



DAILY EDITORIAL ANALYSIS

TOPIC

**FROM MGNREGA TO VB-G
RAM G: TRANSITION IN RURAL
EMPLOYMENT**

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FROM MGNREGA TO VB-G RAM G: TRANSITION IN RURAL EMPLOYMENT

Context

- The transition from **MGNREGA to VB-G RAM G** has coincided with a sharp fall in rural employment generation, raising concerns over implementation, wage security and rural livelihoods.

About MGNREGA and VB-G RAM G

- **MGNREGA**, enacted in 2005, is a rights-based, demand-driven employment guarantee programme **providing up to 100 days of unskilled wage employment** to rural households willing to undertake manual work.
 - ♦ It promotes livelihood security, women's participation, Panchayati Raj institutions and creation of durable rural assets.
- **VB-G RAM G** represents the Union Government's new framework for rural employment and livelihoods.
 - ♦ Its stated objective is to strengthen rural employment while integrating employment creation with infrastructure, livelihood promotion and the broader **Viksit Bharat** development vision.

Key Changes in the Transition

- The transition involves important changes in the design and financing of rural employment:
 - ♦ **Higher employment guarantee:** The new framework seeks to expand the guaranteed employment period beyond the MGNREGA framework.
 - ♦ **Greater State participation:** Unlike the predominantly Centre-funded MGNREGA wage-employment architecture, VB-G RAM G introduces greater **Centre-State cost sharing**.
 - ♦ **Planning and convergence:** Greater emphasis is placed on integrating employment works with rural infrastructure, agriculture, water management and livelihood assets.
 - ♦ **Technology-based monitoring:** Digital attendance, facial recognition and other technology-driven mechanisms are being emphasised for transparency and verification.
 - ♦ **Revised wage framework:** Wage rates have been separately notified under the new system.
- The transition was **formally operationalised from July 1, 2026**, following the framing of rules and associated notifications.

Significance of the Transition

- The reform can potentially improve rural employment policy in several ways:
 - ♦ **Convergence:** Employment expenditure can generate productive assets and strengthen rural infrastructure.
 - ♦ **Livelihood diversification:** Linking wage employment with agriculture, water conservation and allied activities may improve long-term income opportunities.
 - ♦ **Fiscal predictability:** A defined financing framework may improve budgetary planning.
 - ♦ **Digital transparency:** Technology can reduce ghost beneficiaries, duplicate attendance and leakages.
 - ♦ **Viksit Bharat objective:** Rural employment can be aligned with broader goals of inclusive growth, poverty reduction and resilient rural economies.
- Research supports the importance of employment guarantees as instruments of **social protection, income smoothing, rural wage formation and women's economic participation**.

Related Issues and Concerns

- The immediate concern is the **collapse in employment generation during the transition**.
 - ♦ **MGNREGA and VB-G RAM G** together generated only **about 70 crore person-days between April and July 2026**, compared with 119–128 crore in the corresponding period of the preceding two years.
 - ♦ There is **a decline of roughly 43% from the recent average**.

- July 2026 witnessed a particularly sharp fall. Even if the final employment figure is around **9 crore person-days**, employment would still be more than **40% below July 2025**.
- The problem is especially **severe in poorer States**. In **10 of 19 major States**, employment generation reportedly fell by 60–85%.
 - ♦ In Madhya Pradesh, Uttar Pradesh and Jharkhand, employment virtually came to a standstill during parts of April–July 2026.
- The Union Budget (2026–27) has allocated **₹95,692 crore** for VB-G RAM G.
 - ♦ The overall resource envelope was expected to reach around **₹1.5 lakh crore**, including State contributions, substantially higher than MGNREGA expenditure in 2025–26.
- **Other major concerns include:**
 - ♦ **Implementation Disruption:** Confusion over rules and opening of works undermined employment during the crucial summer lean season.
 - ♦ **Centre-State Financing:** Higher State contributions may constrain poorer States' ability to generate employment.
 - ♦ **Digital Exclusion:** Facial recognition and technology-dependent attendance may exclude workers because of connectivity, authentication or technical failures.
 - ♦ **Delayed Wage Payments:** Administrative and technological bottlenecks could undermine the central promise of timely wage employment.
 - ♦ **Inter-State Disparities:** The decline has been especially severe in several large and poorer States.
 - ♦ **Demand Suppression:** If workers stop demanding employment because access becomes difficult, lower recorded employment may falsely appear as lower demand.

Efforts Related to Rural Employment

- Rural employment should be viewed as part of a wider policy ecosystem, including:
 - ♦ **DAY-NRLM:** Women's self-help groups and rural livelihoods;
 - ♦ **PM-KISAN:** Income support to eligible farmer families;
 - ♦ **PMAY-G:** Rural housing and associated employment;
 - ♦ **PMGSY:** Rural road connectivity;
 - ♦ **Skill India/PMKVY:** Employability and skill development;
 - ♦ **DDU-GKY:** Skill training and placement for rural youth;
 - ♦ **Watershed & Irrigation Programmes:** Climate-resilient rural asset creation.

Way Forward: Strengthening Rural Employment in India

- The objective should not merely be to replace one scheme with another, but to **preserve the rights-based employment guarantee while improving implementation**.
- The government should ensure uninterrupted availability of employment during agricultural lean seasons and strengthen Gram Panchayat-level planning.
- **Centre-State financing** needs to be designed so that poorer States are not discouraged from providing employment.
- **Technology** should remain an **enabler, not a barrier**. Alternative authentication and offline mechanisms must be available.
- **Wage payments** should be timely, transparent and accompanied by effective grievance redressal.
- **Social audits, Gram Sabha oversight, public disclosure** of muster rolls and independent evaluation should remain central to accountability.

Source: TH

Daily Mains Practice Question

[Q] The success of transition from MGNREGA to VB-G RAM G will depend on preserving the rights-based character of employment guarantees while improving fiscal sustainability and implementation efficiency. Discuss.

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