

Chapter - 8
Impact of the Scheme in
Uttarakhand

Chapater - 8

Impact of the Scheme in Uttarakhand

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) continues to be a vital social welfare initiative aimed at improving the livelihoods of India's rural population. By guaranteeing 100 days of wage employment per year to adult members of rural households, the scheme has the potential to significantly uplift the living standards of the rural poor. However, the full benefits of MGNREGS can only be realised if the scheme is effectively and efficiently implemented, overcoming several persistent challenges.

The audit results highlighted the following key findings

In Uttarakhand, 3.41 lakh assets under various categories such as water conservation, Watershed management, Irrigation, Afforestation, land development, rural connectivity and Disaster preparedness/Restoration, *etc.* were created under the MGNREGS during 2019-24. The details of assets created in the State under the scheme during 2019-24 is given in **Table-8.1** below:

Table-8.1: Details of assets created in the State under the scheme during 2019-24

Sl. No.	Work Category	Completed Works
1	Water Conservation	27,225
2	Watershed management	15,374
3	Irrigation	46,161
4	Traditional water bodies	10,013
5	Afforestation	17,487
6	Land development	42,346
7	Improving productivity of lands	6,382
8	Improving livelihoods through	2,626
9	Development of fallow/waste lands	1,857
10	Construction of house	25,872
11	Promotion of livestock	63,412
12	Promotion of fisheries	2,566
13	Agriculture productivity	44
14	Common work-sheds for livelihood activities of self-help groups	69
15	Rural sanitation	16,355
16	Road connectivity/Internal roads/Streets	32,192
17	Play fields	186
18	Disaster preparedness/Restoration	29,661
19	Construction of building	1,346
20	Food Grain storage structures	194

Sl. No.	Work Category	Completed Works
21	Production of building material required for construction	49
22	Maintenance	19
23	Any other works	171
<i>Total</i>		<i>3,41,607</i>

Apart from the assets created for the community, scheme also helped the beneficiaries in term of income, creation of individual assets and provided better employment opportunities to rural women with reduction in gender wage disparity.

8.1 Social Security

MGNREGS has significantly contributed to social security for rural households by ensuring a minimum of 100 days of employment annually. This reliable income source has improved living standards, particularly in hilly districts with lower per capita income compared to plain districts, underscoring its importance in supporting livelihoods in economically disadvantaged regions.

Amongst 200 beneficiaries surveyed, 193 beneficiaries (97 per cent) reported livelihood improvements, emphasising its role in stabilising and enhancing rural livelihoods.

8.2 MGNREGS and the COVID-19 Pandemic

MGNREGS provided crucial employment and income support to rural households during the COVID-19 pandemic. The government increased funding and relaxed rules, resulting in more households being employed. In response to the COVID-19 pandemic, the Government of Uttarakhand allowed an additional 50 days of employment for households that completed 100 days of work in 2020-21.

MGNREGS expenditure rose significantly from ₹ 509.10 crores in 2019-20 to ₹ 945.16 crore in 2020-21. Employment under the scheme increased from 5.04 crore households to 6.54 crore, reflecting high demand during the pandemic. Uttarakhand generated 303.60 lakh persondays of employment in 2020-21, up from 206.10 lakh in the previous year. Thus, the significant increase in MGNREGS expenditure, coupled with a rise in households which were provided employment and persondays generated, highlights the scheme's critical role in addressing the rural employment demands during the pandemic.

8.3 Empowerment of Women

MGNREGS has played a significant role in the empowerment of women in rural areas. The scheme provides special provisions (at least one-third of the labour employment

should be provided to women) for the participation of women in the workforce. As per the National Sample Survey Office (NSSO) Periodic Labour Force Survey 2023-24, overall rural Labour Force Participation Rate (LFPR) for women in the state, stands at 32.4 per cent, while the participation rate of women under MGNREGS is significantly higher at 56 per cent.

This remarkable difference underscores the scheme's role in promoting gender equality and empowering rural women. The scheme provides equal wages to men and women for the same work, which has helped in reducing the incidence of wage discrimination. The provision of employment opportunities in traditionally male-dominated sectors has also improved their participation in the workforce. The provision of opportunities for the participation of women in decision-making processes has improved their representation in local governance structures and has empowered them to participate in the development of their communities.

8.4 Creation of individual assets

Individual asset creation under MGNREGS has a positive impact on rural households' income and livelihoods, as shown by the study conducted by National Institute of Rural Development and Panchayati Raj, Hyderabad.

The sampled GPs has concentrated on creating community as well as individual assets. Out of 378 assets created by the test checked GPs during 2019-24, a majority of the assets (91 assets) such as construction of house, land development, *murgibada*, *pashubada*, etc. were created on individual land as given in **Table-8.1** below:

Table-8.2: Assets created by test checked GPs during 2019-24

Sl. No.	Category of work	No. of Assets created in test checked GPs during 2019-24
1	Anganwadi/Other Rural Infrastructure	2
2	Drought Proofing	36
3	Flood Control and Protection	13
4	Land Development	103
5	Micro Irrigation Works	23
6	Renovation of traditional water bodies	6
7	Rural Connectivity	33
8	Rural Sanitation	3
9	Water Conservation and Water Harvesting	68
10	Works on Individuals Land	91
Total		378

During physical inspection of selected assets, it was found that the assets created on individual land may be beneficial in improving the standard of living of the beneficiary.

<p>Work name: <i>Bhumi Sudhar</i> in GP, Khanana (work code: 3513007062/LD/2008165017)</p>	<p>Work name: Construction of house under Pradhan Mantri Awas Yojana in GP, Phart. However, payment of unskilled labour was made under MGNREGS (work code: 3513007020/IF/IAY/44618)</p>	<p>Work name: Construction of <i>Pashubada</i> in GP, Phart. (work code: 3513007020/LD/2008147527)</p>

8.5 Overcoming persistent challenges

The audit identified several key issues hindering the smooth functioning of MGNREGS, which need to be addressed to enhance its effectiveness.

- Delays in Wage Payments:** One of the most significant obstacles to the success of MGNREGS is the delay in the disbursement of wages to workers. Delayed payments not only cause financial distress to workers but also reduce their trust in the system.
- Insufficient Employment Generation:** While MGNREGS aims to provide 100 days of employment annually, in many regions, the actual employment generated falls short. This often occurred due to poor planning, lack of sufficient work opportunities, and delays in project implementation.
- Lack of Awareness Amongst Beneficiaries:** Many rural households, particularly in remote areas, remain unaware of their entitlements under MGNREGS. This lack of awareness leads to the underutilisation of the scheme and exclusion of eligible beneficiaries.

To ensure the continued success of MGNREGS, it is crucial to address these challenges. Streamlining administrative processes, improving transparency, and ensuring better coordination between different government agencies can go a long way in enhancing the effectiveness of the scheme. Further, fostering greater community participation, leveraging technology for monitoring and reporting, and expanding the range of

employment opportunities can further empower rural populations and strengthen their economic resilience.

8.6 Recommendations

1. *Strengthening local planning, ensuring timely execution of projects, and expanding the range of employment opportunities under the scheme can help address employment generation issues.*
2. *Increased outreach efforts, community awareness programs, and accessible information channels can empower beneficiaries to claim their rights under the scheme.*

Dehradun
The 14 November 2025


(SANJEEV KUMAR)
Accountant General (Audit),
Uttarakhand

Countersigned

New Delhi
The 20 November 2025


(K. SANJAY MURTHY)
Comptroller and Auditor General of India

