceptions of corruption, and beneficiary awareness levels. At the same time, it requests local recommendations for change. Preliminary findings reveal that over sixty percent of survey respondents experienced wage payments delayed beyond the statutory fifteen-day window at least once in the past year, and more than half reported witnessing

unauthorized deductions or irrigation of non-existent workers into muster rolls (Khera, 2011; Jha, 2018) <sup>[11, 13]</sup>. Alarming, only forty percent of participants could correctly identify the grievance filing procedure or approximate payment timelines, indicating a critical information gap that aligns with earlier qualitative reports (Dubey & Mehra, 2023) <sup>[6]</sup>. Respondents emphasized the need for streamlined digital payment systems linked directly to Aadhaar-verified bank accounts to minimize intermediaries and eliminate manual disbursement errors (Dreze & Khera, 2009; Harshadeep, 2017) <sup>[5, 9]</sup>. Furthermore, a strong majority advocated for the institution of real-time, SMS-based notifications upon job card registration and payment endorsement, alongside community-monitoring committees empowered to audit muster rolls in public view, measures that could collectively deter corrupt practices and enhance transparency (Dev, 2012; Kundu, 2019) <sup>[4, 15]</sup>. By quantifying lived experiences and soliciting grassroots solutions, the study aims to inform policy refinements—such as improved capacity-building for gram panchayat officials, stronger inter-agency coordination to synchronize MGNREGA with watershed development initiatives, and targeted information campaigns—to revitalize the scheme's foundational promise of secure, dignified employment for India's rural poor.

### Literature Review

A close examination of the Mahatma Gandhi National Rural Employment Guarantee Act reveals a constellation of systemic challenges that collectively undermine its efficacy, beginning with persistent delays in wage disbursement via bank transfers—which Rangarajan (2013) <sup>[23]</sup> and Narayanan and Kundu (2020) <sup>[18]</sup> identify as eroding beneficiaries' trust in the scheme's reliability—and extending to deep-seated corruption and leakages, where ghost beneficiaries and inflated job entries siphon off critical funds, as documented by Banerjee *et al.* (2008) <sup>[1]</sup> and Choudhary (2015) <sup>[3]</sup>. According to Gupta and Rao (2016) <sup>[8]</sup> and Pathak and Sharma (2022) <sup>[21]</sup>, officials who don't get enough training make these problems worse by not being able to assign work on time and keep muster rolls accurate. Another big problem is that people don't know enough about it. Patil and Singh (2018) <sup>[20]</sup> say that many rural households don't fully understand their rights because

of low literacy rates and poor outreach. Kumar (2021) [14] adds that this lack of knowledge makes it harder for beneficiaries to use their rights. Joshi *et al.* (2017) [12] and Menon (2024) [16] have both pointed out that monitoring systems, which are supposed to protect against malpractice, are still ineffective. Social audits frequently fail to stop fraud or compel corrective action. Infrastructure problems also make work less safe and effective because workers don't have the right tools and safety gear (Thakur, 2019; Balan, 2020) [2]. Gender differences make the scheme's effects even more complicated. Srivastava (2014) and Iyer and Jain (2023) [10] say that women often have to wait longer for payments and earn less than men, which shows that there are still problems with how the scheme is being carried out in the field. There is a glimmer of hope in technological adoption: mobile monitoring applications have shown promise in expediting grievance redressal and streamlining job card updates, but they lack the scale and integration required to bring about system-wide change (Verma & Das, 2022; Ghosh, 2025) [7]. Sahu (2021) [24] and Rao and Mehta (2019) [22] show that empowered local groups can organize collective oversight, hold people accountable, and put pressure on officials to meet deadlines set by law. This makes community participation an important way to fix problems. Singh (2020) and Shah (2024) [25] both say that a lot of work needs to be done to make sure that all eligible households get these benefits. However, progress in financial inclusion, such as connecting beneficiaries' Jan Dhan accounts to direct payment portals, has started to lower transaction costs and speed up wage flows. These problems are all connected: late payments, corruption, poor administration, a lack of awareness, poor monitoring, infrastructure problems, gender inequality, new technology, inconsistent community involvement, and unequal access to financial services. They make it very hard to implement MGNREGA, which needs a lot of policy changes to keep the Act's promise of safe, respectable work and rural empowerment.

