



UPSC &amp; STATE PCS CURRENT AFFAIRS · UJIYARI.COM

DAILY CURRENT AFFAIRS

# VB-G RAM G – India's New Rural Employment Guarantee Replaces MGNREGA

18 June 2026

SOCIAL ISSUES

ECONOMY

GS2

GS3

CURATED &amp; WRITTEN BY

**Bharat Choudhary**

UPSC Educator &amp; Content Creator

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

ALSO FROM THE CREATOR

**BharatNotes**Free UPSC notes, MCQs, PYQ analysis. **100% Free.**[bharatnotes.com](http://bharatnotes.com) →

ADVERTISE

**Advertise with Ujiyari**

Reach thousands of UPSC aspirants daily.

[epicbharat@gmail.com](mailto:epicbharat@gmail.com)



# VB-G RAM G — India's New Rural Employment Guarantee Replaces MGNREGA

18 June 2026 · 4 min read ·

 Source: [ujjyari.com](https://ujjyari.com) — researched, fact-checked & UPSC-mapped

 **Every fact web-verified against primary sources** (<https://ujjyari.com/how-we-verify/>)

## WHY IN NEWS

*The Viksit Bharat Guarantee for Rozgar and Ajeevika Mission Gramin, abbreviated VB-G RAM G, Act 2025 will replace the Mahatma Gandhi National Rural Employment Guarantee Act, 2005 with effect from July 1, 2026. An interim allocation of Rupees 95,692.31 crore was released on June 9, 2026.*

The new law marks the most significant restructuring of India's rural workfare architecture in two decades. It retains the demand-driven legal guarantee that made MGNREGA distinctive, but changes both the scale of the entitlement (<https://ujjyari.com/vocab/entitlement/>) and the way the bill is shared between the Centre and the states.

## FROM MGNREGA TO VB-G RAM G

MGNREGA, enacted in 2005 and operational from 2006, created a justiciable (<https://ujjyari.com/vocab/justiciabl>  
e/) right to wage employment for rural households. Any adult member willing to do unskilled manual work was entitled to up to 100 days of guaranteed wage employment in a financial year, with an unemployment allowance payable if work was not provided within fifteen days of demand. The programme became the world's largest public works initiative and a built-in shock absorber during droughts, demonetisation and the pandemic.

The VB-G RAM G Act keeps this demand-driven legal core. The state does not select beneficiaries in advance; work is provided when households demand it, and failure to provide it triggers a statutory ([https://ujjyari.com/voc](https://ujjyari.com/vocab/statutory/)  
ab/statutory/) liability. What changes is the breadth and the financing.

## What is new

Ujjyari Current Affairs · [ujjyari.com](http://ujjyari.com) · Free Daily Current Affairs for UPSC & State PCS

FEATURE	MGNREGA (2005)	VB-G RAM G (2025)
Guaranteed days per household per year	100	125
Wage cost sharing	100% Centre	60:40 Centre-State
Identity document	Job Card with e-KYC	Gramin Rozgar Guarantee Card
Effective from	February 2006	July 1, 2026
Legal nature	Statutory right to work	Statutory right to work, retained

The headline change is the rise in the guarantee from 100 to 125 days per rural household per year. The second major change is the funding model. Under MGNREGA the entire wage component was borne by the Union government, with material and administrative costs shared. The new Act shifts to a 60:40 Centre-State split, bringing states into the wage burden for the first time.

### Continuity for workers

Existing Job Cards that have completed e-KYC remain valid until the new Gramin Rozgar Guarantee Cards are issued, so there is no interruption in entitlement during the transition. The interim release of Rupees 95,692.31 crore on June 9, 2026 is intended to keep wage and material payments flowing while the new system is bedded in.

### WHY THE FUNDING SHIFT MATTERS

The move to 60:40 cost sharing is the most contested feature. Supporters argue it gives states a stake in efficient implementation, curbs the **moral hazard** (<https://ujjyari.com/terms/moral-hazard/>) of an open-ended central liability, and aligns the programme with cooperative federalism. Critics warn that fiscally weak states, often those with the highest rural distress, may struggle to find the 40% share, which could ration work precisely where demand is highest. The guarantee remains legally demand-driven, so a funding shortfall does not extinguish the right; it instead risks delayed payments and accumulated liabilities.

CONCERN	ARGUMENT FOR	ARGUMENT AGAINST
State co-funding	Skin in the game, better targeting	Burden on poorer states
125-day cap	More income security	Higher aggregate cost
Transition	Old cards stay valid	Implementation gaps in early months

## ANALYSIS

Ujjyari Current Affairs - [ujjyari.com](http://ujjyari.com) - Free Daily Current Affairs for UPSC & State PCS

A right-to-work guarantee is unusual globally because it converts employment from a policy aspiration into an enforceable entitlement. The credibility of that guarantee depends on assured, timely funding. By introducing a state share, the new Act tests whether a justiciable right can survive a divided fiscal responsibility. The expansion to 125 days raises the income floor for the poorest households, but the real measure of success will be wage payment timeliness, the speed of work allocation within the statutory window, and whether the unemployment allowance is actually paid when work is not provided.

