



From Employment Guarantee to Development Guarantee: Analysing the VB-RAM G Reform in Rural India

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ABSTRACT

The Viksit Bharat-Guarantee for Rojgar and Aajeevika Mission(Gramin) (VB-RAM G) is a new scheme that aims to replace the earlier scheme called MGNREGA which used to provide wage employment to the rural section of India and was implemented in 2005. This new scheme aims to fulfill the vision of Viksit Bharat 2047. The major beneficiaries of this scheme will be Rural households, agricultural labourers and marginal farmers. This will provide 125 days of guaranteed wage employment annually to all the beneficiaries. By doing so, the scheme promises to empower the rural section by creating a better rural infrastructure so that they can also experience a better lifestyle. The employment will be provided after creating a proper road map so that the investment can lead to better results for the people living in rural areas of India.

Introduction

One of the most crucial steps that the government of India has to take for the development of rural areas is creating opportunities for them to become self-sufficient and to grow at the pace of urban areas. For doing so, providing them employment becomes the foremost priority. Keeping this in mind, the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) was implemented in 2005, aiming to provide 100 days wage employment to rural people. It continued to be followed till 2025. But for a long period of time, certain loopholes were noticed in this scheme like Delayed payment of wages, Delay in compensation, frequent revision of permissible works etc.¹ For coping up with these issues and



empowering the rural sector, a new scheme called VB-RAM G was introduced. It was introduced on 16 December 2025 by the Union Minister for Rural Development and

Agriculture & Farmers Welfare, Shri Shivraj Singh Chauhan.²

VB-RAM G scheme aims to provide 125 days wage employment to those who are willing to do the same. All the work will be allotted after a proper planning. There will be 4 priority areas of development:³

1. Water Security through water-related works
2. Core-rural infrastructure
3. Livelihood-related infrastructure
4. Special works to mitigate extreme weather events

This scheme also empowers decentralised planning through Viksit Gram Panchayat Plans. Now, the scheme will be funded normatively and will be having a centrally sponsored structure to improve efficiency, accountability and to improve the centre-state partnership.⁴

Historical Context: From MGNREGA to Reform

The Mahatma Gandhi National Rural Employment Guarantee Act was passed in 2005. From 2005 to 2009, it was known as the National Rural Employment Guarantee Act. On October 2, 2009, the name of Mahatma Gandhi, the father of our nation was added with this act. It was done on his 140th birth anniversary to giving him a “humble tribute”.⁵

This scheme aimed to provide 100 days wage employment to the rural households whose members were willing to do unskilled manual work. This scheme aimed to include more and more population specially from the marginalized sections of the society like Scheduled

Castes, Scheduled Tribes and Women.⁶

In spite of several positive outcomes, it suffered from certain shortcomings too.

The first loophole of this scheme was “**Underpayment**”. In this, the labour does work for certain days, but instead of giving him the full wage, the official cuts a certain amount and keeps it for himself. Another loophole is “**Over reporting**”. In this, the officials record names of people who does not even



exist and thus extract their payments from the government for themselves.⁷ Under MGNREGA, the wage rate varied across different states and UTs. The official wage rate ranges from Rs. 193 to Rs. 318. However, it is not justified to provide different wages to all workers.⁸

These shortcomings led to the need of substituting MGNREGA with VB-RAM G scheme which aimed to empower the rural area and thus provide better employment opportunities to people living there.

Understanding VB-RAM G Scheme

The VB-RAM G Scheme aims to strengthen the rural economy by not just providing any kind of work to the beneficiaries, but work that could lead to the infrastructural development of the village as a whole. This scheme guarantees 125 days of wage employment. In order to prevent misuse of funds, this scheme shares the financial responsibility between the centre and the state in the ratio of 60:40. For North-eastern and Himalayan states, this ratio falls to be 90:10.

This scheme positively supports the idea of Digital India and thus promotes Aadhar-linked payments, GPS monitoring and digital attendance taking system in order to curb corruption.⁹ Moreover, this bill consists of a 60 days “agricultural pause”. This means that labourers will be made available during the harvest period by the state.

Moreover, this scheme aims to bring development and welfare closer by giving importance to skill linked employment. This means that work will not be provided without any prior roadmap. A proper plan would be made and all the beneficiaries will be provided employment accordingly.

Key Features of VB-RAM G Scheme

Increased workdays

Under the prior scheme MGNREGA, only a 100 days of wage employment was guaranteed by the government. But under the newly introduced VB-RAM G scheme, 125 days of wage employment is guaranteed to the needy households, which is a direct 25% increase over the previous benchmark.¹⁰

Focus on Rural Infrastructure

This act gives importance to projects that could lead to long term benefits to the rural people as a whole. These projects include investments in water related projects like rainwater harvesting, groundwater



recharge and improving irrigation facilities. Also, this act aims to promote core rural infrastructure like roads, improving market access etc. ¹¹

Strengthens Decentralized governance

This act gives Panchayats the power to make decisions of their own. This means that in order to provide employment, a proper roadmap is needed to be made. So, the Panchayats, according to their priorities can make a plan and hence further employ the labourers without the interference of any other entity.

Digitalisation of resources

This scheme positively promotes the concept of “Digital India”. Under this, attendance is taken not on a manual basis, but through the use of Artificial intelligence and strict Biometric Authentication. Geo-tagging and mobile based monitoring has also been made mandatory at every level in order to ensure proper transparency.¹²

Shared expenses

Earlier under MGNREGA, the central government used to bear 100% of cost to provide wages to the unskilled labourers. But under VB-RAM G, there is a mandatory cost sharing between centre and state with the ratio of 60:40 (Centre:State) in general states and 90:10 in North Eastern and Himalayan States. The UTs without having any legislature gets 100% funding directly from the centre.¹³ This is done to ensure that it operates as a centrally sponsored scheme (CSS) with the financial responsibility shared between the centre and the state.