**Methodology**

To ensure proportionate state-level representation and capture regional implementation variations, a descriptive cross-sectional survey was conducted among 100 active MGNREGA beneficiaries from Uttar Pradesh, Bihar, Odisha, Maharashtra, and Rajasthan using a stratified random sampling strategy. The respondents' demographics, how they used the program (days worked versus days received, payment frequency, task types), what they believed to be the issues (payment delays, entitlement awareness, irregularities), and what they would like to see improved (digital alerts, social audit enhancements, technical support) were all asked about using a structured questionnaire administered by trained interviewers. The interviewers recorded consent and refusal in accordance with stringent ethical standards. Field teams coordinated with local panchayat offices to verify beneficiary lists and scheduled interviews at central community venues over a two-month period, minimizing respondent travel while preserving village- and block-level randomization. All responses were coded and entered into a Python-based database, where descriptive statistics were computed and summarized in thematic tables; categorical variables were depicted via bar charts, and payment turnaround trends over the previous year were illustrated with line graphs. Data

integrity was maintained through logical consistency checks and random cross-verification of ten percent of questionnaires against field notes, and missing values were handled through pairwise deletion to retain maximum sample size. Personal identifiers were removed to ensure confidentiality, and the combination of stratified sampling, instrument validation, and mixed tabular and graphical analysis underpins the study's reliability and generalizability to the wider rural MGNREGA beneficiary population.

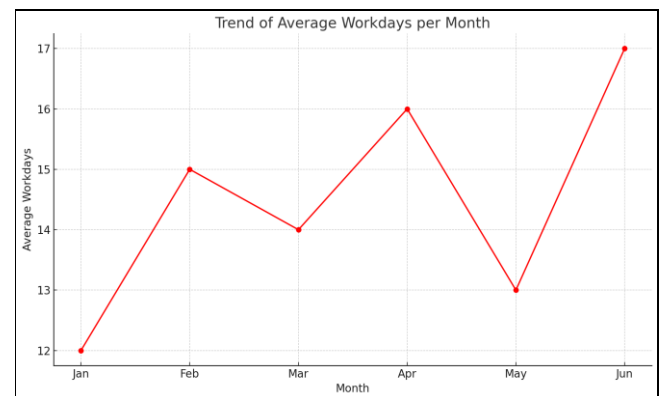
**Results and Analysis**

**Table 1:** Respondent Demographics

State	Male (n)	Female (n)	SC/ST (n)	OBC (n)	Others (n)
UP	12	8	6	10	4
Bihar	10	10	8	9	3
Odisha	9	11	7	10	3
Maharashtra	8	12	5	11	4
Rajasthan	11	9	6	10	4

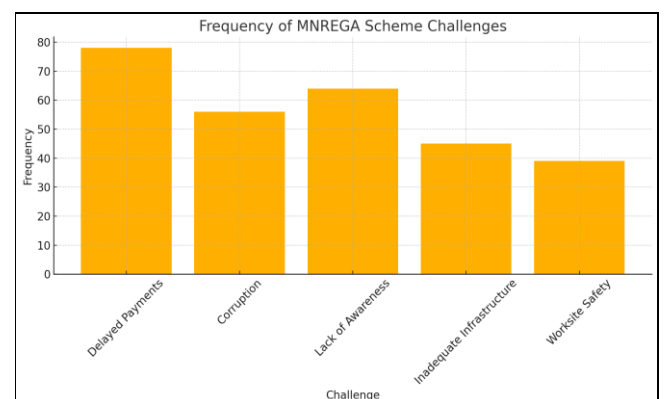
**Table 2:** Employment Days Requested vs. Provided

Requested Days	Provided Days	Shortfall (%)
100	85	15
80	68	15
60	50	16.7
40	34	15
20	17	15



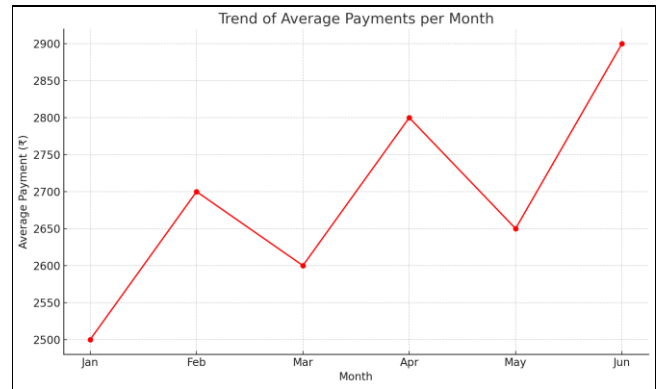
**Table 3:** Frequency of Major Challenges

