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## The effects of VB-G RAM G on the Economic position of Rural Women: Future and Prospects in Bihar

**Dr. Resham Vijay Ratne**

Assistant Professor, Department of Economics, S.M. College, Bhagalpur T.M. Bhagalpur University,  
Bhagalpur, Email id- reshamvijayratne@gmail.com

**Dr. Suman Kumar**

Head, Department of Economics, T.N.B College, Bhagalpur, T.M Bhagalpur University, Bhagalpur  
Email id- kumarsuman2003@gmail.com

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### ABSTRACT

Bihar is among the most rural and economically weak states of India in which high percentage of population is relying on agriculture and informal labour. Historically rural development has been stifled in the state by chronic poverty, seasonal migration, landlessness and social inequality. With this regard, the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) now VB-G RAM G (Viksit Bharat–Guarantee for Rozgar and Ajeevika Mission (Gramin) Act, 2025) has become an important tool of livelihood security and social justice. In this article, the prospects of VB-G RAM G in Bihar are discussed with particular consideration of the effects of this program on the economic position of rural women. It evaluates the results of demographic participation, social inclusion, income improvement, decrease in migration and the empowerment of women. It has been shown that the scheme has tremendously raised the workforce of women mostly Scheduled Castes and Other Backward Classes. It has increased the household income, built financial inclusion using bank accounts and also increased the role of women in decision making. Delay in the receipt of wages, lack of awareness, political

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interference and intermittent implementation are however recurring challenges in Bihar. The research concludes that even though VB-G RAM G has great potential of changing rural Bihar, good governance, transparency, and institutional reinforcement are the prerequisites of its maximum effect.

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## Introduction

Bihar is almost a rural state with almost 88 % of its population living in villages. Agriculture is the major contributor to livelihood; however, small parcels of land, floods, droughts, as well as low levels of industrialization, limit the growth of the economy. It is seasonal migration to states of Punjab, Haryana, Delhi and Maharashtra where employment opportunities are absent.

Passed in 2005, MGNREGA is being implemented throughout the country by 2008 and ensures 100 days of wage employment per rural family, now Viksit Bharat-Guarantee for Rozgar and Aajeevika Mission (Gramin) Act, 2025 usually referred to as VB-G RAM G Act, 2025. This new act superseded and repealed MGNREGA and came into force on passing by parliament in late 2025. It intends to enhance security of livelihood, alleviate poverty in rural areas, and inclusive development. In Bihar where the rural unemployment and underemployment is severe, MGNREGA is vital in:

- Wage employment in lean seasons of agriculture.
- Lessening distress migration.
- Serving the disadvantaged societies.
- Encouraging women to engage in paid labour.

The article examines VB-G RAM G prospects in Bihar and especially the effect it had on the economic empowerment of rural women.

## Review of Literature

- **Dreze, J., & Khera, R. (2009).** The war over job security. Frontline. Dreze and Khera critically analyze the process of the MGNREGA implementation in the Indian states, and show that it can help to reduce poverty in rural areas and enhance livelihood security. The research focuses on transparency systems, social audit and wage payment. It also talks of the disparities in regions and how administrative reforms would be necessary to increase the programme effectiveness.



- **Hirway, I. (2006).** Increasing livelihood security via the National Employment Guarantee Act: Towards a working implementation of the act. Economic Political Weekly. Hirway evaluates NREGA as a right-based work programme to enhance livelihood security. The research is centered in terms of creation of assets, the role of women, and decentralization in planning. It contends that to be well implemented, it needs sound local institutions and community involvement to guarantee the very long term results of development.
- **Khera, R., & Nayak, N. (2009).** The women workers and the view of the National Rural Employment Guarantee Act. Weekly Economic and Political. This paper discusses the experiences of women under MGNREGA, whereby they have been able to increase their workforce and gain financial autonomy. The authors mention better bargaining power in the household and a lower wage discrimination. Nevertheless, they also recognize issues like work site amenities and underpayment to the women beneficiaries.
- **Pankaj, A., & Tankha, R. (2010).** The NREGS and empowerment of female workers in four states. Economic and Political Weekly. Pankaj and Tankha consider the effect of MGNREGA on women in terms of empowerment in various states. The research results into greater economic independence, better accessibility to bank accounts, and increased social visibility. It concludes that the programme plays a great role in socio-economic empowerment of women against the constraints of implementation.
- **Ravi, S., & Engler, M. (2015).** Workfare as an efficient means of combating poverty: the example of the NREGA in India. World Development. With the help of empirical analysis, Ravi and Engler evaluate the poverty alleviation impacts of MGNREGA. According to their results, they have positive effects on consumption expenditure, decrease in distress movement and higher rural wages. The paper defends the idea of workfare as an effective method of benefiting against poverty but highlights the need to enhance targeting and efficiency.

