VB-G RAM G Bill vs MGNREGA

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Introduction

The Union government has proposed the **“Viksit Bharat — Guarantee For Rozgar And Ajeevika Mission (Gramin)” (VB-G RAM G) Bill**, aimed at **replacing the Mahatma Gandhi National Rural Employment Guarantee Act, 2005 (MGNREGA)**. The proposed law marks a **paradigm shift in rural employment policy**, moving from a **rights-based, demand-driven framework** to a **budget-controlled, supply-driven scheme**, aligned with the government’s vision of **Viksit Bharat @2047**.

MGNREGA: Core Features (Background)

- Enacted in **2005**
- Provides a **legal right to employment**
- Guarantees **100 days of unskilled wage employment** per rural household
- **Demand-driven**: Employment must be provided if demanded
- **Cost sharing**:
    - Centre: 100% wages + 75% material cost
    - States: 25% material cost
    - Effective ratio: **90:10 (Centre:States)**
- Universal coverage of all rural areas
- Strong transparency tools:
    - Social audits
    - Right to unemployment allowance

Key Features of VB-G RAM G Bill

1. Shift from Demand-Driven to Supply-Driven Model

- Employment will be provided **only within a fixed budget** determined annually by the Union government.
- State-wise allocations will be **capped**, irrespective of actual demand.
- Ends the automatic obligation of the government to provide work on demand.

UPSC relevance: Shift from *rights-based welfare* to *allocation-based welfare*.

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2. Increased Guaranteed Workdays

- Guaranteed employment increased from:
    - **100 days → 125 days**
- However, the guarantee is **not legally enforceable** like under MGNREGA due to budget caps.

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3. Greater Financial Burden on States

Cost-Sharing Pattern (Section 22(2)):

Category of States	Centre	State
NE States + Himalayan States/UTs	90%	10%
All other States	60%	40%

Earlier effective burden on States: **~10%**
Now increased to **40%** for most States

Issue: Fiscal stress on poorer States, contradicting cooperative federalism.

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4. Centralisation of Control

(a) Budget Allocation

- Centre will decide **State-wise "normative allocation"** based on parameters prescribed by itself.
- States cannot demand additional funds even during distress (e.g., drought, migration).

(b) Area Selection

- Centre will **notify specific rural areas** where the scheme will operate.
- Ends the **universal rural coverage** of MGNREGA.

UPSC Angle: Federalism, decentralisation, role of States.

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5. Agricultural Season "Work Blackout"

- Programme may be **paused during peak agricultural seasons**

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- Objective: Ensure labour availability for agriculture
- Criticism:
    - Reduces income security
    - Ignores agricultural distress periods

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6. Technological Interventions Codified

Previously administrative measures under MGNREGA are now given **statutory backing**:

- Mobile app-based attendance
- Aadhaar-based payments
- Geo-tagging of worksites

Concern:

- Exclusion of workers due to:
    - Poor connectivity
    - Aadhaar failures
    - Digital divide

Government’s Justification (Statement of Objects & Reasons)

The government argues that:

- Rural India has undergone **significant socio-economic transformation**
- Improvements in:
    - Roads, housing, electrification
    - Financial inclusion and digital access
- Rural workforce now aspires for:
    - Higher incomes
    - Skill-based livelihoods

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- Climate-resilient development

- Hence, a **new rural development framework** is needed.

Criticism & Opposition View

Rights-Based Framework Diluted

- **MGNREGA architects (e.g., Nikhil Dey, MKSS)** argue:
  - End of **Right to Work**
  - Workers reduced to passive beneficiaries
  - Loss of unemployment allowance

Excessive Centralisation

- Centre controls:
  - Budget
  - Areas
  - Timing
- Weakens:
  - Local governance
  - Panchayati Raj institutions

Financial Unsustainability for States

- 40% cost share is impractical for fiscally weak States

Democratic Rollback

- **NREGA Sangharsh Morcha** calls it:
  - A rollback of constitutional and democratic guarantees
  - A move from people-centric welfare to technocratic surveillance

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Key Differences: MGNREGA vs VB-G RAM G

Aspect	MGNREGA	VB-G RAM G
Nature	Rights-based law	Scheme-like legislation
Approach	Demand-driven	Supply-driven
Coverage	Universal rural	Centre-notified areas
Budget	Open-ended	Fixed & capped
State share	~10%	Up to 40%
Accountability	Legal entitlement	Limited accountability

UPSC Mains Analysis

Positives

- Increased workdays
- Better monitoring through technology
- Focus on livelihood diversification

Negatives

- Dilution of Right to Work
- Fiscal burden on States
- Exclusion risks
- Undermines cooperative federalism
- Reduces social safety net during distress

Way Forward (Balanced Answer)

- Retain **rights-based core** of MGNREGA
- Allow flexible budgets during emergencies
- Strengthen Panchayati Raj institutions
- Balance technology with human oversight
- Ensure Centre–State consultation in allocation

Prelims Pointers

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- MGNREGA enacted: **2005**
- VB-G RAM G Bill introduced: **2025**
- Shift: Demand-driven → Supply-driven
- Guaranteed days: **125**
- Cost sharing for most States: **60:40**
- Focus: Viksit Bharat @2047

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Conclusion

The VB-G RAM G Bill represents a **fundamental transformation of India's rural employment architecture**. While it seeks to modernise and align rural employment with long-term development goals, critics argue that it **weakens constitutional guarantees, federal balance, and worker entitlements**. For UPSC, it is a crucial example of the tension between **efficiency-driven governance and rights-based welfare**.

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