

Viksit Bharat and the Unmaking of MGNREGA

Nancy Pathak, Centre for Financial Accountability

The Viksit Bharat Guarantee for Rozgar and Ajeevika Mission Gramin Bill 2025 is being projected as a bold reform that modernises rural employment and aligns it with the vision of Viksit Bharat 2047. In reality, it represents the final step in a long process of dismantling one of the most important rights based laws in India. By repealing MGNREGA and replacing it with a centrally controlled scheme, the Bill does not strengthen rural livelihoods, It dismantles the very idea that rural workers have a legal right to demand work from the State.

MGNREGA was never just a welfare programme. It was a law rooted in the Constitution, recognising the right to work as an extension of the right to life. For millions of landless workers, women, Dalits and Adivasis, it created a rare space where the poorest citizen could make a legal claim on the State, demand employment with dignity, and receive time bound wages close to home. It also acted as a floor for rural wages, a check on exploitation, and a critical buffer during droughts, agrarian crises and economic shocks such as the Covid pandemic. The proposed Bill dismantles this architecture piece by piece.

The most visible promise in the Bill is the increase in guaranteed employment from 100 to 125 days. This headline number is meant to signal expansion, but it conceals a deeper contraction. Under MGNREGA, employment was demand driven. If people needed work, the State was legally obliged, at least in theory, to provide it or pay an unemployment allowance. The new Bill replaces this with a system of state wise “normative allocations” determined by the Centre using parameters it alone defines. Once this ceiling is reached, states must either deny work or pay for it from their own overstretched budgets. In effect, the guarantee does not exist anymore is no longer a right. It becomes a rationed entitlement shaped by fiscal convenience rather than human need.

This shift is particularly dangerous in a country where rural distress is not static. Droughts, floods, price crashes and job losses do not follow budget calendars. MGNREGA was designed precisely to respond to such fluctuations. By breaking the link between demand and funding, the Bill protects the Union budget while exposing rural households to greater insecurity.

The financial architecture of the Bill further adds to the already weakened structure. Unlike MGNREGA, where the Centre bore the 90:10 of wages, the new scheme pushes most states(excluding northeastern states) into a 60:40 cost sharing arrangement. This is being imposed at a time when states are already facing severe fiscal stress and are owed thousands of crores in pending wages, material and administrative dues. For many states, especially those governed by non BJP parties, this amounts to an unfunded mandate that will inevitably result in fewer workdays, delayed payments, or both. It is an assault on federalism disguised as administrative reform.

Equally troubling is the provision allowing states to suspend employment for up to 60 days during peak agricultural seasons. This assumes that rural labour markets function fairly and that workers can freely negotiate wages. In reality, MGNREGA has long acted as a

counterweight to feudal power structures and employer collusion. Suspending public employment during agricultural seasons strips workers of bargaining power and pushes them back into conditions of distress and coercion, especially at a time of rising prices and stagnant rural wages.

The Bill also doubles down on a model of digital governance that has already proven deeply exclusionary. Mandatory biometric authentication, geo tagged attendance, automated fund flows and real time dashboards are presented as tools of transparency. On the ground, these systems have repeatedly failed workers. Aadhaar based payments, digital attendance apps and e KYC requirements have led to mass deletions and wage denials due to technical errors, poor connectivity and administrative opacity. Between 2022 and 2024, more than 8 crore workers were removed from MGNREGA rolls, largely due to Aadhaar related exclusions. In October-November of 2025, 27 lakh workers were deleted when e KYC was made mandatory. These were not fake workers. They were people who failed by machines. Rather than learning from these failures, the Bill institutionalises them. Technology becomes a tool of control and surveillance, while accountability quietly disappears. When wages are delayed or denied, there is no official at the counter, only a malfunctioning system.

The democratic spine of MGNREGA is also weakened. Social audits, once a statutory right shaped by workers and gram sabhas, are left to rules framed by the Centre. Reservation provisions for women and marginalised communities are diluted at the national level. Key decisions about funding, implementation and grievance redressal are centralised through broad rule making powers. What was once a decentralised, participatory law becomes an executive driven scheme governed from Delhi.

The Viksit Bharat Guarantee Bill speaks the language of development, but its consequences are regressive. It asks rural workers to trust a State that no longer trusts them with rights. It offers slogans instead of security, technology instead of justice, and control instead of care. This is not the future of a developed India. It is the quiet abandonment of those who built it.