



KAMARAJ IAS ACADEMY
Only IAS Academy by Grandson of "Per. unthalaivar Kamarajar"

Centre Releases Draft Rules for VB-G RAM G Scheme Replacing MGNREGA

Published On: 29-05-2026



The Central Government has released draft rules for implementing the Viksit Bharat–Guarantee for Rozgar and Aajeevika Mission (Gramin) Act, 2025 (VB-G RAM G), which will replace the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) from 1 July 2026. The Ministry of Rural Development has invited public suggestions and objections on the draft rules before final notification.

The new law aims to modernise India’s rural employment framework by increasing employment guarantees, introducing digital governance mechanisms, and restructuring the funding pattern between the Centre and states.

Key Features of the VB-G RAM G Act

The VB-G RAM G Act increases the guaranteed employment period from 100 days under MGNREGA to 125 days for rural households willing to undertake unskilled manual work. The scheme seeks to align rural employment generation with the long-term vision of Viksit Bharat 2047.

A major provision of the Act allows a 60-day pause in employment during peak agricultural sowing and harvesting seasons to ensure adequate labour availability for farming activities.

The draft rules also state that existing MGNREGA job cards will remain valid temporarily after verification through e-KYC until new Gramin Rozgar Guarantee Cards are issued by state governments.

New Funding Pattern

One of the biggest changes under the new framework is the revised cost-sharing arrangement between the Centre and states.

Under MGNREGA:

The Centre paid 100% of wage costs.

Kamaraj IAS Academy

Plot A P.127, AF block, 6 th street, 11th Main Rd, Shanthi Colony, Anna Nagar, Chennai, Tamil Nadu 600040
Phone: 044 4353 9988 / 98403 94477 / Whatsapp : 09710729833

Material costs were shared in a 75:25 ratio between Centre and states.

Under VB-G RAM G:

General states: 60:40 sharing between Centre and states

Northeastern and Himalayan states: 90:10

Union Territories without legislature: 100% Central funding

This change is expected to significantly increase the financial burden on states.

Normative Allocation System

Unlike MGNREGA's demand-driven approach, the VB-G RAM G scheme introduces a normative allocation system, where the Centre will determine annual fund allocation to states using objective parameters and the recommendations of the 16th Finance Commission.

States spending beyond the prescribed allocation will have to bear the additional expenditure themselves.

Performance indicators such as:

Timely wage payments

Social audit compliance

Work completion rates

will influence future allocations.

Digital Governance and Transparency Measures

The new framework emphasizes technology-based governance and monitoring.

The Act proposes:

Biometric authentication

GPS/mobile-based worksite monitoring

Direct Benefit Transfer (DBT) for wage payments

Artificial Intelligence (AI)-based planning and audits

Public disclosure systems for transparency

These measures aim to reduce leakages, improve accountability, and modernise rural employment administration.

Focus Areas Under the New Scheme

The VB-G RAM G framework identifies four major thematic sectors:

Water security and conservation

Kamaraj IAS Academy

Plot A P.127, AF block, 6 th street, 11th Main Rd, Shanthy Colony, Anna Nagar, Chennai, Tamil Nadu 600040

Phone: **044 4353 9988 / 98403 94477 / Whatsapp : 09710729833**

Rural infrastructure development

Livelihood-related infrastructure

Climate and extreme weather mitigation works

Projects will be integrated with the PM Gati Shakti National Master Plan and local Viksit Gram Panchayat Plans.

Concerns and Criticism

Several opposition parties and policy experts have criticised the new law, arguing that:

It weakens the demand-driven nature of rural employment.

States may face higher fiscal burdens.

The agricultural-season pause may reduce livelihood security.

Normative allocation may disadvantage some states.

States such as Karnataka have also raised concerns regarding implementation and financial implications.

About MGNREGA

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) was enacted in 2005 to provide guaranteed wage employment to rural households. It is considered one of the world's largest social security and public employment programmes.

Key Features of MGNREGA

Legal guarantee of 100 days of wage employment

Demand-driven programme

Implemented by Ministry of Rural Development

Emphasis on social audits and transparency

Focus on rural asset creation and livelihood security