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VB-GRAMG and the Recasting of Rural Social Protection

By: Rahul Swaero,Chakradhar Buddha

Replacing MGNREGA with the Viksit Bharat mission signals a shift from demand-driven entitlement to discretionary social protection with fiscal caps. Technology, and centralisation recast labour claims as compliance, reconfiguring state-worker relations and risking greater exclusion.

In the early hours of 19 December 2025, India's Parliament repealed the Mahatma Gandhi National Rural Employment Guarantee Act 2005 (MGNREGA) and enacted the Viksit Bharat-Guarantee for Rozgar and Aajeevika Mission (Gramin) (VB-GRAMG) in its place. The union government justified this repeal by portraying the MGNREGA as synonymous with corruption, inefficiency, and fiscal indiscipline. The official narrative suggested that the MGNREGA's demand-driven and uncapped budgeting framework invited leakages.

However, rather than addressing these concerns through administrative reforms or strengthened oversight, the legislative response was to replace the programme's foundational design.

The VB-GRAMG is presented as a more efficient alternative, emphasising technological discipline and the alignment of employment with infrastructure creation under the Viksit Bharat 2047 vision. Yet this represents more than a replacement of the MGNREGA; it marks a shift in the principles through which access to rural employment and state obligation are organised.

Entitlement to Notification

Under the MGNREGA, access to work in rural India was designed as a demand-driven system, where employment was triggered by workers themselves registering their need for jobs. A registered worker could apply for employment at any point in the year, subject to a 100 days limit for a household, obligating the state to provide work within 15 days.

> Failures of implementation [in MGNREGA...] often obscured what the programme enabled in practice-an institutional arrangement that reshaped everyday relations between rural workers and the state.

On the other hand, an employment guarantee of 12 days under the VB-GRAMG is no longer triggered by a worker's application alone. Work access is instead mediated through the following four administrative filters.

Budgetary caps: Allocations are determined normatively by the Centre rather than expanding in response to local demand. According to Section 4(5), the Union government will determine the state-wise normative allocation of the budget in each financial year. This normative allocation is based on certain parameters, which may be prescribed again by the Union government.

This means that employment cannot expand in response to local distress once the centrally determined ceiling is reached. The Centre has an overwhelming control over the budget allocation to states.

Digital gates: Employment is contingent on compliance with digital verification systems. In areas with poor connectivity, technical failure effectively functions as a denial of work without the legal accountability of a refusal of work.

Notified zones: The VB-GRAMG's implementation is restricted to areas notified by the Union government, meaning the guarantee exists only where the state chooses to activate it.

Sixty-day lapse: Unlike the MGNREGA, works under the VB-GRAMG will not be commenced or executed for 60 days during the peak agricultural season, as notified by state governments. The guarantee of 125 days becomes rhetorical here.

Taken together, these changes replace a demand-driven entitlement with one shaped by administrative discretion.

Consider a registered rural worker, Raju, seeking employment during the lean agricultural season. Under the MGNREGA, submitting a written or oral application to the gram panchayat triggered a legally recognisable process. If work was not provided within 15 days, the absence itself constituted a lapse of obligation, entitling him to an unemployment allowance, and leaving a record that could be audited

or contested.

Under the VB-GRAMG, the same act of seeking work does not generate a comparable claim. Access to employment depends on whether the area has been notified, whether budgetary allocations remain available, whether the required digital verifications have been successfully completed, and whether the demand was submitted during the peak agricultural season. If work is not provided because allocations are exhausted or the block has not been activated, there is no recognised refusal and no obligation to account for the absence.

What MGNREGA Did

Much of the critique that underpinned the repeal of the MGNREGA focused on failures of implementation-leakages, delays, uneven administrative capacity, and corruption. These criticisms were not unfounded. Yet they often obscured what the programme enabled in practice-an institutional arrangement that reshaped everyday relations between rural workers and the state.

Institutionalisation of accountability: At its core, the MGNREGA transformed access to work from a discretionary provision into a claim that could be formally articulated. While the demand-driven architecture did not always guarantee employment in practice, it created a legally recognisable process. A worker did not merely ask for a job; he or she initiated a sequence-applying for work, tracking the response, and contesting denial.