### Government Data on VB-G RAM G in Bihar

The tables below show **state-level performance data from government MIS reports** for the financial years **2023-24 and 2024-25**.

**Table 1: Participation and Employment Generation in Bihar (VB-G RAM G)**

Indicator	2023-24	2024-25
Total Households Worked (Lakhs)	48.13	51.10



Indicator	2023-24	2024-25
Total Individuals Worked (Lakhs)	52.95	56.19
Average Days of Employment per Household	( <i>approx.</i> ) 37.82	( <i>approx.</i> ) 48.88
Average Wage Rate per Day (₹)	~249.84	~239.11
<i>Source: Government VB-G RAM G state performance data</i>		

**Explanation:** More than 50 lakh rural households in Bihar have been covered under the scheme in 2024-25, which means that the rural workers have been extensively reached. The number of working days in an average household is lower than the 100 days guaranteed which emphasizes the implementation issues.

**Table 2: VB G Ram G Employment Trends in Bihar (Monthly Employment Data)\*\***

Month / Indicator	Households with Employment (Units)	Average Days per Household (Days)
January 2026 ( <i>latest</i> )	~942,096	~39.45
February 2025	~1,408,689	—
Apr 2022 (Peak)	~2,345,595	~48.82
Minimum Recorded Month	~28,063	~13.68
<i>Source: Government monthly VB-G RAM G state data</i>		

**Explanation:** Households benefiting records on monthly basis reveal seasonal variation in Bihar with an increased involvement during the high agricultural demand times. Counts of workdays per family indicate that Bihar is maintaining average of 39-48 days of work, which is far less than the stipulated number of days in the form of a guaranteed wage.

### Overview of VB-G RAM G in Bihar

The **VB G Ram G scheme** constitutes an important component of Bihar's rural development framework, as it provides wage employment opportunities through unskilled manual labour to rural households, the main area of which is natural resource management and the development of rural infrastructure. In a state



such as Bihar, where high percentage of the population relies on agriculture and informal labour to make ends meet, the scheme will be an important tool in securing livelihood. Its priorities in Bihar are income security of rural households, poverty eradication, establishing sustainable community infrastructures, espousing women economic empowerment, and promoting social inclusion of Scheduled Castes (SC), Scheduled Tribes (ST) and other vulnerable groups.

The scheme also ensures 100 days of wage employment to every rural household in a year and also provides equal wages to men and women hence solving gender-based wage discrimination. It also makes sure that of the beneficiaries at least one-third are women, which motivate them to participation in the workforce and make them more financially independent. The social audit systems enhance accountability and transparency, and the direct payment of wages directly into the bank accounts increases financial inclusion and minimizes leakages. Considering that Bihar is a state that relies heavily on rural labour and faces the long-term issues of unemployment and migration, **VB G Ram G** is also very relevant to the socio-economic development process of the state.

### **Influence in Rural Women in Bihar**

#### **Enhancement of Workforce Engagement**

**VB G Ram G** has helped transform Bihar in terms of women involvement in paid labour. Conventionally, a significant number of women in the rural areas were restricted to these unpaid household chores and farming assistance which are usually not considered and hence never compensated. With the introduction of guaranteed wage employment in MGNREGA, a large number of women have been put into the formal wage labour force. Not only has this increased their economic positions, but has it also enhanced their bargaining power in the households. Women started to be more financially independent, better socially acknowledged and more dignified. Besides, the scheme has led to payment of equal wages to both men and women, which has helped to curb a gender based wage discrimination; hence, creating a gender equity in the rural labour markets.

#### **Economic Security**

Finally in a state such as Bihar where agricultural jobs are seasonal and unpredictable, **VB G Ram G** will be of immense help in terms of offering income relief on lean agricultural seasons. This is especially helpful in the case of landless labourers and marginal farming households who in most cases find it difficult to get regular jobs. The income gained under the scheme is added to the family income and assists in stabilizing family finances. Consequently, most households have minimized on high interest



informal loans and local moneylenders. The extra income has also enhanced the consumption behaviour of households such as ability to eat better, clothe better and access the basic needs. The result of this allocation has seen families in various instances being in a position to invest in the education, healthcare as well as small household investments which have contributed to better long-term socio-economic prospects.

