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VB-G RAM G Act 2025 — Dismantling of MGNREGA

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CURATED & WRITTEN BY

Bharat Choudhary

UPSC Educator & Content Creator

[in linkedin.com/in/epicbharat](https://www.linkedin.com/in/epicbharat)

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VB-G RAM G Act 2025 — Dismantling of MGNREGA

 **Down to Earth** Chapter 2 · 1 min read

WHY IN NEWS

The historic MGNREGA has been fully repealed (enacted December 19, 2025) and replaced by the Viksit Bharat-Guarantee for Rozgar and Ajeevika Mission (Gramin) Act, shifting India’s rural employment safety net from a universal, demand-driven right to a supply-constrained, centrally capped scheme.

MGNREGA Background (2005)

- World’s largest social security programme
- Guaranteed **100 days** wage employment annually; rights-based, demand-driven
- **Outcomes:** Rural employment increase from 21 million to 55 million person-days; 69% households avoided hunger; 57% migration reduction
- Average employment was only **46-50 days** — far below the 100-day limit

VB-G RAM G Act — Key Changes

- Guaranteed days: 100 → **125 per household**
- Four work themes: water security, infrastructure, livelihoods, climate resilience
- Introduces “**Viksit Gram Panchayat Plans**” aggregated into a National Stack

Structural Shifts

FEATURE	MGNREGA	VB-G RAM G
Nature	Demand-driven, rights-based	Supply-constrained, centrally capped
Cost sharing	90:10 (Centre:State)	60:40 (Centre:State)
Agricultural season	No restriction	60-day “switch-off clause” during peak sowing/harvesting
State autonomy	States could expand	Sections 4(6) & 22(5) restrict state expansion
Additional state costs	Minimal	~ ₹31,000 crore additional burden nationally; UP alone: ₹4,230 crore

Critical Evaluation

- **Fiscal devastation for states:** States bear 100% of costs if they exceed Centre's "normative allocation"
- **Loss of labour rights:** Switch-off clause strips poorest workers of alternative employment, forcing acceptance of suppressed wages from large landowners
- **Skewed distribution problem:** Tamil Nadu and Kerala (1% of poor) absorbed 20% of MGNREGA funds; Bihar and UP (45% of poor) got only 17%
- **Way Forward:** Address administrative capacity bottlenecks in poorer states; incorporate modern rural jobs (care economy, village libraries); integrate with groundwater recharge structures (Atal Bhujal Yojana)

UPSC Angle

- **GS2:** Welfare schemes, fiscal federalism, Centre-State relations, right to work
- **GS3:** Employment, poverty alleviation, rural development



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