## WAY FORWARD

The Centre should consider a buffer or equalisation mechanism so that fiscally stressed states are not forced to ration work. Wage payments should stay on the digital, Aadhaar-linked, direct-benefit rails that reduced leakages under MGNREGA. Social audits, the participatory accountability tool that gave MGNREGA much of its legitimacy, must be carried over and strengthened. Finally, the asset-creation focus, water conservation, rural connectivity and land development, should be retained so that the programme builds durable rural capital and not only transfers income.

## UPSC RELEVANCE

For GS Paper 2, the Act is a study in the right to work, statutory entitlements versus schemes, and **fiscal federalism** (<https://ujjyari.com/terms/fiscal-federalism/>) in centrally sponsored programmes. For GS Paper 3, it bears on rural employment, the structure of public expenditure, and inclusive growth. Likely questions probe the difference between a demand-driven guarantee and a target-driven scheme, and the implications of cost-sharing for poorer states. The continuity of social audits links it to GS2 themes of transparency and accountability.

## FACTS CORNER

Ujijari Current Affairs - [ujijari.com](https://ujijari.com) - Free Daily Current Affairs for UPSC & State PCS

### ★ FACTS CORNER — KNOWLEDGEPEDIA

Full form: Viksit Bharat Guarantee for Rozgar and Ajeevika Mission Gramin, VB-G RAM G.

Replaces: MGNREGA, 2005, with effect from July 1, 2026.

Guarantee: Raised from 100 to 125 days per rural household per year.

Funding: Shifts to 60:40 Centre-State; MGNREGA wages were 100% Centre.

Interim allocation: Rupees 95,692.31 crore released on June 9, 2026.

Cards: Existing e-KYC Job Cards valid until Gramin Rozgar Guarantee Cards are issued.

Retained core: Demand-driven, justiciable legal guarantee with unemployment allowance.

Sources: *PIB* (<https://pib.gov.in>), *The Hindu* (<https://www.thehindu.com>)

Source: VB-G RAM G — India's New Rural Employment Guarantee Replaces MGNREGA — [Ujijari.com](https://ujijari.com) | Free UPSC & State PCS Current Affairs

## RELATED EDITORIALS

### BUSINESS STANDARD

[Deeper Than the Shock: On India's External-Sector Vulnerabilities](#)

18 Jun

### BUSINESS STANDARD

[Concentration Risk: On the SpaceX Listing and Global Capital](#)

18 Jun

### INDIAN EXPRESS

[A Reset Worth Reading: On India's Statistical Base-Year Overhaul](#)

18 Jun

### THE HINDU

[Beyond the Headline: On Turning Health Data Into Action](#)

18 Jun

## RELATED KEY TERMS

---

Ujjari Current Affairs · [ujjari.com](http://ujjari.com) · Free Daily Current Affairs for UPSC & State PCS

### KEY TERM

#### [ACNAS](#)

Advisory Committee on National Accounts Statistics — the expert body...

---

### KEY TERM

#### [Act East Policy](#)

India's strategic foreign policy framework prioritising active...

---

### KEY TERM

#### [Active Case Finding \(TB\)](#)

A proactive public health strategy where health workers systematically...

---

### KEY TERM

#### [Advance Directive \(Living Will\)](#)

A legal document in which a competent adult specifies their medical...

---

Ujiyari Current Affairs · [ujiyari.com](https://ujiyari.com) · **Free Daily** Current Affairs for UPSC & State PCS

CURATED &amp; WRITTEN BY

## Bharat Choudhary

UPSC Educator &amp; Content Creator

[linkedin.com/in/epicbharat](https://www.linkedin.com/in/epicbharat)[Read Full Article on Ujiyari →](#)<https://ujiyari.com/daily/2026/06/18/vb-g-ram-g-rural-employment-act-2026/>

### ALSO FROM THE CREATOR

## BharatNotes

Free UPSC study platform — subject-wise notes across all 4 GS papers, Prelims MCQs, Mains answer frameworks, PYQ analysis & progress tracking. **100% Free • No Login Required.**

[Start Preparing → bharatnotes.com](https://bharatnotes.com)

### 📌 OPPORTUNITY

## Advertise with Ujiyari

Reach **thousands of serious UPSC & State PCS aspirants** daily through our PDFs, website, and social channels.

**Ideal for:** Coaching institutes • EdTech platforms • Book publishers • Exam prep apps

[✉ epicbharat@gmail.com](mailto:epicbharat@gmail.com)

Write to us for rates & media kit

Free UPSC & State PCS Current Affairs · [ujiyari.com](https://ujiyari.com) · [bharatnotes.com](https://bharatnotes.com)