### **Financial Inclusion**

Financial inclusion has been seen as one of the major institutional effects of **VB G Ram G** in Bihar. The fact that wages are moved directly onto the bank or post office accounts of the beneficiaries means that women workers will need to open and operate formal financial accounts. To most country women, this was the first direct contact with the official banking system. The facility to access bank accounts has promoted the culture of savings and increased financial awareness. It has also minimized the use of cash transactions and the exploitation by the intermediaries. The process has over time empowered women to be financially literate as well as empowered them to manage how to spend and earn money around the household.

### **Reduction in Migration**

Migration in season and distress has been the characteristic attribute of the rural economy in Bihar whereby masses of men (and in some cases whole family units) migrated to the rest of the states in the country in search of jobs. The **VB G Ram G** has been able to reduce this trend by offering jobs in the village itself. Local wage work makes migration unnecessary during lean seasons and thus family life is stabilized and the community remains intact. Having fewer migration not only helps in enhancing the bond of the family, but it also helps to avoid the social-economic conditions that leave women and children vulnerable. Women themselves in most instances have been able to gain access to jobs in the areas where they live, and this has reduced their economic reliance on migrating members of the male population.

### **Social Empowerment**

In addition to economic gains, **VB G Ram G** has led to general social empowerment of women in Bihar. The visibility of women in the public space has been boosted by their involvement in the worksite and Gram Sabha meetings which has broken the traditional gender norms which limited their mobility. Women have gained in confidence and leadership capacity through their collective participation in the works of the community and discussions on local government. A large number of the same has claimed



better decision-making authority in their households particularly in areas concerning expenditure, education, and healthcare. They have also attained a better sense of identity and self-reliance due to their increased involvement in community discourse. Therefore, **VB G Ram G** has not just empowered the economic status of women but also in the social arena, transforming the grassroots level.

### **Challenges in Bihar**

Although the scheme has some transformative potential, a number of structural and administrative issues, which restrict the effectiveness of **VB G Ram G**, still exist in Bihar. Among the major issues is that most of the households are getting way below the 100 days of employment benefits as guaranteed by law in a financial year. The practice is that average employment days in most cases tend to be much lower than the entitlement which undermines the scheme capability as a means of livelihood security.

The other acute problem is concerned with wage rates. Despite the fact that the rates of notified daily wages in Bihar are adjusted in accordance with the national standards according to **VB G Ram G**, the real purchasing power of income decreases as the inflation grows and the cost of living increases. Therefore, nominal wages can seem to be sufficient, but in reality, they do not have a significant economic effect on the welfare of households.

The issue of administrative inefficiencies also adds to implementation problems. Slow payment of salaries, inaccuracies in the records management, technical failure of digital attendance mechanism and bottlenecks in the processes will slow the timely provision of benefits. This time wastage makes workers, particularly women who rely on the scheme to meet their household costs, not always interested in taking part in the scheme. Hennessy inadequate grievance redressal systems, and a little understanding in legal rights are some of the factors that lead to underutilization of the programme provisions in some of the districts in Bihar.

### **Policy Recommendations**

In order to make **VB G Ram G** more effective in Bihar and achieve its developmental potential to the maximum, a number of policy steps should be implemented. First, it is essential to provide timely payment of wages by guaranteeing smooth administrative procedures and enhanced digital infrastructure. Payment in time would help convince more people to stick with the plan.

Secondly, special awareness programs must be organized among women living in the rural areas to sensitize them about their rights such as the right to work 100 days, right to receive equal wages, right to



unemployment allowance, and redress of grievances. An increased consciousness would make beneficiaries assert their rights.

Third, there should be increased social audit mechanisms to improve transparency and accountability in the village. Frequent and unbiased auditing may lessen leakages, proper implementation, and create trust in the community.

Fourth, there should be a focus on developing productive and long-lasting assets especially those ones that contribute to agricultural productivity, water conservation, and climate resilience, which is very sensitive to the flood- and drought-affected areas in Bihar.

Fifth, the association of **VB G Ram G** with skill development programmes can offer long-term gains to rural labourers, particularly women, since they will have enhanced employability in other areas than manual labour.

Lastly, the state administration should make sure that qualified families have up to 100 days of employment as stipulated in the Act. This target would go an extremely long way to bolster livelihood security, and limit distress migration in Bihar.

## Conclusion

**VB G Ram G** has increased jobs in the rural areas of Bihar and provided more economic inclusion to women, especially among the marginalized communities. According to the government statistics, there is a high involvement of rural households in the programme, but they do not work a full day per household as desired. Increased implementation, enhanced awareness among women and prompt payment are important to ensure that the scheme has its developmental effect on the maximum in Bihar.

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