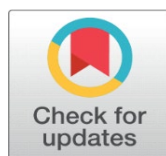


# PROJECT UNNATI: SKILLING MGNREGA WORKERS FOR SUSTAINABLE LIVELIHOODS

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## ABSTRACT

Project UNNATI, launched by the Ministry of Rural Development, Government of India, represents a strategic shift from the conventional welfare-oriented approach of MGNREGA towards an integrated livelihood generation model through targeted skill development. This article critically examines the design, implementation, and potential impact of Project UNNATI, which aims to upskill 200,000 MGNREGA workers by March 2025. Through a policy and implementation framework analysis, the study highlights the project's core components, including training pathways, financial support mechanisms, governance structure, and monitoring systems. While the project showcases innovation through its convergence with DDU-GKY, RSETIs, and KVKs, several implementation challenges such as scalability, market linkage, and inter-agency coordination are identified. The article concludes with recommendations for enhancing the project's sustainability and broader implications for rural development policies.

**Keywords:** Skill Development, Rural Livelihoods, MGNREGA, Welfare-To-Work, Vocational Training, India, Sustainable Development

## 1. INTRODUCTION

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) has been a cornerstone of India's rural social protection framework since 2005. By legally guaranteeing 100 days of unskilled manual work annually to rural households, it has addressed income insecurity and seasonal unemployment. However, its focus on unskilled labor limits its potential for long-term poverty alleviation and livelihood diversification. Recognizing this gap, the Ministry of Rural Development initiated Project UNNATI to facilitate the transition of MGNREGA beneficiaries from temporary wage employment to sustainable, skill-based livelihoods.

## 2. OBJECTIVES OF THE STUDY

This study aims to:

- 1) Analyze the conceptual underpinnings and policy intent of Project UNNATI.
- 2) Explore the project's operational design, eligibility criteria, and implementation structure.
- 3) Assess the coordination mechanisms and stakeholder engagement across levels.

- 4) Examine the socioeconomic benefits and implementation hurdles.
- 5) Recommend policy measures to strengthen and scale the initiative.

## 2.1. CONCEPTUAL FRAMEWORK

Project UNNATI aligns with the sustainable livelihoods approach (Chambers & Conway, 1992), emphasizing the development of skills, assets, and opportunities for long-term self-reliance. It also draws from Amartya Sen's capability approach (1999), which advocates enhancing individuals' freedoms to pursue valued life outcomes. UNNATI exemplifies a shift from protection to promotion, building productive capacity among rural poor through institutional convergence and targeted intervention.

## 3. RESEARCH METHODOLOGY

This study employs a qualitative approach based on document analysis. Primary data includes government guidelines, monitoring frameworks, and operational manuals published by the Ministry of Rural Development. Secondary sources comprise academic literature on rural livelihoods, evaluations of prior skill initiatives, and policy briefs. Comparative insights from similar international programs informed contextual relevance and lessons learned.

## 4. DESIGN AND IMPLEMENTATION OF PROJECT UNNATI

Project UNNATI targets one adult member (aged 18–45) from MGNREGA households that completed 100 workdays in the financial year 2018–19 or later. Special emphasis is placed on marginalized groups such as Scheduled Castes, Scheduled Tribes, nomadic tribes, BPL families, women-headed households, and individuals with disabilities. Beneficiaries are identified using Aadhaar-linked registration on the Kaushal Panjee platform.

## 5. TWO SKILLING PATHWAYS ARE AVAILABLE

- The wage employment track, implemented via Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY), provides residential training aligned with the National Skills Qualification Framework (NSQF) and guarantees job placement with a minimum salary of ₹6000 per month.
- The self-employment track, delivered through Rural Self Employment Training Institutes (RSETIs) and Krishi Vigyan Kendras (KVKs), offers 30-day training modules focused on agriculture, manufacturing, and entrepreneurship. These institutions emphasize localized skill development tailored to regional economic opportunities.

To offset opportunity costs and encourage participation, the project provides financial incentives in the form of stipends. Trainees in DDU-GKY programs receive support for up to 100 days, while those in RSETI/KVK streams are supported for 30 days. Stipends, equivalent to state-specific MGNREGA wage rates, are disbursed fortnightly via Direct Benefit Transfer. Attendance compliance of 75% is mandatory to qualify.

