1. VB-G Ram G- Polity

Viksit Bharat Guarantee for Rozgar and Ajeevika Mission (Gramin) (VB-G RAM G) Bill, 2025

The proposed VB-GRAMG Bill replaces the rights-based, demand-driven MGNREGA with a normative, state-shared funding model, increasing guaranteed employment to 125 days while mandating a 60-day agricultural work pause. This shift aims to enhance asset quality and modernize rural employment but raises concerns over fiscal federalism and the potential dilution of the guaranteed safety net.

Introduction

The Union Government recently introduced and passed the Viksit Bharat Guarantee for Rozgar and Ajeevika Mission (Gramin) Bill, 2025 in the Lok Sabha. This legislation repeals and replaces the landmark Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), 2005. The new Bill aims to align rural employment with the vision of *Viksit Bharat @2047*, shifting the focus from a purely rights-based relief model to a productivity-oriented asset creation framework.

Rationale-Replace MGNREGA

The government posits that the 2005 framework is outdated due to significant changes in the rural economy over the last two decades.

Structural Economic Shifts- Rural poverty has declined significantly (from 25.7% in 2011–12 to roughly 4.8% in 2023–24), and rural livelihoods have diversified beyond unskilled labor.

Systemic Inefficiencies- Despite digital advancements, the old system suffered from issues like ghost beneficiaries, misappropriation of funds (₹193 crore in 2024–25), and a lack of tangible, high-quality asset creation.

Need for Strategic Convergence- The new framework seeks to move away from "digging holes" to creating strategic assets that support the modern rural economy, such as climate-resilient infrastructure.

Key Provisions of the VB-G RAM G Bill

Enhanced Employment Guarantee

Statutory Increase- The Bill raises the guaranteed wage employment from 100 days to 125 days per financial year for every rural household.

Target Audience- Adult members willing to do unskilled manual work.

Structural Shift in Funding (Fiscal Federalism)

Shared Liability- Unlike MGNREGA where the Centre bore 100% of wage costs, the new Bill converts it into a standard **Centrally Sponsored Scheme (CSS)**.

Funding Ratio- 60-40 (Centre-State)- For most general category states. 90-10 (Centre-State)- For Northeastern states, Himalayan states, and UTs with legislatures (J&K). 100% Centre- For UTs without legislatures.

Implication- States must now contribute significantly to the wage bill, increasing their fiscal stake in the scheme's implementation.

Normative Allocation (Top-Down Approach)

Fixed Allocations- The "demand-driven" model (where funds are released as work is demanded) is replaced by "Normative Allocation."

Mechanism- The Centre will determine a fixed annual allocation for each state based on objective parameters. Any expenditure beyond this ceiling must be borne entirely by the State government.

Strategic Asset Creation (The "Stack")

Works are no longer random but must align with the Viksit Bharat National Rural Infrastructure Stack, focusing on four specific verticals-

1. Water Security- Ponds, check dams, irrigation.
2. Core Rural Infrastructure- Connectivity roads, sanitation.
3. Livelihood-related Infrastructure- Storage godowns, cattle sheds.
4. Disaster Mitigation**-** Climate-resilient structures.

Mandatory Agricultural Pause

Seasonal Suspension- States are empowered to notify a "Work Pause" period of up to 60 days annually.
Timing- This will coincide with peak agricultural seasons (sowing/harvesting).
Goal- To prevent labor shortages for farmers and avoid artificial inflation of agricultural wages during critical crop cycles.
Digital & Technological Governance
Mandatory Tech- Statutory requirement for Biometric authentication, GIS-based tracking (using PM Gati Shakti), and AI-driven audits to detect fraud.
Weekly Wages- The Bill mandates that wages be disbursed on a weekly basis (or strictly within a fortnight) to ensure timely income.

Comparison- MGNREGA vs. VB-G RAM G Bill

Feature	**MGNREGA (2005)**	**VB-G RAM G Bill (2025)**
Core Philosophy	Rights-Based- Legal right to work on demand.	Outcome-Based- Employment linked to strategic development.
Guarantee	100 Days per household.	125 Days per household.
Funding Pattern	100% Centre (Wages) 75-25 (Material)	60-40 Centre-State (Wages & Material) *(90-10 for Special Category)*
Allocation Model	Demand-Driven- Open-ended funding; Centre releases funds as work is demanded.	Normative Allocation- Capped budget fixed by Centre; States pay for excess.
Availability	Year-round availability.	Restricted- 60-day mandatory pause during harvest/sowing seasons.
Planning	Bottom-Up- Gram Sabhas decide works.	Top-Down/Hybrid- Integrated with National Infrastructure Stack & PM Gati Shakti.
Wage Payment	Within 15 days.	Weekly Basis (max 15 days).

Significance of the Reform

Increased Income Potential- The jump to 125 days offers a potential 25% increase in annual earnings for rural households.
Asset Quality- By linking works to a "National Stack," the scheme aims to create durable, high-value assets rather than temporary earthworks.
Support to Agriculture- The 60-day pause attempts to resolve the historic conflict between NREGA and farmers, ensuring labor is available for food production.
Fiscal Discipline- Making states pay 40% of the wages is intended to force better monitoring and reduce corruption/leakage at the state level.

Critical Challenges & Concerns

Dilution of "Right to Work"- Critics argue that "Normative Allocation" effectively caps the budget. If a state exhausts its funds during a drought, the Centre is not legally bound to release more, undermining the "guarantee."
Fiscal Shock to States- Moving from 0% to 40% wage liability is a massive burden. Poorer states (like Bihar or UP) with high demand may struggle to pay their share, leading to wage delays similar to those seen in the *PM Fasal Bima Yojana*.
Distress Migration Risks- The 60-day pause assumes farmers will hire laborers. However, if a harvest fails (e.g., due to floods), laborers will have neither farm work nor government support during those 2 months, potentially forcing distress migration.
Centralization- The "National Stack" and "Normative Allocation" reduce the autonomy of Gram Panchayats to decide local needs, shifting power back to Delhi.
Technological Exclusion- Heavy reliance on AI and biometrics risks excluding the most vulnerable (elderly, disabled) who may struggle with fingerprints or connectivity issues.

Way Forward

Emergency Contingency Fund- The Normative Allocation must include an automatic "Crisis Trigger" that releases central funds during declared disasters (droughts/floods) so the guarantee holds.
Flexible Pause- The 60-day agricultural pause should not be a blanket state-wide ban but decided at the district level, as sowing seasons vary within states.
Capacity Building- States need time and support to build fiscal capacity for the 40% share; a phased increase in state share (e.g., starting at 10%) might be more prudent.
Social Audit Strengthening- While using AI, the human element of Social Audits must remain central to ensure true transparency and grievance redressal.

Conclusion

The VB-G RAM G Bill represents a bold modernization of India's welfare architecture, attempting to balance social security with economic productivity. While the increase to 125 days is a welcome upgrade, the success of the scheme hinges on ensuring that the shift to "Normative Allocation" and "State-Funding" does not unintentionally dismantle the safety net for the poorest during times of acute distress.

Source- https-//www.pib.gov.in/PressReleseDetailm.aspx?PRID=2204496&reg=3&lang=2