This meant that even when the system failed, the failure was legible. Because work applications, muster rolls, and wage payments were recorded and subjected to audit, a delay was not merely a routine administrative lag. It was a visible deviation from a statutory obligation. By making these failures nameable, the MGNREGA institutionalised the possibility of accountability.

Intermediary ecology and negotiated access: An important, often overlooked consequence of this design was the emergence of an intermediary ecology. Since the state's administrative capacity was frequently stretched, the gap between legal entitlement and actual access was bridged by a network of local actors under the MGNREGA.

• Panchayat functionaries and mates (worksite supervisors) who often informally translated or adapted procedures to bridge gaps between legal entitlement and on-ground delivery;
• Civil society organisations, which assisted workers in navigating bureaucracy and escalating grievances;
• Collective mobilisation, through which workers used the law to demand worksites during periods of distress.

> What is lost is not simply a mode of implementation, but a key mechanism that allowed workers to articulate demand and hold the state answerable when that demand went unmet.

This mediation was particularly significant in Adivasi-dominated regions. In remote geographies with limited digital access, the system functioned not because procedures were seamless, but because human mediation compensated for institutional limits. As Rajesh Veeraraghavan has observed (2021), public programmes often work through such patchwork arrangements rather than through idealised, top-down design.

Loss of negotiated space: From this perspective, many of the MGNREGA's shortcomings reflected friction between a legal right and the state's capacity to realise it. Crucially, this friction created spaces for contestation through social audits, grievance mechanisms, and collective action.

For instance, social audit hearings and grievance petitions allowed delayed work provision or non-payment to be formally recorded, ensuring that unmet demand registered as a failure rather than remaining invisible. Administrative failure remained visible and, therefore, politically actionable.

The VB-GRAMG responds to these frictions not by strengthening mediation, but by redesigning entitlement itself. By conditioning access on fiscal capacity and digital compliance, the new framework narrows the space for negotiated access. What is lost is not simply a mode of implementation, but a key mechanism that allowed workers to articulate demand and hold the state answerable when that demand went unmet.

Barriers to Access

The MGNREGA operated within a centrally sponsored framework, but its fiscal architecture was anchored to demand. With a 90:10 cost-sharing arrangement between the Union and state governments, expenditure could expand in response to locally articulated work demand. While delays were common, the design principle was clear-demand triggered obligation, and funding was expected to follow.

The VB-GRAMG reverses this logic by embedding fiscal ceilings into the core of employment provision. The scheme operates through normatively determined budget allocations sanctioned in advance. Expenditure no longer expands in response to demand; instead, employment must be managed within a fixed financial envelope. Any expenditure beyond the allocation, states have to manage from their exchequer.

The shift to a 60:40 cost-sharing arrangement further intensifies this constraint. By increasing the states' share, the design alters how fiscal risk is distributed. Under the VB-GRAMG, higher employment generation increases a state's fiscal exposure rather than triggering automatic augmentation of funds from the Centre.

Rationing of Work

For fiscally constrained states, this structure creates strong incentives to contain employment, delay approvals, or ration work-regardless of the severity of local distress. In practice, employment scarcity is increasingly treated not as a deviation to be corrected, but as an outcome to be managed within sanctioned limits.

Consider a state with limited fiscal headroom facing a surge in demand for public employment during a drought year. Under the MGNREGA, rising demand would trigger additional expenditure, with the bulk of the fiscal burden borne by the Union government. Delays were common, but the design principle was clear-demand preceded funding, and non-provision remained a deviation from obligation.

Under the VB-GRAMG, employment must be managed within a normatively sanctioned allocation decided in advance. With a 60:40 cost-sharing arrangement, approving additional work directly increases the state's own fiscal liability. In such a context, restricting work approvals or delaying new works becomes a rational administrative response rather than a failure of duty. Employment scarcity is no longer exceptional; it is produced as a fiscally compliant outcome.