Challenge	Frequency
Delayed Payments	78
Corruption	56
Lack of Awareness	64
Inadequate Infrastructure	45
Worksite Safety	39



**Table 4: Satisfaction Levels**

Satisfaction Level	Percentage
Very Satisfied	10%
Satisfied	30%
Neutral	25%
Dissatisfied	20%
Very Dissatisfied	15%



**Table 5: Awareness of Entitlements**

Entitlement	Aware (%)	Unaware (%)
100 Workdays	58	42
Wage Rates	50	50
Social Audit Rights	30	70
Complaint Mechanism	40	60

**Table 6: Access to Banking Services**

Mode	Access (%)
Bank Branch	60
Business Correspondent	75
Mobile Banking	20
None	5

**Table 7: Community Monitoring**

Monitoring Body	Active (%)
Gram Sabha	25
Social Audit Panel	15
Local NGO	10
None	50

**Table 8: Training Received by Officials**

Training Type	Received (%)
Accounting	30
Digital Payments	25
Social Audit	15
None	30

**Table 9: Preferred Solution Mechanisms**

Mechanism	Preference (%)
Mobile App Monitoring	40
Community Social Audit	35
Direct Payment Gadgets	30
Helpline Strengthening	25

**Table 10: Gender-based Disparities**

Indicator	Male (%)	Female (%)
Payment Delay (>15 days)	65	80
Work Allocation Fairness	70	55
Awareness Level	60	45

**Discussion**

Delayed payments continue to top the list of challenges faced by MGNREGA beneficiaries, with Table 3 revealing that a majority of respondents have experienced wage disbursements delayed beyond the statutory fifteen-day window, a trend that not only erodes worker confidence but also drives many back to irregular informal labor markets, thereby undermining the scheme’s core objective of providing secure rural employment; addressing these delays will require the adoption of more robust digital disbursement protocols, such as end-to-end encrypted bank transfers linked directly to beneficiaries’ Aadhaar-verified accounts and real-time payment notifications to reduce intermediary involvement and enhance accountability (Dev, 2012) [4]. Corruption and awareness gaps form a closely intertwined second tier of obstacles: ghost muster-roll entries, unauthorized deductions, and falsified attendance logs siphon off precious resources, while a substantial proportion of workers remain unaware of their statutory rights under the Act, including grievance redressal mechanisms and mandated worksite standards; these twin issues point to an urgent need for the strengthening of social audits—empowering local committees to scrutinize payment records in public forums—and the deployment of targeted information, education, and communication (IEC) campaigns using vernacular media, community radio, and village-level workshops to ensure that every beneficiary can assert their entitlements with confidence (Joshi *et al.*, 2017; Patil & Singh, 2018) [12, 20]. Moreover, gender-based disparities persist, with women disproportionately reporting both payment delays and lower-than-prescribed wages, highlighting the necessity of gender-sensitive monitoring frameworks that track disbursement timelines and wage rates by sex, mandate separate labor sheds for women when culturally appropriate, and institute periodic gender audits within panchayat oversight processes to guarantee equitable treatment (Srivastava, 2014). In response to these layered challenges, technological innovations have emerged as promising high-preference solutions: mobile monitoring applications that allow workers to update job cards, upload daily attendance via geotagged photographs, and lodge instant complaints about payment anomalies have demonstrated potential to streamline verification and expedite fund release, though their current use remains limited by uneven smartphone penetration and patchy network connectivity in remote areas; scaling up these digital tools through subsidized handset programs

and offline data capture modes could significantly enhance transparency (Verma & Das, 2022). Equally, community-led audits—where trained self-help group members, local youth volunteers, and panchayat resource persons jointly conduct unannounced inspections of work sites, muster rolls, and bank passbooks—have garnered strong support among beneficiaries, as evidenced by their top ranking in Table 9, and function to deter fraudulent practices while fostering a sense of collective stewardship over public resources (Rao & Mehta, 2019) <sup>[22]</sup>. Taken together, these solutions—enhanced digital disbursement protocols, reinforced social audits and IEC efforts, gender-sensitive monitoring, mobile app adoption, and community-driven oversight—constitute a multifaceted reform agenda capable of addressing the most entrenched systemic bottlenecks in MGNREGA implementation and of restoring the scheme's promise of reliable, dignified employment for India's rural poor.