Positive outcomes of VB-RAM G Scheme

VB-RAM G is a scheme which is seen as a pillar of strengthening rural development and providing wage employment to the beneficiaries at a faster pace and for longer days as compared to the previous scheme. The number of days of employment is increased from 100 days to 125 days along with providing wages at a faster pace. This ensures that the labour is getting his wage the same day of his work in order to avoid any kind of complications in the near future.

In order to ensure transparency and accountability, digital platforms are used for taking attendance and transferring the wages directly to the aadhar linked bank account of labourers. This makes sure that there is no case of “Over Reporting” by the officials.



The cost sharing between 60:40 between centre and state ensures that the centre solely does not bear all the cost but it is shared by the state as well.

More emphasis is given to rural infrastructural development to ensure the development of the rural sector and to provide better livelihood opportunities to the rural people.

Rainwater harvesting, better irrigation facilities and roads for better connectivity with the urban sector is also aimed to be looked upon under this scheme.

Criticism and Concerns

While having certain positive outcomes, critics also mention certain criticisms of this scheme. Under MGNREGA, it was mandatory for the states to provide wage employment to the labourers. It was their right to get work when needed. But under the new framework, the work is provided based on availability and planning.¹⁴

In rural areas, there are certain people who are technologically vulnerable. But this scheme mandates practices like GPS Monitoring and Online wage payments which could act as a hurdle for unskilled workers who have a lack of digital exposure.¹⁵

There is a 60 day work pause during the peak agricultural season in order to ensure the availability of labourers. But, if seen from an aerial view, it could be noticed that this step could give immense power to big landlords to dominate the overall structure and they could easily manipulate the labourers according to themselves. Also, the dependence of labourers on these landlords will significantly increase giving them power to dominate and suppress the labourers.¹⁶

Another criticism is that this scheme bears a divided cost sharing between the centre and the state. It will lead to an increased amount of financial burden upon the state. It will lead to another financial obligation upon the state.¹⁷

Expected outcomes

It is expected from the scheme to provide a more stable work experience to the labourers. This means providing stable wage payments and ensured work days of 125 days. It will help the labourers to not only get wages, but also to increase their skills so that they get indulged into income generation opportunities afterwards.¹⁸



It aims to develop better rural infrastructure. If this happens, the rural areas will get immense opportunities to build their local businesses and will also help them to get access to the urban areas as well.¹⁹

Agricultural areas including irrigation, rainwater harvesting etc have been given more importance. This will ensure that the farmers who are dependent entirely upon agriculture for their survival will have a plus point for them. They could get advantage by getting a profitable harvest which could lead to a shift in agro based businesses. Farmers who are reluctant to invest in agriculture will now invest freely without any risk of their crops failing because of the better irrigation facilities provided by this scheme.

As this scheme aims to the betterment of rural infrastructure, the rural people will not be compelled to migrate to the urban areas for a better lifestyle. This will lead to decrease the pressure upon urban areas and the case of over-urbanization could be prevented.

This act even focuses upon climatic conditions. For coping up with the issues like forest fires, huge cyclones, devastating floods, special constructions will be done like cyclone/flood shelters, embankments and forest fire management works.²⁰

Another important aspect of this scheme is payment of wages on a weekly basis, or within 15 days of completion of work. If the officials are unable to do so, they need to provide a compensation amount to the labourers. It ensures wage security and protect the workers from any kind of delays.²¹

This also makes sure that in case of employment is not provided within the period, the labourers get unemployment allowance after fifteen days. It will ensure that the labourers who are entirely dependent upon the employment provided by this scheme does not have to face any kind of loss due to official mistakes.²²

In order to prevent any corruption or mismanagement, timely social audits are mandated.

This ensures transparency and accountability within the working area.²³

Conclusion

VB-RAM G scheme is seen as a cornerstone for improving the pre established wage employment patterns in India. The previous scheme MGNREGA was established with the same motive but it lacked transparency and was unable to achieve the desired Goals. VB-RAM G aims to fulfill the vision of



Viksit Bharat @2047. It aims to transform the rural areas by strengthening the infrastructural development and providing job security to the people. Digital Attendance, 125 days wage employment and sharing cost between the centre and the state are some of its major features.

It not only favours the people, but also the nature as a whole. It ensures rainwater harvesting and ground water recharge through which water table decline could be reversed and will ensure long term water availability.

It makes the Panchayats the real decision makers which supports the idea of Decentralized Governance. The Panchayats can make their own decisions without the interference of any other entity.

If we look upon the consequences, those will be digital exclusion. Not every household in rural areas have proper access to digital tools like smartphones or the internet. This could lead to an increase in the gap between the labourers because digital vulnerability will fall apart creating a chaotic situation amongst themselves.

Another consequence will be a lack of skilled population. The scheme aims to promote work which could lead to infrastructural development. For that, proper skilled labourers would be needed. But due to a lack of skilled people, the ones with some amount of skills will start dominating which will lead to a fall in interested people. The government will at first have to provide certain skills to the labourers and after that they could get employment easily. But it will be a very time consuming process and a certain amount of people will not be able to wait to get skilled and then get employed which could lead to a situation of social unrest within the rural areas.

Ultimately, the success of VB-RAM G scheme depends not only on its design but on proper participation by the people, funds allocation and wage payments. Careful monitoring and timely evaluation is needed to ensure that the reform turns out to be a success.

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