The promise of up to 125 days of employment must be read against this architecture.

These pressures are unevenly distributed. Governments with stronger fiscal capacity are better positioned to absorb compliance costs. However, states with weaker capacity-particularly those with large Adivasi and marginalised populations-face compounded constraints. In such contexts, delays in approvals or exhaustion of allocations do not appear as failures of obligation; they harden into structural barriers to access.

Centralised Priorities

The VB-GRAMG also re-centralises control by aligning permissible works with centrally defined development priorities under the Viksit Bharat mission. States' ability to design works responsive to local ecological conditions or seasonal livelihood patterns is correspondingly narrowed.

In forested, rain-fed, and Adivasi regions-where livelihoods are closely tied to land and local commons-this constrains the protective role of public employment. For instance, a community requiring small-scale soil conservation or pond de-silting may find that only standardised, infrastructure-heavy projects-such as paved roads-are notified for their area, regardless of immediate livelihood needs.

> In simple words, [in VB-GRAMG] the "right to work" is not absolute-as in the MGNREGA-but conditional.

Taken together, normative budgeting, increased state cost-sharing, and centralised planning reshape the federal balance of responsibility. When employment provision is constrained by fiscal ceilings and administrative rules, non-provision is no longer readily legible as a failure of obligation. It is absorbed as a fiscally and procedurally compliant outcome.

The VB-GRAMG does not merely discipline expenditure; it redefines the conditions under which employment scarcity becomes institutionally acceptable. In simple words, the "right to work" is not absolute-as in the MGNREGA-but conditional.

Technology as Gatekeeper

The MGNREGA's original legislation was notably silent on technology. The Act framed employment as a legal entitlement, anchored in manual processes of application, work allocation, and payment, mediated through local institutions.

Over time, digital systems were introduced to improve transparency and efficiency-Aadhaar-based payments, electronic muster rolls, mobile attendance systems, and mandatory e-KYC. These changes were presented as administrative improvements rather than legal transformations.

In practice, however, technology gradually reshaped how access to work and wages was organised. What began as an implementation tool increasingly functioned as a gatekeeper, particularly in regions with weak connectivity and limited digital infrastructure. Even before the VB-GRAMG, workers in Adivasi and remote areas routinely encountered exclusion not through explicit denial of work, but through technological failure.

The VB-GRAMG advances this trajectory by embedding technology directly into the statute, making it a constitutive element of eligibility and verification.

Legal Requirement

Under the VB-GRAMG, attendance recording, work verification, and wage disbursal are legally tied to digital compliance. Biometric authentication, mobile-based attendance systems, and real-time data uploads are no longer optional or flexible; they are statutory requirements.

This shift has a profound implication for accountability. When technology fails-because biometric authentication does not work, mobile networks are unavailable, or systems do not update-the burden of failure shifts decisively onto workers. Non-payment is no longer legible as an administrative lapse or denial of a right; it is reframed as non-compliance with mandated procedures.

For example, biometric or mobile attendance failures that also occurred under the MGNREGA now prevent work from being recognised in the system, with unpaid wages treated as procedural non-compliance rather than an administrative lapse.

In effect, technology becomes a medium through which obligation is displaced. The state remains procedurally compliant even when work is performed and wages are unpaid.

Producing Exclusion

This redesign alters not only outcomes, but the very process through which exclusion occurs.

If attendance at a worksite cannot be uploaded due to connectivity constraints, the work itself may not be recognised within the system. When work is not digitally recorded, wages are not generated-not because labour was absent, but because proof of labour failed to materialise in the required format.

The consequence is a new accountability gap. Loss is experienced by workers, while responsibility dissolves into technical processes. What once appeared as denial or delay now appears as a neutral system outcome.

This matters politically because invisible exclusion is harder to contest. Without a recognised refusal or delay, workers are left without a clear claim against the state.

Under the MGNREGA, even large-scale exclusion appeared as a recognisable violation of a legal entitlement. The Union government itself has acknowledged that substantial numbers of workers were deleted from the programme in recent years. Whatever the reasons for these deletions, they were visible within the system as denials of employment or wages, and therefore open to challenge.