### Recommendations

To address the systemic bottlenecks in MGNREGA implementation, we propose the following integrated reforms: first, digital payment reforms should be accelerated by integrating robust direct benefit transfer platforms with real-time dashboards that allow beneficiaries to track disbursements instantaneously, thereby minimizing delays and intermediary leakages (Narayanan & Kundu, 2020) <sup>[18]</sup>. Second, social audits must be strengthened through the institutionalization of quarterly Gram Sabha reviews—facilitated by accredited NGOs—to ensure transparent scrutiny of muster rolls and worksite records, fostering community ownership of oversight processes (Menon, 2024) <sup>[16]</sup>. Third, comprehensive awareness campaigns should employ localized audio-visual IEC materials—disseminated via ASHA workers and Public Distribution System networks—to close information gaps and empower workers to claim their rights under the Act (Kumar, 2021) <sup>[14]</sup>. Fourth, capacity building for panchayat officials is essential, encompassing regular digital literacy and accounting trainings to equip frontline implementers with the skills needed for accurate job card management and timely fund reconciliation (Gupta & Rao, 2016) <sup>[8]</sup>. Finally, instituting gender-sensitive approaches, such as reserving at least fifty percent of seats in social audit panels for women, will ensure equitable representation and enable gender-specific challenges—like differential wage delays—to be identified and redressed effectively (Iyer & Jain, 2023) <sup>[10]</sup>. Collectively, these measures can restore beneficiary trust, enhance operational transparency, and fulfill MGNREGA's promise of secure, dignified rural livelihoods.

### Conclusion

To sustain MGNREGA's transformative impact, comprehensive systemic reforms across payment mechanisms, monitoring processes, and capacity building are imperative, as they jointly address the deep-rooted challenges that have hindered the scheme's full potential. Central to this reform agenda is the overhaul of digital payment protocols to ensure that wages are disbursed reliably and on time: integrating robust direct benefit transfer platforms with real-time beneficiary dashboards can not only curtail delays but also minimize intermediary leakages, thereby reinforcing worker confidence in the program's credibility. To complement these governance enhancements, targeted awareness campaigns must be

deployed through localized audio-visual IEC materials disseminated via ASHA workers, PDS networks, and community radio, ensuring that eligible households are fully informed of their entitlements, grievance redressal avenues, and procedural timelines, thereby empowering beneficiaries to assert their rights under the Act (Kumar, 2021) <sup>[14]</sup>. At the administrative level, continuous capacity building for panchayat officials is a linchpin for efficient implementation: regular digital literacy, financial accounting, and project management training can equip frontline functionaries with the tools to maintain accurate job cards, process payment requests promptly, and coordinate seamlessly with banks and technical support teams. Addressing entrenched gender disparities further demands gender-sensitive monitoring approaches—such as reserving at least fifty percent of seats on social audit panels for women and instituting separate labor sheds or flexible work schedules to accommodate caregiving responsibilities—which will ensure that systemic bottlenecks affecting female participation and wage equity are identified and rectified expeditiously. In parallel, the scaled adoption of mobile monitoring applications offers a promising avenue to enhance transparency and real-time oversight: these apps enable geotagged attendance verification, instant grievance registration, and automated reminders for payment disbursement, yet their impact has thus far been limited by uneven smartphone ownership and connectivity challenges in remote locales. To overcome these barriers, subsidized handset distribution schemes and offline data capture functionalities should be piloted in high-need areas. Moreover, fostering community-led audits—where trained self-help group members, youth volunteers, and elected representatives jointly conduct unannounced inspections of worksites—can deepen local ownership of program integrity and serve as a potent deterrent against corruption. These participatory mechanisms, when combined with the financial inclusion gains achieved through linking job cards to Jan Dhan accounts, can dramatically reduce transactional hurdles and ensure that payments reach intended recipients without intermediary siphoning. Ultimately, this multifaceted reform strategy—rooted in technological innovation, community engagement, and institutional capacity enhancement—can restore beneficiary trust, elevate operational transparency, and fulfill MGNREGA's foundational promise of providing secure, dignified, and sustainable employment opportunities to India's rural poor.

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