## 6. PROJECT GOVERNANCE OPERATES AT THREE LEVELS

- Nationally, the MGNREGA Division manages stipend funding and coordinates with the Rural Skill Division, which oversees training programs and sets annual targets.
- At the state level, State Rural Livelihood Missions (SRLMs) are responsible for mobilization, candidate counseling, progress tracking, and uploading attendance data to the project portal.
- Locally, Block Development Officers and Program Officers engage in outreach, conduct awareness campaigns, and facilitate stipend payments through Fund Transfer Orders (FTOs).

A comprehensive monitoring mechanism ensures transparency and accountability. It includes:

- A real-time Management Information System (MIS)
- Quarterly review meetings

- Mid-term evaluations by third-party agencies
- Social audits for community-level oversight

## 7. PROGRESS AND FINANCIAL ALLOCATION

With a total outlay of ₹278.58 crore, Project UNNATI is operational until March 2025. It aims to benefit 200,000 MGNREGA workers across three fiscal years. In 2022–23, 34,368 participants were enrolled. The remaining target of approximately 144,445 is to be achieved in the subsequent years. This demonstrates a phased and scalable implementation model.

## 8. DISCUSSION AND INSIGHTS

The UNNATI framework introduces several innovations into India's rural development policy. By converging welfare and skilling initiatives, it addresses the long-standing critique of MGNREGA as a stop-gap measure. The stipend mechanism reduces the trade-off between earning and learning, thus increasing the feasibility of participation for economically vulnerable populations.

However, the initiative faces notable challenges. Inter-agency coordination across levels and departments can be cumbersome, often leading to delays and operational ambiguities. Ensuring the relevance of training programs to local labor markets remains a pressing issue, especially given the diversity of rural economies. Additionally, the program's limited scale—covering only a fraction of the total MGNREGA workforce—constrains its systemic impact.

There are also concerns about post-training sustainability. Many rural areas lack the ecosystem to absorb newly skilled labor, especially in the absence of robust credit systems and market linkages. The project's reliance on continuous central funding raises questions about its longevity and integration into mainstream rural employment strategies.

## 9. POTENTIAL IMPACTS

Despite these constraints, Project UNNATI holds significant potential. It can contribute to economic diversification in rural areas, reduce dependence on subsistence farming and MGNREGA wages, and mitigate seasonal migration by creating localized employment opportunities. The project also strengthens social inclusion by prioritizing disadvantaged groups, thereby addressing rural inequality.

Empirical studies from similar programs suggest long-term improvements in income levels, skill mobility, and human capital formation. If executed effectively, UNNATI could catalyze a new generation of rural entrepreneurs and formal sector workers emerging from the ranks of unskilled labor.

## 10. POLICY RECOMMENDATIONS

For Project UNNATI to realize its objectives more fully, several strategic enhancements are proposed:

- Conduct region-specific labor market assessments to ensure training aligns with actual economic opportunities.
- Strengthen post-training support, including mentoring, financial services, and access to working capital for self-employed beneficiaries.
- Integrate digital literacy modules into all training programs to prepare participants for a technology-driven economy.
- Institutionalize inter-agency collaboration through formal protocols, shared accountability metrics, and joint review systems.
- Consider expanding the program's reach in subsequent phases to cover a larger proportion of MGNREGA participants.

## 11. CONCLUSION

Project UNNATI stands as a promising experiment in bridging welfare and development. By converting the reach and inclusivity of MGNREGA into a platform for long-term economic transformation, the project represents a paradigm shift in India's rural policy. While scale, sustainability, and contextual adaptation remain challenges, the model presents valuable insights for both domestic and international stakeholders seeking to empower the rural poor through integrated, skill-based approaches.

Its ultimate success will depend not only on the number of individuals trained but on the quality of livelihoods generated, the depth of empowerment achieved, and the durability of its outcomes. As such, Project UNNATI may well serve as a blueprint for the next generation of inclusive rural development initiatives.

## CONFLICT OF INTERESTS

None.

## ACKNOWLEDGMENTS

None.

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