In practice, workers whose job cards were deleted or rendered inactive could contest these actions through administrative and legal processes precisely because the MGNREGA treated access to employment as a statutory right. Deletion did not extinguish the claim; it produced a dispute. Errors could be questioned, records corrected, and entitlements restored because exclusion registered as a breach rather than a precondition.

Under the VB-GRAMG, comparable exclusions are unlikely to take this form. When access to work depends on prior eligibility, notification, and procedural compliance, the absence of employment does not register as denial. Deletion or non-inclusion is absorbed into the design of the scheme itself, leaving little scope for exclusion to appear as a contestable violation.

Reframing of Responsibility

By making digital compliance a legal requirement, the VB-GRAMG reframes responsibility in subtle but consequential ways. Failure is no longer attributed to administrative weakness or state capacity; it is individualised as technological non-compliance.

This reframing aligns with a broader shift in governance, where technology is used not merely to deliver services, but to discipline access. The language of efficiency and transparency obscures the fact that technological systems distribute risk unevenly-penalising those who live farthest from infrastructure, connectivity, and administrative support.

> Access to work and wages becomes conditional not on demand or effort, but on successful navigation of digital systems that many workers cannot control.

The VB-GRAMG thus marks a departure from the original justification for digitisation under the MGNREGA. Technology no longer functions primarily as a tool to make the state visible to citizens. Instead, access to work and wages depends on whether citizens successfully pass through digital verification.

In this transition, transparency gives way to enforcement. Access to work and wages becomes conditional not on demand or effort, but on successful navigation of digital systems that many workers cannot control.

For those already on the margins-particularly in forested and Adivasi regions-technology does not merely mediate access to employment. It increasingly defines the boundary between inclusion and exclusion, while leaving the state formally insulated from claims of denial.

The VB-GRAMG reflects a broader shift in how policy critique is translated into institutional design. Longstanding concerns about corruption, inefficiency, and uneven state capacity are no longer treated as administrative problems to be addressed through oversight. Instead, they are reinterpreted as evidence that a demand-driven entitlement is itself unviable.

Architecture of Resolution

This translation is visible in the scheme's architecture. Claims of fiscal indiscipline underpin the move to normatively capped budgets. Concerns about inefficiency justify technology as a mandatory gatekeeper. And uneven administrative capacity is addressed through notified areas and centralised planning. Critique is thus resolved not through institutional repair, but increasingly through the narrowing of entitlement itself.

Although the VB-GRAMG retains the language of a "guarantee" and promises up to 125 days of work, these institutional arrangements-normative budgeting, work areas notification, technological compliance, 60 days lapse, and centralised control-actively constrain its realisation. Under the MGNREGA, gaps between a legal right and its realisation generated contestation and pressure for institutional repair through audits, grievance mechanisms, and mobilisation. The VB-GRAMG treats such friction as a design flaw.

In this new framework, "discretion" replaces demand and "compliance" replaces claim-making.

Conclusions

The replacement of the MGNREGA with the VB-GRAMG marks more than a change in programme design. It signals a significant shift in how the Indian state conceives of its obligation to provide social protection. Through fiscal ceilings, technological gatekeeping, and centralised planning, a demand-driven entitlement has been reconstituted as a discretionary provision, extended only within pre-defined institutional limits.

> The shift from entitlement to management, and from claim-making to compliance, marks a decisive reconfiguration of the relationship between rural workers and the state.

Whether this redesign produces a more efficient system or a more exclusionary one depends on whether we recognise the erosion of demand as a political choice rather than an administrative necessity. The shift from entitlement to management, and from claim-making to compliance, marks a decisive reconfiguration of the relationship between rural workers and the state. Its consequences will be felt most sharply where institutional capacity is weakest and dependence on public employment is greatest.

Rahul Mukkera Swaero and Chakradhar Buddha are researchers with LibTech India, a centre at CORD (Collaborative Research and Dissemination) that works on improving transparency and accountability in rural public service delivery.

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